

**GridLiance High Plains LLC**

**Open Access Transmission Tariff**

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**TABLE OF CONTENTS**

I.	COMMON SERVICE PROVISIONS
1	Definitions
2	Initial Allocation and Renewal Procedures
2.1	Initial Allocation of Available Transfer Capability
2.2	Reservation Priority For Existing Firm Service Customers
3	Ancillary Services
4	Open Access Same-Time Information System (OASIS)
5	[RESERVED]
6	Reciprocity
7	Billing and Payment
7.1	Billing Procedure
7.2	Interest on Unpaid Balances
7.3	Customer Default
8	Accounting for the Transmission Provider's Use of the Tariff
8.1	Transmission Revenues
8.2	Study Costs and Revenues
9	Regulatory Filings
10	Force Majeure and Indemnification
10.1	Force Majeure
10.2	Indemnification
11	Creditworthiness
12	Dispute Resolution Procedures
12.1	Internal Dispute Resolution Procedures
12.2	External Arbitration Procedures
12.3	Arbitration Decisions
12.4	Costs
12.5	Rights Under the Federal Power Act
II.	POINT-TO-POINT TRANSMISSION SERVICE
13	Nature of Firm Point-to-Point Transmission Service
13.1	Term

- 13.2 Reservation Priority
  - 13.3 Use of Firm Transmission Service by the Transmission Provider
  - 13.4 Service Agreements
  - 13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs
  - 13.6 Curtailment of Firm Transmission Service
  - 13.7 Classification of Firm Transmission Service
  - 13.8 Scheduling of Firm Point-to-Point Transmission Service
- 14 Nature of Non-Firm Point-to-Point Transmission Service
  - 14.1 Term
  - 14.2 Reservation Priority
  - 14.3 Use of Non-Firm Point-to-Point Transmission Service by the Transmission Provider
  - 14.4 Service Agreements
  - 14.5 Classification of Non-Firm Point-to-Point Transmission Service
  - 14.6 Scheduling of Non-Firm Point-to-Point Transmission Service
  - 14.7 Curtailment or Interruption of Service
- 15 Service Availability
  - 15.1 General Conditions
  - 15.2 Determination of Available Transfer Capability
  - 15.3 Initiating Service in the Absence of an Executed Service Agreement
  - 15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch, or Conditional Curtailment
  - 15.5 Deferral of Service
  - 15.6 Other Transmission Service Schedules
  - 15.7 Real Power Losses
- 16 Transmission Customer Responsibilities
  - 16.1 Conditions Required of Transmission Customers
  - 16.2 Transmission Customer Responsibility for Third-Party Arrangements
- 17 Procedures for Arranging Firm Point-to-Point Transmission Service
  - 17.1 Application
  - 17.2 Completed Application
  - 17.3 Deposit
  - 17.4 Notice of Deficient Application
  - 17.5 Response to a Completed Application
  - 17.6 Execution of Service Agreement
  - 17.7 Extensions for Commencement of Service
- 18 Procedures for Arranging Non-Firm Point-to-Point Transmission Service
  - 18.1 Application
  - 18.2 Completed Application

- 18.3 Reservation of Non-Firm Point-to-Point Transmission Service
- 18.4 Determination of Available Transfer Capability
- 19 Additional Study Procedures For Firm Point-to-Point Transmission Service Requests
  - 19.1 Notice of Need for System Impact Study
  - 19.2 System Impact Study Agreement and Cost Reimbursement
  - 19.3 System Impact Study Procedures
  - 19.4 Facilities Study Procedures
  - 19.5 Facilities Study Modifications
  - 19.6 Due Diligence in Completing New Facilities
  - 19.7 Partial Interim Service
  - 19.8 Expedited Procedures for New Facilities
  - 19.9 Penalties for Failure to Meet Study Deadlines
- 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
  - 20.2 Alternatives to the Original Facility Additions
  - 20.3 Refund Obligation for Unfinished Facility Additions
- 21 Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities
  - 21.1 Responsibility for Third-Party System Additions
  - 21.2 Coordination of Third-Party System Additions
- 22 Changes in Service Specifications
  - 22.1 Modifications On a Non-Firm Basis
  - 22.2 Modification on a Firm Basis
- 23 Sale or Assignment of Transmission Service
  - 23.1 Procedures for Assignment or Transfer of Service
  - 23.2 Limitations on Assignment or Transfer of Service
  - 23.3 Information on Assignment or Transfer of Service
- 24 Metering and Power Factor Correction at Receipt and Delivery Points(s)
  - 24.1 Transmission Customer Obligations
  - 24.2 Transmission Provider Access to Metering Data
  - 24.3 Power Factor
- 25 Compensation for Transmission Service
- 26 Stranded Cost Recovery
- 27 Compensation for New Facilities and Redispatch Costs

### III. NETWORK INTEGRATION TRANSMISSION SERVICE

- 28 Nature of Network Integration Transmission Service
  - 28.1 Scope of Service
  - 28.2 Transmission Provider Responsibilities
  - 28.3 Network Integration Transmission Service
  - 28.4 Secondary Service
  - 28.5 Real Power Losses
  - 28.6 Restrictions on Use of Service
- 29 Initiating Service
  - 29.1 Condition Precedent for Receiving Service
  - 29.2 Application Procedures
  - 29.3 Technical Arrangements to be Completed Prior to Commencement of Service
  - 29.4 Network Customer Facilities
  - 29.5 Filing of Service Agreement
- 30 Network Resources
  - 30.1 Designation of Network Resources
  - 30.2 Designation of New Network Resources
  - 30.3 Termination of Network Resources
  - 30.4 Operation of Network Resources
  - 30.5 Network Customer Redispatch Obligation
  - 30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider
  - 30.7 Limitation on Designation of Network Resources
  - 30.8 Use of Interface Capacity by the Network Customer
  - 30.9 Network Customer Owned Transmission Facilities
- 31 Designation of Network Load
  - 31.1 Network Load
  - 31.2 New Network Loads Connected with the Transmission Provider
  - 31.3 Network Load Not Physically Interconnected with the Transmission Provider
  - 31.4 New Interconnection Points
  - 31.5 Changes in Service Requests
  - 31.6 Annual Load and Resource Information Updates
- 32 Additional Study Procedures For Network Integration Transmission Service Requests
  - 32.1 Notice of Need for System Impact Study
  - 32.2 System Impact Study Agreement and Cost Reimbursement
  - 32.3 System Impact Study Procedures
  - 32.4 Facilities Study Procedures
  - 32.5 Penalties for Failure to Meet Study Deadlines

- 33 Load Shedding and Curtailments
  - 33.1 Procedures
  - 33.2 Transmission Constraints
  - 33.3 Cost Responsibility for Relieving Transmission Constraints
  - 33.4 Curtailments of Scheduled Deliveries
  - 33.5 Allocation of Curtailments
  - 33.6 Load Shedding
  - 33.7 System Reliability
- 34 Rates and Charges
  - 34.1 Monthly Demand Charge
  - 34.2 Determination of Network Customer's Monthly Network Load
  - 34.3 Determination of Transmission Provider's Monthly Transmission System Load
  - 34.4 Redispatch Charge
  - 34.5 Stranded Cost Recovery
- 35 Operating Arrangements
  - 35.1 Operation under the Network Operating Agreement
  - 35.2 Network Operating Agreement
  - 35.3 Network Operating Committee

**SCHEDULE 1 [RESERVED]**

**SCHEDULE 2 [RESERVED]**

**SCHEDULE 3 [RESERVED]**

**SCHEDULE 3A [RESERVED]**

**SCHEDULE 4 [RESERVED]**

**SCHEDULE 5 [RESERVED]**

**SCHEDULE 6 [RESERVED]**

**SCHEDULE 7 Long-Term Firm and Short-Term Firm Point-to-Point  
Transmission Service**

**SCHEDULE 8 Non-Firm Point-to-Point Transmission Service**

**SCHEDULE 9 [RESERVED]**

**ATTACHMENT A Form of Service Agreement for Firm Point-to-Point  
Transmission Service**

**ATTACHMENT A-1 Form of Service Agreement for the Resale,  
Reassignment or Transfer of Firm Point-to-Point Transmission  
Service**

**ATTACHMENT B Form of Service Agreement for Non-Firm Point-to-Point  
Transmission Service**

**ATTACHMENT C Methodology to Assess Available Transfer Capacity**

**ATTACHMENT D Methodology for Completing a System Impact Study**

**ATTACHMENT E Index of Point-to-Point Transmission Service  
Customers**

**ATTACHMENT F Service Agreement for Network Integration  
Transmission Service**

**ATTACHMENT G Network Operating Agreement**

**ATTACHMENT H Annual Transmission Revenue Requirement for  
Network Integration Transmission Service**

**ATTACHMENT I Index of Network Integration Transmission Service Customers**

**ATTACHMENT J [RESERVED FOR FUTURE USE]**

**ATTACHMENT K Local Planning Process**

**ATTACHMENT L Creditworthiness Procedures**

**ATTACHMENT M Large Generator Interconnection Procedures**

**ATTACHMENT N Large Generator Interconnection Agreement**

**ATTACHMENT O Small Generator Interconnection Procedures**

**ATTACHMENT P Small Generator Interconnection Agreement**

**ATTACHMENT Q Formula Rate**

## **I. COMMON SERVICE PROVISIONS**

### **1 Definitions**

**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.

**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.

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

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

**Business Day:** A day on which the Federal Reserve System is open for business.

**Calendar Day:** Any day including Saturday and Sunday.

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

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

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

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

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

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

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



**Direct Assignment Facilities:** Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

**Effective Date:** The Effective Date of this Tariff is the date specified in the Commission order approving the Tariff.

**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.

**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.

**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.

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

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

**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.

**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.

**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.

**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.

**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.

**Network Integration Transmission Service:** The transmission service provided under Part III of the Tariff.

**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.

**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.

**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.

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

**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.

**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.

**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.

**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.

**Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

**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.

**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.

**Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.

**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.

**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.

**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.

**Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

**Pre-Confirmed Application:** An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

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

**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.

**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.

**Revenue Requirement and Rates File (RRR File):** A file posted on Transmission Provider's OASIS as a reference to: (i) the Transmission Provider's Annual Transmission Revenue Requirement, as referenced in Attachment H to this Tariff; and (ii) the rates for Point-to-Point Transmission Service, as referenced in Schedules 7 and 8 of this Tariff. The Transmission Provider shall update the RRR File promptly after a change has been made to the revenue requirement or rates and shall provide notice of the update on its OASIS.

**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, including agreements for Wholesale Distribution Service.

**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.

**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.

**SPP:** The Southwest Power Pool, Inc.

**SPP Tariff:** The SPP Open Access Transmission Tariff, as on file with the Commission and in effect from time to time.

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

**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 or (ii)

whether any additional costs may be incurred in order to provide transmission service or generation interconnection.

**Tariff:** This Open Access Transmission Tariff, as on file with the Commission and in effect from time to time.

**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.

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

**Transmission Provider:** GridLiance High Plains LLC is the public utility that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

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

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

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

**Wholesale Distribution Service:** The provision of service over the Transmission Provider's Transmission System necessary to effectuate Network Integration Transmission Service prior to the Effective Date of this Tariff. Transmission Customers taking Network Integration Transmission Service pursuant to a Service Agreement for Wholesale Distribution Service are treated identical to Network Customers and are listed in Attachment I.

## **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) Calendar 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) Calendar Day period shall be assigned a priority pursuant to Section 13.2.

### **2.2 Reservation Priority For Existing Firm Service Customers:**

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more) have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to the Effective Date of this Tariff or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after the Effective Date; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of the Effective Date.

## **3 Ancillary Services**

Ancillary Services are needed with all transmission service provided under this Tariff. The Transmission Provider does not supply Ancillary Services due to the nature of its system, and the Eligible Customer must self-provide or otherwise obtain any necessary Ancillary Services from a third party that meet the requirements specified in the SPP Tariff. Because most service under this Tariff would involve delivery to or from SPP, SPP's Tariff will also be available for such services.

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

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

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

#### **5 [RESERVED]**

#### **6 Reciprocity**

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

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller,

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

## **7 Billing and Payment**

### **7.1 Billing Procedure:**

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

### **7.2 Interest on Unpaid Balances:**

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

### **7.3 Customer Default:**

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) Calendar Days after the Transmission Provider notifies the Transmission Customer to cure such failure, via any normal means of business communication, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) Calendar Days, in accordance with Commission policy.

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

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



## **8.1 Transmission Revenues**

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

## **8.2 Study Costs and Revenues:**

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

## **9 Regulatory Filings**

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under applicable law, including Section 205 of the Federal Power Act, and pursuant to the Commission's rules and regulations promulgated thereunder.

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

## **10 Force Majeure and Indemnification**

### **10.1 Force Majeure:**

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

### **10.2 Indemnification:**

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all

other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

## **11 Creditworthiness:**

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. 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 established by the Uniform Commercial Code that protects the Transmission Provider against the risk of non-payment. The Transmission Provider specifies its Creditworthiness procedures in Attachment L.

## **12 Dispute Resolution Procedures**

### **12.1 Internal Dispute Resolution Procedures:**

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) Calendar 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) Calendar Days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel, except that if more than two Parties are involved, the Parties shall agree on procedures to choose these two arbitrators. If the Parties are unable to agree, then the American Arbitration Association shall be asked to appoint the arbitrator(s) who must be knowledgeable in matters involving the electric power industry. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally

conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

### **12.3 Arbitration Decisions:**

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

### **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 or Parties to sit on the three-member panel and its equal share of the cost of the third arbitrator chosen; or
- (b) its equal share of the cost of the single arbitrator jointly chosen by the Parties.

### **12.5 Rights Under the Federal Power Act:**

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

## **II. POINT-TO-POINT TRANSMISSION SERVICE**

### **Preamble**

The Transmission Provider will provide Firm and Non-Firm Point-to-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-to-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

### **13 Nature of Firm Point-to-Point Transmission Service**

#### **13.1 Term:**

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

#### **13.2 Reservation Priority:**

(a) 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.

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

(c) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-to-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-to-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price, and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

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

### **13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:**

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

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

### **13.6 Curtailment of Firm Transmission Service:**

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such System and the systems directly and indirectly interconnected with the Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. The Transmission Provider's Transmission System does not experience parallel flows, but Transmission Provider may elect to develop Transmission Loading Relief procedures and implement such Curtailments pursuant to those procedures if needed in the future. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis; however, Non-Firm Point-to-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of the 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:**

(i) 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.



(ii) 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.

(iii) 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. 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, the Transmission Customer shall pay the following penalty (in addition to the applicable charges for all of the firm capacity actually used): 100% of the Firm Point-to-Point Transmission Service charges under Schedule 7 for the period for which the unreserved service was actually used. The charges for the unreserved service shall be based upon the duration of the period when the unreserved capacity was used. For example, one hour shall be billed at the charge for weekday deliveries, repeated daily use of unreserved capacity within a seven day period shall increase the duration of the period to a weekly duration and multiple instances of unreserved use during more than one seven day period during a calendar month shall increase the duration of the period to a monthly duration.

### **13.8 Scheduling of Firm Point-to-Point Transmission Service:**

Schedules for the Transmission Customer's Firm Point-to-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. Central Time of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. Central Time 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. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000

kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next 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 first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer-term request before being preempted. A longer term competing request for Non-Firm Point-to-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-to-Point Transmission Service after notification by the Transmission Provider; and (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-to-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service. Non-Firm Point-to-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.



#### **14.3 Use of Non-Firm Point-to-Point Transmission Service by the Transmission Provider:**

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after the Effective Date of the Tariff 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. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

#### **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 the 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 Customer will be billed for its Reserved Capacity under the terms of Schedule 8. In the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation, the Transmission Customer shall pay the following penalty (in addition to the charges for all of the non-firm capacity used): 100% of the Non-Firm Point-to-Point Transmission Service charges under Schedule 8 for the duration of the period when the additional service was used as specified below not to exceed one month for the amount in excess of such capacity reservation. An excess of one hour or less shall be billed at the charge for weekday deliveries, repeated daily use of unreserved capacity within a seven-day period shall increase the duration of the period to a weekly duration and multiple instances of unreserved use during more than one seven-day period during a calendar month shall increase the duration of the period to a monthly duration. Non-Firm Point-to-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

#### **14.6 Scheduling of Non-Firm Point-to-Point Transmission Service:**

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. Central Time of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. Central Time will

be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen-minute schedules) schedules of energy that are to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next 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 or the systems directly or indirectly interconnected with the Transmission Provider's Transmission System. The Transmission Provider's Transmission System does not experience parallel flows, but Transmission Provider may elect to develop Transmission Loading Relief procedures and implement such Curtailments pursuant to those procedures if needed in the future. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-to-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-to-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-to-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint; however, Non-Firm Point-to-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service under the Tariff. Non-Firm Point-to-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any other 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, the Transmission Provider shall file with the Commission, within thirty (30) Calendar Days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-to-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

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

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

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third-party resource.
- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

#### **15.5 Deferral of Service:**

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

#### **15.6 Other Transmission Service Schedules:**

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

#### **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 Provider will not hold the Transmission Customer responsible for replacing losses associated with transmission service; however, the Transmission Customer will be responsible for any loss repayment or financial settlement of losses.

## **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:

- (i) The Transmission Customer has pending a Completed Application for service;
- (ii) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (iii) The Transmission Customer will have arrangements in place for any other transmission service necessary to affect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
- (iv) 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;
- (v) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and
- (vi) 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: South Central MCN LLC, Attn: Transmission, 201 E. John Carpenter Freeway, Suite 900, Irving, TX 75062, at least sixty (60) Calendar Days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-to-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required

information to the Transmission Provider by telefax, or (ii) providing the information electronically by email. 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:

- (a) The identity, address, telephone number and facsimile number of the entity requesting service;
- (b) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (c) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (d) 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, by law or by statute, 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 any applicable standards of conduct contained in Part 37 of the Commission's regulations;
- (e) A description of the supply characteristics of the capacity and energy to be delivered;
- (f) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (g) The Service Commencement Date and the term of the requested Transmission Service;
- (h) 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;
- (i) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and
- (j) Any additional information required by the Transmission Provider's planning process established in Attachment K.

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



### **17.3 Deposit:**

A Completed Application for Firm Point-to-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposal (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-to-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-to-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-to-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

### **17.4 Notice of Deficient Application:**

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) Calendar Days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

### **17.5 Response to a Completed Application:**

Following receipt of a Completed Application for Firm Point-to-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) Calendar 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) Calendar Days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) Calendar 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, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within fifteen (15) Calendar Days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) Calendar Days, the original Transmission Customer agrees to pay the Firm Point-to-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

### **18 Procedures for Arranging Non-Firm Point-to-Point Transmission Service**

#### **18.1 Application:**

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



- (a) The identity, address, telephone number and facsimile number of the entity requesting service;
- (b) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (c) The Point(s) of Receipt and the Point(s) of Delivery;
- (d) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (e) 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:

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

The Transmission Provider will treat this information in (f) and (g) 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, by law or statute, 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 any applicable standards of conduct contained in Part 37 of the Commission's regulations.

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

### **18.3 Reservation of Non-Firm Point-to-Point Transmission Service:**

Requests for monthly service shall be submitted no earlier than sixty (60) Calendar Days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) Calendar Days before service is to commence, requests for daily service shall be submitted no earlier than two (2) Calendar Days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service received later than 2:00 p.m. Central Time 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) Calendar Days for monthly service.

## **19 Additional Study Procedures For Firm Point-to-Point Transmission Service Requests**

### **19.1 Notice of Need for System Impact Study:**

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) Calendar Days of receipt of a Completed Application tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) Calendar Days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

### **19.2 System Impact Study Agreement and Cost Reimbursement:**

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

(b) 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.

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

### **19.3 System Impact Study Procedures:**

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer), including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by an Eligible Customer), including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use 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) Calendar Days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

### **19.4 Facilities Study Procedures:**

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) Calendar Days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) Calendar Days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the

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

#### **19.5 Facilities Study Modifications:**

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

#### **19.6 Due Diligence in Completing New Facilities:**

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

#### **19.7 Partial Interim Service:**

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

#### **19.8 Expedited Procedures for New Facilities:**

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time,

together with the results of required studies, an “Expedited Service Agreement” pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) Calendar Days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) Calendar Days of its receipt or the Eligible Customer’s request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

### **19.9 Penalties for Failure to Meet Study Deadlines:**

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet sixty (60)-Calendar Day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates’ System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-Calendar Day study completion deadlines. Such notice must be filed within thirty (30) Calendar Days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of non-Affiliates’ System Impact Studies and Facilities Studies processed outside of the 60-Calendar Day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-Calendar Day study completion deadlines.
- (iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates’ System Impact Studies and Facilities Studies outside of the 60-Calendar Day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider’s notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates’ System Impact Studies and Facilities Studies within the 60-Calendar Day deadline.



(iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-Calendar Day deadline.

## **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) Calendar 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 or it may refer the dispute to the Commission for resolution.

### **20.3 Refund Obligation for Unfinished Facility Additions:**

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-to-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations § 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

## **21 Provisions Relating to Transmission Construction and Services on the 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) Calendar Days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 or it may refer the dispute to the Commission for resolution.

## **22 Changes in Service Specifications**

### **22.1 Modifications On a Non-Firm Basis:**

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

- (a) 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 between the Reseller and the Assignee.
- (b) The Assignee must execute a service agreement with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.



## **23.2 Limitations on Assignment or Transfer of Service:**

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

## **23.3 Information on Assignment or Transfer of Service:**

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

## **24 Metering and Power Factor Correction at Receipt and Delivery Points(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. Unless otherwise specified in an agreement for the construction of facilities, such equipment installed on the Transmission Customer's system shall remain the property of the Transmission Customer.

### **24.2 Transmission Provider Access to Metering Data:**

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

### **24.3 Power Factor:**

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

## **25 Compensation for Transmission Service**

Rates for Firm and Non-Firm Point-to-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-to-Point Transmission Service (Schedule 7); and Non-Firm Point-to-Point Transmission Service (Schedule 8). The Transmission

Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

## **26 Stranded Cost Recovery**

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in Commission Order No. 888. However, the Transmission Provider must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

## **27 Compensation for New Facilities and Redispatch Costs**

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-to-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.

### **III. NETWORK INTEGRATION TRANSMISSION SERVICE**

#### **Preamble**

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to that in which the Transmission Provider utilizes its Transmission System to serve its Native Load Customers. Network Integration Transmission Service also may be used by the Network Customer to deliver economy energy purchases to its Network Load from non-designated resources on an as-available basis without additional charge. Transmission service for sales to non-designated loads will be provided pursuant to the applicable terms and conditions of Part II of the Tariff.

#### **28 Nature of Network Integration Transmission Service**

##### **28.1 Scope of Service:**

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services.

##### **28.2 Transmission Provider Responsibilities:**

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

##### **28.3 Network Integration Transmission Service:**

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

#### **28.4 Secondary Service:**

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

#### **28.5 Real Power Losses:**

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Provider will not hold the Transmission Customer responsible for replacing losses associated with transmission service; however, the Transmission Customer will be responsible for any loss repayment or financial settlement of losses.

#### **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. 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 its Network Load, it shall pay the penalty set forth in Section 13.7 for the amount of the service used to facilitate the wholesale sale.

### **29 Initiating Service**

#### **29.1 Condition Precedent for Receiving Service:**

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

## 29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information electronically by email. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20, including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;
- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the ten (10) year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and ten-year projection). For each on-system Network Resource, such description shall include:
  - Unit size and amount of capacity from that unit to be designated as Network Resource
  - VAR capability (both leading and lagging) of all generators
  - Operating restrictions
    - Any periods of restricted operations throughout the year
    - Maintenance schedules

- Minimum loading level of unit
- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWh) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;

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

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

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

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

- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;
- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the Network Resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third-party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and
- (ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) Calendar 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) Calendar 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.

### **29.5 Filing of Service Agreement:**

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

## **30 Network Resources**

### **30.1 Designation of Network Resources:**

Network Resources shall include all generation owned, purchased, or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third-party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

### **30.2 Designation of New Network Resources:**

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

### **30.3 Termination of Network Resources:**

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network

Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) 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 Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. 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, it shall pay the penalty set

forth in Section 13.7 for the amount of the service exceeding the Network Resource's designated capacity.

### **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 May 14, 2007, 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

set forth in the RRR File, as referenced in Attachment H to this Tariff. 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. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

#### **31.3 Network Load Not Physically Interconnected with the Transmission Provider:**

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-to-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section, the request must be made through a modification of service pursuant to a new Application.

#### **31.4 New Interconnection Points:**

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

#### **31.5 Changes in Service Requests:**

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (e.g., the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed

by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

### **31.6 Annual Load and Resource Information Updates:**

The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff including, but not limited to, any information provided under Section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment K. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

## **32 Additional Study Procedures For Network Integration Transmission Service Requests**

### **32.1 Notice of Need for System Impact Study:**

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) Calendar Days of receipt of a Completed Application tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) Calendar Days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

### **32.2 System Impact Study Agreement and Cost Reimbursement:**

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

(b) 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 Customer.

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

### **32.3 System Impact Study Procedures:**

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) Calendar Days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

### **32.4 Facilities Study Procedures:**

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) Calendar Days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) Calendar Days. If the Eligible Customer elects

not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) Calendar Days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

### **32.5 Penalties for Failure to Meet Study Deadlines:**

Section 19.9 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements and penalties apply to service under Part III of the Tariff

## **33 Load Shedding and Curtailments**

### **33.1 Procedures:**

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

### **33.2 Transmission Constraints:**

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Providers' Transmission 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 Transmission 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. In the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures or to cease or reduce service in response to a directive by the Transmission Provider, the Network Customer shall pay any applicable charges and the following penalty (in addition to the charges for all of the service used): for the applicable month, 100% of the Network Integration Transmission Service charge. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive.

### **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 set forth in the RRR File, as referenced in Attachment H to this Tariff.

#### **34.2 Determination of Network Customer's Monthly Network Load:**

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

#### **34.3 Determination of Transmission Provider's Monthly Transmission System Load**

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

#### **34.4 Redispatch Charge:**

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

### **34.5 Stranded Cost Recovery:**

The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in Commission Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

## **35 Operating Arrangements**

### **35.1 Operation under the Network Operating Agreement:**

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

### **35.2 Network Operating Agreement:**

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

### **35.3 Network Operating Committee:**

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

**SCHEDULE 1**  
**[Reserved]**

**SCHEDULE 2**  
**[Reserved]**

**SCHEDULE 3**  
**[Reserved]**

**SCHEDULE 3A**  
**[Reserved]**



**SCHEDULE 4**  
**[Reserved]**

**SCHEDULE 5**  
**[Reserved]**

**SCHEDULE 6**  
**[Reserved]**

## 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 the RRR File. The rates are calculated using the Transmission Provider's Annual Transmission Revenue Requirement, which, as referenced in Attachment H, is calculated pursuant to the Transmission Provider's formula rate shown in Attachment Q to this Tariff, and are further described below:

- 1) **Yearly delivery:** one-twelfth of the rate per kW of Reserved Capacity per year.
- 2) **Monthly delivery:** rate per kW of Reserved Capacity per month.
- 3) **Weekly delivery:** rate per kW of Reserved Capacity per week.
- 4) **Daily delivery:** rate per kW of Reserved Capacity per day.

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

- 5) **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 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 OASIS, and (3) once a discount is negotiated, details must be immediately posted on 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) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

## SCHEDULE 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 in the RRR File. The rates are calculated using the Transmission Provider's Annual Transmission Revenue Requirement, which, as referenced in Attachment H, is calculated pursuant to the Transmission Provider's formula rate shown in Attachment Q to this Tariff, and are further described below:

- 1) **Monthly delivery:** rate per kW of Reserved Capacity per month.
- 2) **Weekly delivery:** rate per per kW of Reserved Capacity per week.
- 3) **Daily delivery:** rate per kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

- 4) **Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed the rate specified for Hourly delivery. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.
- 5) **Discounts:** 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 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 OASIS, and (3) once a discount is negotiated, details must be immediately posted on 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) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

**SCHEDULE 9**  
**[Reserved]**

**ATTACHMENT A**  
**Form of Service Agreement for**  
**Firm Point-to-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between GridLiance High Plains LLC (the Transmission Provider), and \_\_\_\_\_ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by The Transmission Provider to have a Completed Application for Firm Point-to-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on such date as mutually agreed upon by the Transmission Provider and the Transmission Customer.
- 5.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 6.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-to-Point Transmission Service in accordance with the provisions of Parts I and II of the Tariff and this Service Agreement.
- 7.0 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.

GridLiance                                      High                                      Plains                                      LLC:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Transmission Customer: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- 8.0 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 officials.

**GridLiance High Plains LLC:**

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

Name	Title	Date
------	-------	------

**Transmission Customer:**

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

Name	Title	Date
------	-------	------

## **Specifications for Long-Term Firm Point-to-Point Transmission Service**

- 1.0 Term of Transaction: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.  
\_\_\_\_\_
- 3.0 Point(s) of Receipt: \_\_\_\_\_  
Delivering Party: \_\_\_\_\_
- 4.0 Point(s) of Delivery: \_\_\_\_\_  
Receiving Party: \_\_\_\_\_
- 5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): \_\_\_\_\_
- 6.0 Designation of party(ies) subject to reciprocal service obligation:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 7.0 Name(s) of any Intervening Systems providing transmission service:  
\_\_\_\_\_  
\_\_\_\_\_
- 8.0 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.)
- 8.1 Transmission Charge: \_\_\_\_\_  
\_\_\_\_\_
- 8.2 System Impact and/or Facilities Study Charge(s):  
\_\_\_\_\_  
\_\_\_\_\_
- 8.3 Direct Assignment Facilities Charge: \_\_\_\_\_
- 8.4 Ancillary Services Charges: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Form of Service Agreement for The Resale, Reassignment or Transfer of Point-to-Point Transmission Service

- GridLiance                      High                      Plains                      LLC:

6.0 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 officials.

**GridLiance High PlainsLLC:**

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

**Assignee:**

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

Specifications for The Resale, Reassignment or Transfer of  
**Long-Term Firm Point-to-Point Transmission Service**

- 1.0 Term of Transaction: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.  
\_\_\_\_\_
- 3.0 Point(s) of Receipt: \_\_\_\_\_  
Delivering Party: \_\_\_\_\_
- 4.0 Point(s) of Delivery: \_\_\_\_\_  
Receiving Party: \_\_\_\_\_
- 5.0 Maximum amount of reassigned capacity: \_\_\_\_\_
- 6.0 Designation of party(ies) subject to reciprocal service obligation:  
\_\_\_\_\_  
\_\_\_\_\_
- 7.0 Name(s) of any Intervening Systems providing transmission service:  
\_\_\_\_\_  
\_\_\_\_\_
- 8.0 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.)
- 8.1 Transmission Charge: \_\_\_\_\_  
\_\_\_\_\_
- 8.2 System Impact and/or Facilities Study Charge(s):  
\_\_\_\_\_  
\_\_\_\_\_
- 8.3 Direct Assignment Facilities Charge: \_\_\_\_\_
- 8.4 Ancillary Services Charges: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 9.0 Name of Reseller of the reassigned transmission capacity:  
\_\_\_\_\_

**ATTACHMENT B**  
**Form of Service Agreement for Non-Firm Point-to-Point  
Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between GridLiance High Plains LLC (the Transmission Provider), and \_\_\_\_\_, (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-to-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-to-Point Transmission Service in accordance with the provisions of Parts I and II of the Tariff and this Service Agreement.
- 6.0 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.

GridLiance High Plains LLC:

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

Transmission Customer:

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

- 7.0 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 officials.

**GridLiance High Plains LLC:**

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

**Transmission Customer:**

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

## **ATTACHMENT C**

### **Methodology to Assess Available Transfer Capability**

This Attachment C contains the Transmission Provider's methodology for determining Available Transfer Capability (ATC). Transmission Provider will respond to a valid application for Transmission Service by performing studies, when necessary, that assess whether sufficient transmission transfer capability is available to accommodate the application. The amount of transmission transfer capability available will generally be computed on a point-to-point basis in the direction of the requested transfer on the Transmission Provider's system. The assessment of transmission transfer capability available will take into account Transmission Provider's reliability requirements to serve its prior contractual commitments, previously submitted applications for Transmission Service requests that are currently active under this Tariff, and previously executed service agreements for Transmission Service that are in effect.

The Firm and Non-Firm transmission services provided under this Tariff will be made available up to the facility rating of the most limiting element of the Transmission Provider's system. This ATC methodology is based on the North American Electric Reliability Corporation's (NERC) Reliability Standard MOD-001-1a and MOD-029-2a.

#### **1. Definitions**

The following terms have the same meaning as set forth in the NERC Glossary of Terms Used in Reliability Standards:

##### **1.1. Available Transfer Capability (ATC)**

##### **1.2. Capacity Benefit Margin (CBM)**

##### **1.3. Existing Transmission Commitments (ETC)**

##### **1.4. Total Transfer Capability (TTC)**

##### **1.5. Transmission Reliability Margin (TRM)**

Additionally, the following terms used in this Attachment C are defined as follows:

**1.6. Counterflows** - The scheduled energy values of transactions utilizing a Firm Transmission Service on the path in opposite direction for which an ATC is being calculated, *i.e.*, for the purposes of ATC calculations, Counterflows are firm counter-schedules.

**1.7. Firm Existing Transmission Commitments (ETC<sub>F</sub>)** - The sum of firm transmission capacity set aside to satisfy all existing commitments for firm transmission service.

**1.8. Non-Firm Existing Transmission Commitments (ETC<sub>NF</sub>)** - The sum of non-firm transmission capacity set aside to meet all existing commitments for non-firm transmission service.

**1.9. Postbacks** - Positive adjustments to the ATC calculation. A Postback is the confirmed firm transmission reservation that has been redirected to another transmission path for the period of time that the redirection is effective. Postbacks for



the non-firm ATC calculation also include any non-scheduled portion of a firm transmission service reservation on the associated path.

**1.10. Transmission Service Request (TSR)** - A valid request for transmission service submitted pursuant to Transmission Provider's Open Access Transmission Tariff.

All other capitalized terms are as defined in this Tariff.

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

### **2.1. ATC Calculation**

The Transmission Provider uses a rated system path methodology in the assessment of firm and non-firm ATC for all paths. The basic mathematical algorithms for firm and non-firm ATC are:

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

$$ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM - TRM + Postbacks_{NF} + Counterflows_{NF}$$

Once a valid TSR is received, a study will be conducted using the Transmission Provider models to determine ATC. The study results will be reviewed to determine whether the TSR, in conjunction with existing transmission service will create overloaded equipment conditions, voltage outside the applicable limit, or loading above the applicable thermal limits.

- (a) When performing the technical studies to determine the ATC, the Transmission Provider will use power flow simulation software to model the transmission system.
- (b) The Transmission Provider will use Good Utility Practice and the engineering and operating principles, standards, guidelines and criteria set forth in its FERC Form 715 filing and applicable NERC Reliability Standards.
- (c) Principal items used to determine maximum transfer capability available shall include reliability, transmission element loading, system contingency performance, voltage levels, and stability.

If the transfer capability available exceeds the amount of the TSR, the Eligible Customer will be notified. If the transfer capability available is less than the TSR, the Eligible Customer requesting service will be notified of the amount available and the cause of the limitation.

Counterflows of parties other than the requestor will be studied both included at full value, and again at zero (0).

### **2.2. Frequency of the ATC Calculation/Recalculation**

When any of the variables in the ATC equations change, the ATC values will be recalculated.

## **3. Detailed Description of How Each ATC Component is Calculated**

### **3.1 Total Transfer Capability (TTC)**

TTC is determined using the Transmission Provider's Facility Ratings Methodology for each system element and will be included in the Transmission Provider models.

### **3.2 Firm and Non-Firm Existing Transmission Commitments (ETC<sub>F</sub> and ETC<sub>NF</sub>)**

#### **3.2.1 Firm Existing Transmission Commitments (ETC<sub>F</sub>)**

The following algorithm will be used when calculating ETC<sub>F</sub>:

$$ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F$$

Where:

- NL<sub>F</sub> is the firm capacity set aside to serve peak Native Load commitments for the time period being calculated, to include losses and Native Load growth, not otherwise included in TRM or CBM. Transmission Provider does not have Native Load, thus NL<sub>F</sub> is zero (0).
- NITS<sub>F</sub> is the firm capacity reserved for the Network Integration Transmission Service serving Load, to include losses and load growth, not otherwise included in TRM or CBM.
- GF<sub>F</sub> is the firm capacity set aside for the grandfathered firm transmission service and contracts for energy and/or Transmission Service, executed prior to the effective date of a Transmission Service Provider's Open Access Transmission Tariff.
- PTP<sub>F</sub> is the firm capacity reserved for confirmed Point-To-Point Transmission Service.
- ROR<sub>F</sub> is the firm capacity reserved for Roll-over rights for contracts granting Transmission Customers the right of first refusal to take or continue to take transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.
- OS<sub>F</sub> is the firm capacity reserved for any other service(s), contract(s) or agreements not specified above using Firm Transmission Service.

#### **3.2.2 Non-Firm Existing Transmission Commitments (ETC<sub>NF</sub>)**

The following algorithm will be used when calculating ETC<sub>NF</sub>:

$$ETC_{NF} = NITS_{NF} + GF_{NF} + PTP_{NF} + OS_{NF}$$

Where:

- NITS<sub>NF</sub> is the non-firm capacity reserved for Network Integration Transmission Service (i.e. secondary service), to include losses and local growth not otherwise included in TRM and CBM. Transmission Provider does not offer non-firm Network Integration Transmission Service, thus NITS<sub>NF</sub> is zero (0).
- GF<sub>NF</sub> is the non-firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service, executed prior to the effective date of a Transmission Service Provider's Open Access Transmission Tariff.
- PTP<sub>NF</sub> is the non-firm capacity reserved for non-firm Point-To-Point Transmission

Service.

- $OS_{NF}$  is the non-firm capacity reserved for any other service(s), contract(s), or agreement(s) not specified above using non-firm transmission service.

### **3.3 Transmission Reliability Margin (TRM)**

The Transmission Provider does not use TRM so for purposes of calculating Firm and Non-Firm ATC; TRM is set to zero (0) for all posted paths.

### **3.4 Capacity Benefit Margin (CBM)**

It is the Transmission Provider's practice to not set aside transfer capability as CBM and as such CBM is set to zero (0) for all posted paths.

### **3.5 Postbacks**

$Postbacks_F$  and  $Postbacks_{NF}$  are set to the amount equal to transmission service that has been redirected, as applicable. For clarity,  $Postbacks_{NF}$  include any firm transmission service reservation on the associated path which has not been scheduled.

### **3.6 Counterflows**

$Counterflows_F$  for parties other than the requestor, will be studied both at zero (0), and at full value in the  $ATC_F$  and  $ATC_{NF}$  calculation.

## **ATTACHMENT D**

### **Methodology for Completing a System Impact Study**

When Transmission Provider determines on a non-discriminatory basis that a System Impact Study is needed because its Transmission System will be inadequate to accommodate a request for service, it will employ the following methodology to estimate the transmission system impact of a Request for Firm Transmission Service and/or any Costs for System Redispatch, Direct Assignment Facilities or Network Upgrades that would be incurred in order to provide the requested transmission service.

System Impact will be estimated based on consideration of reliability requirements to: (1) meet obligations under Transmission Provider agreements that predate this Tariff; (2) meet obligations of existing and pending valid requests under this Tariff; and (3) maintain thermal, voltage and stability system performance within the Transmission Provider's practices.

When performing the System Impact Study, the Transmission Provider will apply the following guidelines, procedures and principles which may be amended at any time: (1) Good Utility Practice; (2) NERC Reliability Standards; and (3) Transmission Provider criteria and guidelines. Principal items used to determine the impact of the requested Firm Transmission Service on the Transmission Provider's Transmission System will include reliability, transmission element loading, system contingency performance, voltage levels, and stability. The Transmission Provider shall use its sole discretion as to the scope, details and methods used to perform the System Impact Study.

Resulting system impact and limitations would be summarized for use by Transmission Provider and the Eligible Customers requesting transmission service. If the transmission service under study causes violations of the system performance criteria, further analyses of the Transmission System can be performed at the request of the Eligible Customer requesting transmission service to determine the additions that would be required to accommodate the requested transmission service.

## ATTACHMENT E

### Index of Point-to-Point Transmission Service Customers

Customer

Date of  
Service Agreement

## ATTACHMENT F

### Service Agreement for Network Integration Transmission Service

This Network Integration Transmission Service Agreement (Service Agreement) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (\_\_\_\_ or Network Customer), and **GridLiance High Plains LLC** (GridLiance or Transmission Provider). The Network Customer and Transmission Provider shall be referred to individually as Party and collectively as Parties.

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider's Open Access Transmission Tariff (Tariff) filed with the Federal Energy Regulatory Commission (Commission) as it may from time to time be amended;

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

WHEREAS, the Network Customer requests service using the Transmission Provider's facilities (Network Integration Transmission Service) and the Transmission Provider is willing to provide such Network Integration Transmission Service, with charges therefor to be billed and collected by the Transmission Provider; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

- 1.0** The Transmission Provider agrees during the term of this Service Agreement, as it may be amended from time to time, to provide Network Integration Transmission Service in accordance with the Tariff to enable delivery of power and energy from the Network Customer's Network Resources that the Network Customer has committed to meet its load.
- 2.0** The Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Parts I and III of the Tariff and this Service Agreement with attached specifications.
- 3.0** The terms and conditions of such Network Integration Transmission Service shall be governed by the Tariff, as in effect at the time this Service Agreement is executed by the Network Customer, or as the Tariff is thereafter amended or by its successor tariff, if any. The Tariff, as it currently exists, or as it is hereafter amended, is incorporated in this Service Agreement by reference. In the case of any conflict between this Service Agreement and the Tariff, the Tariff shall control. The Network Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff. The completed specifications are based on the information provided in the Completed Application and are incorporated herein and made a part hereof as Attachment 1.

- 4.0** Service under this Service Agreement shall commence on such date as it is permitted to become effective by the Commission (the Commencement Date). This Service Agreement may be terminated by the Network Customer by giving the Transmission Provider one-year advance written notice or by the mutual written consent of the Transmission Provider and Network Customer. Upon termination, the Network Customer remains responsible for any outstanding charges, including all costs incurred and apportioned or assigned to the Network Customer under this Service Agreement.
- 5.0** The Transmission Provider and Network Customer have executed a Network Operating Agreement as required by the Tariff.
- 6.0** 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. Such representative and address for notices or requests may be changed from time to time by notice by one Party or the other.

**GridLiance (Transmission Provider)**

GridLiance High Plains LLC  
President and CEO  
201 E. John Carpenter Freeway  
Suite 900  
Irving, TX 75062  
Phone: 469-718-7050

**(Network Customer)**

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

- 7.0** This Service Agreement shall not be assigned by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld. However, either Party may, without the need for consent from the other, transfer or assign this Service Agreement to any person succeeding to all or substantially all of the assets of such Party. However, the assignee shall be bound by the terms and conditions of this Service Agreement.
- 8.0** Nothing contained herein shall be construed as affecting in any way the Transmission Provider's right to unilaterally make application to the Commission, or other regulatory agency having jurisdiction, for any change in the Tariff or this Service Agreement under Section 205 of the Federal Power Act, or other applicable statute and any rules and regulations promulgated thereunder, or the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.
- 9.0** By signing below, the Network Customer verifies that all information submitted to the Transmission Provider to provide service under the Tariff is complete, valid and accurate, and the Transmission Provider may rely upon such information to fulfill its responsibilities under the Tariff.

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

**TRANSMISSION PROVIDER**

**NETWORK CUSTOMER**

**GridLiance High Plains LLC**

**[Name of Entity]**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



***Attachment 1 to the Network Integration Transmission Service Agreement  
Between GridLiance High Plains LLC and \_\_\_\_\_***

**SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE**

**1.0 Network Resources**

The Network Resources are listed in Appendix 1. Transmission Provider agrees to accept power and energy deliverable to Network Customer under the Network Customer Resources at the Receipt Point(s) designated in Appendix 2 and deliver same to Network Customer at the Local Points of Delivery designated in Appendix 3.

**2.0 Network Loads**

The Network Load consists of the bundled native load or its equivalent for Network Customer load in the SPP balancing area as listed in Appendix 2.

The Network Customer's Network Load shall be measured on an hourly integrated basis, by suitable metering equipment located at each connection and delivery point, and each generating facility. The meter owner shall cause to be provided to the Transmission Provider and Network Customer, on a monthly basis, such data as required by Transmission Provider for billing. For a Network Customer providing retail electric service pursuant to a state retail access program, profiled demand data, based upon revenue quality non-IDR meters, may be substituted for hourly integrated demand data. Measurements taken and all metering equipment shall be in accordance with the Transmission Provider's standards and practices for similarly determining the Transmission Provider's load. The actual hourly Network Loads, by delivery point, internal generation site and point where power may flow to and from the Network Customer, with separate readings for each direction of flow, shall be provided.

**3.0 Affected Control Areas and Intervening Systems Providing Transmission Service**

The affected balancing area is SPP and the load is located in the transmission zone of [entity]. The intervening systems providing transmission service are [none].

**4.0 Electrical Location of Initial Sources**

See Appendix 1.

**5.0 Electrical Location of the Ultimate Loads**

The loads of \_\_\_\_\_ identified in Section 2.0 hereof as the Network Load are electrically located within the SPP balancing area.

**6.0 Delivery Points**

The delivery points are the interconnection points of \_\_\_\_\_ identified in Section 2.0 as the Network Load.

## **7.0 Receipt Points**

The Points of Receipt are listed in Appendix 2.

## **8.0 Compensation**

Service under this Service 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.

### **8.1 Transmission Charge**

Monthly Demand Charge shall be calculated pursuant to section 34.1 of the Tariff, billed to Local Points of Delivery identified in Appendix 3.

### **8.2 System Impact and/or Facility Study Charge**

Studies may be required in the future to assess the need for system reinforcements in light of the ten-year forecast data provided. Future charges, if required, shall be in accordance with Section 32 of the Tariff.

### **8.3 Direct Assignment Facilities Charge**

### **8.4 Ancillary Service Charges**

Ancillary Services are not available in or through the Tariff. In accordance with the Tariff, the Network Customer must obtain any necessary Ancillary Services pursuant to the SPP Tariff, which allows for self-provision.

### **8.5 Power Factor Correction Charge**

The Network Customer shall provide adequate reactive compensation for its Network Load to maintain the load power factor at each of the delivery points shown in Appendix 2 between .95 lagging and .98 leading. The Network Customer will correct conditions that result in excessive reactive flows as soon as practical upon notification from the Transmission Provider. If the condition is not promptly corrected, the Network Customer shall compensate the Transmission Provider for excessive reactive flows at a rate consistent with SPP market practices. The Parties shall maintain the system voltages on their respective side of the Receipt Point in accordance with Good Utility Practice.

### **8.6 Re-dispatch Charge**

Re-dispatch charges shall be in accordance with Section 33.3 of the Tariff.

### **8.7 Wholesale Distribution Service Charge**

### **8.8 Network Upgrade Charges**

### **8.9 Meter Data Processing Charge**

### **8.10 Other Charges**

## **9.0 Credit for Network Customer-Owned Transmission Facilities**

## **10.0 Designation of Parties Subject to Reciprocal Service Obligation**

## **11.0 Other Terms and Conditions**

**APPENDIX 1**  
**Network Resources of**

---

**APPENDIX 2**  
**Receipt Points of**

---

**APPENDIX 3**  
**LOCAL POINTS OF DELIVERY**

## **ATTACHMENT G**

### **Network Operating Agreement**

This Network Operating Agreement (Operating Agreement) is entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between **[Name]** ([Name] or Network Customer) and **GridLiance High Plains LLC** (GridLiance or Transmission Provider). The Network Customer and Transmission Provider shall be referred to individually as “Party” and collectively as “Parties.”

WHEREAS, the Transmission Provider has determined that the Network Customer has made a valid request for Network Integration Transmission Service in accordance with the Transmission Provider’s Open Access Transmission Tariff (Tariff) filed with the Federal Energy Regulatory Commission (Commission);

WHEREAS, the Network Customer has represented that it is an Eligible Customer under the Tariff;

WHEREAS, the Network Customer and Transmission Provider have entered into a Network Integration Transmission Service Agreement (Service Agreement) under the Tariff;

WHEREAS, the Network Customer requests service using the Transmission Provider’s facilities (Network Integration Transmission Service) and the Transmission Provider is willing to provide such Network Integration Transmission Service, with charges therefor to be billed and collected by the Transmission Provider; and

WHEREAS, the Parties intend that capitalized terms used herein shall have the same meaning as in the Tariff, unless otherwise specified herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows:

#### **1.0 Network Service**

This Operating Agreement sets out the terms and conditions under which the Transmission Provider and Network Customer will cooperate and operate their respective systems, and specifies the equipment that will be installed and operated. The Parties shall operate and maintain their respective systems in a manner that will allow the Transmission Provider and the Network Customer to operate their systems, and the Transmission Provider to perform its obligations consistent with Good Utility Practice. The Transmission Provider may, on a non-discriminatory basis, waive the requirements of Section 4.1 and Section 8.3 to the extent that such information is unknown at the time of application or where such requirement is not applicable.

#### **2.0 Designated Representatives of the Parties**

2.1 Each Party shall designate a representative and alternate (Designated Representative(s)) from their respective company to coordinate and implement, on an ongoing basis, the terms and conditions of this Operating Agreement, including planning, operating, scheduling, re-dispatching, curtailments, control requirements, technical and operating

provisions, integration of equipment, hardware and software, and other operating considerations.

- 2.2 The Designated Representatives shall represent the Transmission Provider and Network Customer in all matters arising under this Operating Agreement and which may be delegated to them by mutual agreement of the Parties hereto.
- 2.3 The Designated Representatives shall meet or otherwise confer at the request of any Party upon reasonable notice, and each Party may place items on the meeting agenda. All deliberations of the Designated Representatives shall be conducted by taking into account the exercise of Good Utility Practice. If the Designated Representatives are unable to agree on any matter subject to their deliberation, that matter shall be resolved pursuant to Section 12.0 of the Tariff, or otherwise, as mutually agreed by the Parties.

### **3.0 *System Operating Principles***

- 3.1 The Network Customer must design, construct, and operate its facilities safely and efficiently in accordance with Good Utility Practice, North American Electric Reliability Corporation (NERC), SPP, or any successor requirements, industry standards, criteria, and applicable manufacturer's equipment specifications, and within operating physical parameter ranges (voltage schedule, load power factor, and other parameters) required by the Transmission Provider.
- 3.2 The Transmission Provider reserves the right to inspect the facilities and operating records of the Network Customer upon mutually agreeable terms and conditions.
- 3.3 Electric service, in the form of three phase, approximately sixty (60) hertz alternating current, shall be delivered at the Receipt and Delivery Points designated in the Service Agreement. When multiple delivery points are provided to a specific Network Load identified in Appendix 3 of the Service Agreement, they shall not be operated in parallel by the Network Customer without the approval of the Transmission Provider. The Designated Representatives shall establish the procedure for obtaining such approval. The Designated Representatives shall also establish and monitor standards and operating rules and procedures to assure that integrity of both the Transmission Provider's and Network Customer's systems and the safety of customers, the public, and employees are maintained or enhanced when such parallel operations are permitted either on a continuing basis or for intermittent switching or other service needs. Each Party shall exercise due diligence and reasonable care in maintaining and operating its facilities so as to maintain continuity of service.

- 3.4 The Transmission Provider and Network Customer shall operate their systems and delivery points in continuous synchronism and in accord with applicable NERC Standards, SPP Criteria, and Good Utility Practice.
- 3.5 If the function of any Party's facilities is impaired or the capacity of any delivery point is reduced, or synchronous operation at any delivery point(s) becomes interrupted, either manually or automatically, as a result of force majeure or maintenance coordinated by the Parties, the Parties will cooperate to remove the cause of such impairment, interruption, or reduction, so as to restore normal operating conditions expeditiously.
- 3.6 The Transmission Provider reserves the sole right to take any action necessary during an actual or imminent emergency to preserve the reliability and integrity of the Transmission System, limit or prevent damage, expedite restoration of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, or preserve public safety.
- 3.7 In an emergency, the reasonable judgment of the Transmission Provider, in accordance with Good Utility Practice, shall be the sole determinant of whether the operation of the Network Customer loads or equipment adversely affects the quality of service or interferes with the safe and reliable operation of the Transmission System. The Transmission Provider may discontinue transmission service to such Network Customer until the power quality or interfering condition has been corrected. Such curtailment of load, re-dispatching, or load shedding shall be done on a non-discriminatory basis by Load Ratio Share, to the extent practicable. The Transmission Provider will provide reasonable notice and an opportunity to alleviate the condition by the Network Customer to the extent practicable.

#### **4.0 System Planning and Protection**

- 4.1 No later than October 1 of each year, the Network Customer shall provide the Transmission Provider the following information:
  - a) A ten (10)-year projection of summer and winter peak demands with the corresponding power factors and annual energy requirements on an aggregate basis for each delivery point. If there is more than one delivery point, the Network Customer shall provide the summer and winter peak demands and energy requirements at each delivery point for the normal operating configuration;
  - b) A ten (10)-year projection by summer and winter peak of planned generating capabilities and committed transactions with third parties, which resources are expected to be used by the Network Customer to supply the peak demand and energy requirements provided in (a);



- c) A ten (10)-year projection by summer and winter peak of the estimated maximum demand in kilowatts that the Network Customer plans to acquire from the generation resources owned by the Network Customer, and generation resources purchased from others; and
- d) A projection for each of the next ten (10) years of Transmission System facility additions to be owned and/or constructed by the Network Customer which facilities are expected to affect the planning and operation of the Transmission System.

This information is to be delivered to the Transmission Provider's Designated Representative pursuant to Section 2.0.

4.2 Information exchanged by the Parties under this article will be used for system planning and protection only and will not be disclosed to third parties absent mutual consent or order of a court or regulatory agency.

4.3 The Transmission Provider will incorporate this information in its system load flow analyses performed during the first half of each year. Following completion of these analyses, the Transmission Provider will provide the following to the Network Customer:

- a) A statement regarding the ability of the Transmission Provider's Transmission System to meet the forecasted deliveries at each of the delivery points;
- b) A detailed description of any constraints on the Transmission Provider's Transmission System within the five (5)-year horizon that will restrict forecasted deliveries; and
- c) In the event that studies reveal a potential limitation of the Transmission Provider's ability to deliver power and energy to any of the delivery points, a Designated Representative of the Transmission Provider will coordinate with the Designated Representative of the Network Customer to identify appropriate remedies for such constraints, including but not limited to: construction of new Transmission System facilities, upgrades or other improvements to existing Transmission System facilities, or temporary modification to operating procedures designed to relieve identified constraints. Any constraints within the Transmission System will be remedied pursuant to the procedures of Transmission Provider's planning process in Attachment K.

For all other constraints, the Transmission Provider, upon agreement with the Network Customer and consistent with Good Utility Practice, will endeavor to construct and place into service sufficient capacity to maintain reliable service to the Network Customer.

An appropriate sharing of the costs to relieve such constraints will be determined by the Parties, consistent with the Tariff, this

Operating Agreement, and with the Commission's rules, regulations, policies, and precedents then in effect. If the Parties are unable to agree upon an appropriate remedy or sharing of the costs, the Transmission Provider shall submit its proposal for the remedy or sharing of such costs to the Commission for approval consistent with the Tariff.

- 4.4 The Network Customer shall coordinate with the Transmission Provider: (1) all scheduled outages of generating resources and Transmission System facilities consistent with the reliability of service to the customers of each Party, and (2) additions or changes in facilities which could affect another Party's system. Where coordination cannot be achieved, the Designated Representatives shall intervene for resolution.
- 4.5 The Network Customer shall coordinate with the Transmission Provider regarding the technical and engineering arrangements for the delivery points, including one-line diagrams depicting the electrical facilities configuration and parallel generation, and shall design and build the facilities to avoid interruptions on the Transmission Provider's Transmission System.
- 4.6 The Network Customer shall provide for automatic and underfrequency load shedding of the Network Customer Network Load in accordance with the NERC Standards and SPP Criteria related to emergency operations.

## **5.0 *Maintenance of Facilities***

- 5.1 The Network Customer shall maintain its facilities necessary to reliably receive capacity and energy from the Transmission Provider's Transmission System consistent with Good Utility Practice. The Transmission Provider may curtail service under this Operating Agreement to limit or prevent damage to generating or transmission or distribution facilities caused by the Network Customer's failure to maintain its facilities in accordance with Good Utility Practice, and the Transmission Provider may seek as a result any appropriate relief from the Commission.
- 5.2 The Designated Representatives shall establish procedures to coordinate the maintenance schedules, and return to service, of the generating resources and transmission, distribution and substation facilities, to the greatest extent practical, to ensure sufficient Transmission System resources are available to maintain system reliability and reliability of service.
- 5.3 The Network Customer shall obtain: (1) concurrence from the Transmission Provider before beginning any scheduled maintenance of facilities which could impact the operation of the Transmission System over which transmission service is administered by Transmission Provider; and (2) clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a Transmission System line or substation. The Network Customer shall coordinate clearances with the

Transmission Provider. The Network Customer shall notify the Transmission Provider as soon as practical at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end.

## **6.0 Scheduling Procedures**

- 6.1 Prior to the beginning of each week, the Network Customer shall provide to the Transmission Provider expected hourly energy schedules for that week for all energy flowing into the Transmission System administered by Transmission Provider.
- 6.2 In accordance with the general provisions of Section 35 of the Tariff, the Network Customer shall provide to the Transmission Provider the Network Customer's hourly energy schedules for the next calendar day for all energy flowing into the Transmission System administered by the Transmission Provider. The Network Customer may modify its hourly energy schedules up to 20 minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The hourly schedule must be stated in increments of 1,000 kW per hour. The Network Customer shall submit, or arrange to have submitted, to the Transmission Provider a NERC transaction identification Tag where required by NERC Standard INT-001. These hourly energy schedules shall be used by the Transmission Provider to determine whether any Energy Imbalance Service charges, pursuant to Schedule 4 of the Tariff apply.

## **7.0 Ancillary Services**

- 7.1 The Network Customer must make arrangements in appropriate amounts for all of the required Ancillary Services described in the Tariff. The Network Customer must self-supply or obtain these services from a third party.
- 7.2 Where the Network Customer elects to self-supply or have a third party provide Ancillary Services, the Network Customer must demonstrate to the Transmission Provider that it has either acquired the Ancillary Services from another source or is capable of self-supplying the services.
- 7.3 The Network Customer must designate the supplier of Ancillary Services.

## **8.0 Metering**

- 8.1 The Network Customer shall provide for the installation of meters, associated metering equipment, and telemetering equipment. The Network Customer shall permit (or provide for, if the Network Customer is not the meter owner) the Transmission Provider's representative to have access to the equipment at all reasonable hours and for any reasonable purpose, and shall not permit unauthorized persons to have access to the space housing the equipment. Network Customer shall provide to (or provide for, if the Network Customer is not the meter owner) the Transmission Provider access to load data and other data available from

any delivery point meter. If the Network Customer does not own the meter, the Transmission Provider shall make available, upon request, all load data and other data obtained from the relevant delivery point meter, if available utilizing existing equipment. The Network Customer will cooperate on the installation of advanced technology metering in place of the standard metering equipment at a delivery point at the expense of the requestor; provided, however, that meter owner shall not be obligated to install, operate, or maintain any meter or related equipment that is not approved for use by the meter owner and/or Transmission Provider, and provided that such equipment addition can be accomplished in a manner that does not interfere with the operation of the meter owner's equipment or any Party's fulfillment of any statutory or contractual obligation.

- 8.2 The Network Customer shall provide for the testing of the metering equipment at suitable intervals, and its accuracy of registration shall be maintained in accordance with standards acceptable to the Transmission Provider and consistent with Good Utility Practice. At the request of the Transmission Provider, a special test shall be made. But if less than two (2) percent inaccuracy is found, the requesting Party shall pay for the test. Representatives of the Parties may be present at all routine or special tests and whenever any readings for purposes of settlement are taken from meters not having an automated record. If any test of metering equipment discloses an inaccuracy exceeding two (2) percent, the accounts of the Parties shall be adjusted. Such adjustment shall apply to the period over which the meter error is shown to have been in effect or, where such period is indeterminable, for one-half the period since the prior meter test. Should any metering equipment fail to register, the amounts of energy delivered shall be estimated from the best available data.
- 8.3 If the Network Customer is supplying energy to retail load that has a choice in its supplier, the Network Customer shall be responsible for providing all information required by the Transmission Provider for billing purposes. Metering information shall be available to the Transmission Provider either by individual retail customer or aggregated retail energy information for that load the Network Customer has under contract during the billing month. For the retail load that has interval demand metering, the actual energy used by interval must be supplied. For the retail load using standard kWh metering, the total energy consumed by meter cycle, along with the estimated demand profile, must be supplied. All rights and limitations between Parties granted in Sections 8.1, and 8.2 are applicable in regards to retail metering used as the basis for billing the Network Customer.

## **9.0 Connected Generation Resources**

- 9.1 The Network Customer's connected generation resources that have automatic generation control and automatic voltage regulation shall be operated and maintained consistent with regional operating standards, and the Network Customer or the operator shall operate, or cause to be

operated, such resources to avoid adverse disturbances or interference with the safe and reliable operation of the Transmission System as instructed by the Transmission Provider.

9.2 For all Network Resources of the Network Customer, the following generation telemetry readings shall be submitted to the Transmission Provider:

- 1) Analog MW;
- 2) Integrated MWHRS/HR;
- 3) Analog MVARs; and
- 4) Integrated MVARHRS/HR.

#### **10.0 [Reserved]**

#### **11.0 [Reserved]**

#### **12.0 Cost Responsibility**

12.1 The Network Customer shall be responsible for all costs incurred by the Network Customer and Transmission Provider to implement the provisions of this Operating Agreement, including but not limited to, engineering, administrative and general expenses, material and labor expenses associated with the specification, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment or software, so long as the direct assignment of such costs is not inconsistent with Commission policy.

12.2 The Network Customer shall be responsible for all costs incurred by Network Customer and Transmission Provider for ongoing operation and maintenance of the facilities required to implement the provisions of this Operating Agreement so long as the direct assignment of such costs is not inconsistent with Commission policy. Such work shall include, but is not limited to, normal and extraordinary engineering, administrative and general expenses, material and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, calibration, removal, or relocation of equipment required to accommodate service provided under this Operating Agreement.

#### **13.0 Billing and Payments**

Billing and Payments shall be in accordance with Section 7 of the Tariff.

#### **14.0 Dispute Resolution**

Any dispute among the Parties regarding this Operating Agreement shall be resolved pursuant to Section 12 of the Tariff, or otherwise, as mutually agreed by the Parties.

### **15.0 Assignment**

This Operating Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the other Parties. Such written consent shall not be unreasonably withheld.

### **16.0 Choice of Law**

The interpretation, enforcement, and performance of this Operating Agreement shall be governed by the laws of the State of Oklahoma, except laws and precedent of such jurisdiction concerning choice of law shall not be applied, except to the extent governed by the laws of the United States of America.

### **17.0 Entire Agreement**

The Tariff and Service Agreement, as they are amended from time to time, are incorporated herein and made a part hereof. To the extent that a conflict exists between the terms of this Operating Agreement and the terms of the Tariff, the Tariff shall control.

### **18.0 Unilateral Changes and Modifications**

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally to file with the Commission, or make application to the Commission for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under applicable law and rules and regulations promulgated thereunder.

Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the ability of any Network Customer receiving Network Integration Transmission Service under the Tariff to exercise any right under the Federal Power Act and pursuant to rules and regulations promulgated thereunder; provided, however, that it is expressly recognized that this Operating Agreement is necessary for the implementation of the Tariff and Service Agreement. Therefore, no Party shall propose a change to this Operating Agreement that is inconsistent with the rates, terms and conditions of the Tariff and/or Service Agreement.

### **19.0 Term**

This Operating Agreement shall become effective on the date assigned by the Commission (Effective Date), and shall continue in effect until the Tariff or the Network Customer's Service Agreement is terminated, whichever shall occur first.

### **20.0 Notice**

20.1 Any notice that may be given to or made upon any Party by any other Party under any of the provisions of this Operating Agreement shall be in writing, unless otherwise specifically provided herein, and shall be

considered delivered when the notice is personally delivered or deposited in the United States mail, certified or registered postage prepaid, to the following:

**GridLiance (Transmission Provider)**

GridLiance High Plains LLC  
President and CEO  
201 E. John Carpenter Freeway  
Suite 900  
Irving, TX 75062  
Phone: 469-718-7050  
Email: ccrowder@gridliance.com

**[Network Customer]**

[name]  
[title]  
[address]  
[phone]  
[fax]  
[email address]

Any Party may change its notice address by written notice to the other Parties in accordance with this Article 20.

- 20.2 Any notice, request, or demand pertaining to operating matters may be delivered in writing, in person or by first class mail, email, messenger, or facsimile transmission as may be appropriate and shall be confirmed in writing as soon as reasonably practical thereafter, if any Party so requests in any particular instance.

**21.0 Execution in Counterparts**

This Operating Agreement may be executed in any number of counterparts with the same effect as if all Parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

IN WITNESS WHEREOF, the Parties have caused this Operating Agreement to be executed by their respective authorized officials, and copies delivered to each Party, to become effective as of the Effective Date.

**TRANSMISSION PROVIDER**

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Signature

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Printed name

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Title

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Date

**NETWORK CUSTOMER**

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Signature

---

Printed name

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Title

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Date



## **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 set forth in the RRR File maintained on Transmission Provider's OASIS, calculated pursuant to the Transmission Provider's formula rate shown in Attachment Q to this Tariff.
2. The amount in (1) shall be effective until amended by the Transmission Provider or modified by the Commission.

## **ATTACHMENT I**

### **Index of Network Integration Transmission Service Customers**

<b>CUSTOMER</b>	<b>DATE OF SERVICE AGREEMENT</b>
Tri-County Electric Cooperative <sup>1</sup>	April 1, 2016

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<sup>1</sup> GridLiance High Plains LLC and Tri-County Electric Cooperative (Tri-County) entered into a Wholesale Distribution Service Agreement and Wholesale Distribution Operating Agreement, which were accepted by the Commission in Docket No. ER16-505. For the purposes of this Tariff, Tri-County is treated as a Network Customer, Tri-County's load is treated as Network Load, the provision of Wholesale Distribution Service to Tri-County is treated as Network Integration Transmission Service, and the Wholesale Distribution Service Agreement and Wholesale Distribution Operating Agreement with Tri-County are treated as a Network Integration Transmission Service Agreement and Network Operating Agreement, respectively.

**ATTACHMENT J**  
**[RESERVED FOR FUTURE USE]**

## **ATTACHMENT K**

### **GridLiance High Plains LLC (GridLiance) Local Planning Process**

Through the Local Planning Process (LPP), and on a comparable and nondiscriminatory basis, the Transmission Provider shall develop a transmission plan (the Plan) to meet anticipated future transmission needs of its customers who are receiving generator interconnection services and transmission services on or across Transmission Provider's transmission facilities (GridLiance Facilities). The LPP will be coordinated, open, and transparent to Transmission Provider's customers and other interested stakeholders that use or are connected to the GridLiance Facilities, including transmission facilities connected to those of Transmission Provider, which are hereinafter referred to as Connected Systems, as well as any other interested persons (collectively referred to as "stakeholders").

#### **1. General Transmission Planning Procedures**

**1.1 The Plan.** Annually the Transmission Provider will undertake an assessment of the GridLiance Facilities' current and expected operations and identify actions needed to: (1) maintain the reliability of the GridLiance Facilities in an economic and environmentally acceptable manner; (2) ensure that Transmission Provider's load, transmission, and interconnection needs are met and services provided in a manner that treats similarly situated customers comparably; and (3) meet needs driven by Public Policy Requirements. The Plan shall be designed to: (i) avoid unnecessary duplication of facilities; (ii) avoid imposing unreasonable costs on the Transmission Provider and customers; (iii) reflect the legal and contractual rights and obligations of the Transmission Provider; and (iv) provide for coordination with Connected Systems. The Transmission Provider may, at its discretion, outsource transmission planning activities, including analysis and coordination of consultation efforts to third-party service providers.

**1.2 Contents.** Using a planning horizon of at least five years, the Plan shall address transmission enhancements, modifications, and expansions to: (1) maintain valid transmission service requests and generator interconnection service requests on or across GridLiance Facilities that have entered into appropriate service agreements of sufficient duration at the time of the LPP; (2) meet anticipated transmission needs of Transmission Provider's customers; and (3) meet needs driven by Public Policy Requirements. The Plan shall also identify incomplete transmission enhancements, modifications, and expansions identified in prior Plans and their expected completion dates.

**1.3 Coordination.** The Transmission Provider shall develop the Plan in coordination with the Connected Systems and any other interconnected transmission system within its region.

**1.4 Comparability.** The Transmission Provider shall treat similarly situated customers comparably in the LPP through the measures set forth in this document.

Interested stakeholders, including sponsors of transmission projects, generation projects, and demand resources, shall be allowed to participate throughout the LPP. The Transmission Provider's transmission projects and similarly situated transmission projects that are identified by customers or stakeholders shall be treated on a comparable basis and given comparable consideration in the LPP. The Transmission Provider shall permit stakeholders, including but not limited to sponsors of customer-defined transmission projects, to participate throughout the LPP and to submit to the Transmission Provider alternative or proposed solutions, which the Transmission Provider shall review and evaluate on a comparable basis. The Transmission Provider shall include all valid and relevant data received from stakeholders, including generation data, in the development of the Plan. Notwithstanding the foregoing, the Transmission Provider shall retain discretion regarding which transmission projects to pursue and is not required to include all customer-identified projects in the Plan. The Transmission Provider shall select transmission projects based on cost, economics, impact on reliability, and other considerations, which will be identified in the Plan Development Scope described in section 4.2.1.

**1.5 Transmission Service Request Impacts.** The LPP does not, on its own, effectuate any transmission service requests. A transmission service request must be made in accordance with this Tariff or the SPP Tariff, as appropriate.

**2. Consultation.** The Transmission Provider shall accept input from any stakeholders participating in the LPP, which may include transmission customers, Connected Systems, providers of demand response to transmission customers, generation providers that are interconnected to the Transmission Provider's system, state and federal utility regulatory agencies, and any other interested persons. Such input may include, but is not limited to, transmission needs driven by Public Policy Requirements, as further described in section 4.7. Stakeholders may notify the Transmission Provider in writing of a representative's name, address, telephone number, and e-mail address for the purpose of participating in the LPP. The stakeholder may remove or replace such representative at any time by written notice to the Transmission Provider. The Transmission Provider shall be the facilitator of all stakeholder discussions or meetings.

### **3. Meetings**

**3.1 Purpose.** Stakeholder meetings shall be open to all interested parties and shall provide an opportunity for stakeholders to provide input on the LPP, including: (i) data gathering; (ii) study results; (iii) draft transmission plans; (iv) coordination with Connected Systems; and (v) transmission needs driven by Public Policy Requirements. Transmission Provider may, at its discretion, invite other entities that would be particularly affected by potential projects to participate in these meetings. The Transmission Provider will respond to suggestions, queries or comments made by stakeholders in an open and transparent manner by providing consolidated responses.

**3.2 Frequency.** The Transmission Provider shall hold meetings annually. Stakeholders may attend such meetings in person or via telephone conference. A meeting shall be held (i) as specified in the Plan Development Scope or (ii) when the Transmission Provider deems a meeting is necessary.

**3.3 Notice.** The Transmission Provider shall post notice of meetings by email and by postings on the Transmission Provider's OASIS at least two (2) weeks prior to the meeting. If no stakeholder expresses an interest in attending a meeting, the Transmission Provider reserves the right to cancel the meeting.

#### **4. Methodology, Criteria, Process for Developing the Plan.**

**4.1 Initiation of the Plan.** The Transmission Provider shall post a notice on OASIS soliciting input on the needs for the Plan from stakeholders, including any transmission needs driven by Public Policy Requirements.

##### **4.2 Milestones.**

**4.2.1 Plan Development Scope.** The Plan shall address the GridLiance Facilities under this Tariff and the SPP Tariff, and facilities needed to serve reliably and economically the Transmission Provider's customers. The Transmission Provider shall develop the Plan, including its scope, assumptions, methodologies, and the milestones for consideration and completion of the LPP process and post all relevant materials and deadlines on its OASIS (Plan Development Scope). The Plan Development Scope shall include an explanation of (1) which transmission needs driven by Public Policy Requirements will be evaluated for potential solutions in the Final Plan, and (2) why other proposed transmission needs driven by Public Policy Requirements were not selected for further evaluation. The Transmission Provider shall make the Plan Development Scope available to the stakeholders no earlier than 30 days and no later than 90 days after the date on which Transmission Provider initially solicited input on the Plan. Included in such materials will be deadlines by which stakeholders must submit any data that they believe relevant to the Plan.

**4.2.2 Comment on Plan Development Scope.** Stakeholders shall have thirty (30) days to review and submit comments on the Plan Development Scope to the Transmission Provider. If the Transmission Provider subsequently makes any material change to the Plan Development Scope, it will post the revised Plan Development Scope for a fifteen (15) day review and comment period before finalizing it.

**4.2.3 Data Provided by Stakeholders.** Stakeholders shall provide Transmission Provider with any data necessary for the Transmission Provider to perform studies as required by the planning process, and any data that such stakeholder believes to be relevant to the Plan by the dates identified in the Plan Development Scope as set out in Sections 4.2.2 and 6.

**4.2.4 Studies.** The Transmission Provider shall conduct any necessary studies for the Plan. The Transmission Provider will apply standard industry methodologies, local reliability criteria and processes, as applicable. Contemplated transmission enhancements shall be evaluated on the goals of maintaining service and reliability to existing customers of Transmission Provider.

**4.3 Draft Plan and Review by Stakeholders.** The Transmission Provider shall prepare a draft of the Plan and post it on OASIS no later than the deadline established in the Plan Development Scope. Stakeholders shall have thirty (30) days to review the draft of the Plan and provide comments to the Transmission Provider. If the Transmission Provider makes any material changes to the draft, it will post a revised draft of the Plan for a fifteen (15) day review and comment period before finalizing the Plan. The draft Plan will include a response to all comments received from stakeholders on the Plan Development Scope.

**4.4 Final Plan.** The Transmission Provider shall issue and post on its OASIS a final Plan no later than the deadline established in the Plan Development Scope. Transmission Provider shall provide an explanation of (1) which transmission solutions to identified transmission needs driven by Public Policy Requirements will be adopted as part of the Local Planning Process, and (2) why other proposed transmission solutions were not selected.

**4.5 Interim Modification of the Plan.** The Transmission Provider may modify the Plan on an interim basis as necessary to reflect additions or removals of transmission upgrades. Such interim modifications to the Plan shall be posted on the Transmission Provider's OASIS.

**4.6 Economic Planning.** As part of each study cycle, Transmission Provider will take into account economic and reliability considerations. Any stakeholder may submit a request for an economic study with all available data supporting the request within thirty (30) days of the date that Transmission Provider initially solicits input for the Plan in such study cycle. An economic study shall be limited to considerations specific to the GridLiance Facilities. The party making a request shall work in good faith to assist the Transmission Provider with gathering any additional data necessary for conducting the economic study. Up to two economic studies the Transmission Provider determines to be high priority will be performed by the Transmission Provider within a study cycle period and the costs of these high priority studies will be recovered as part of the Transmission Provider's overall cost of service under this Tariff or the SPP Tariff, as appropriate. The economic studies will be considered as part of the planning process. The Transmission Provider shall consider the input of stakeholders with regard to such economic planning studies but shall determine, in its sole discretion, which economic studies are deemed to be high priority on the basis of (i) the most significant opportunity to reduce overall costs while serving the needs of transmission customers; (ii) the date and time of the request; and (iii) input provided by stakeholders. The costs of any other economic study shall be paid by the stakeholder requesting such study, and shall be considered only if it does not delay the completion of milestones set out in the Plan

## Development Scope.

**4.7 Transmission Needs Driven by Public Policy Requirements.** Upon initiation of the Plan, the Transmission Provider shall review all applicable Public Policy Requirements and shall solicit input and proposals from stakeholders regarding what they believe are transmission needs driven by Public Policy Requirements. The Transmission Provider shall evaluate all identified Public Policy Requirements and shall include in the Plan Development Scope an explanation of (1) which transmission needs driven by Public Policy Requirements will be evaluated for potential solutions in the final Plan, and (2) why other proposed transmission needs driven by Public Policy Requirements were not selected for further evaluation. Stakeholders shall have the opportunity, pursuant to section 4.2.2, to provide comments on the transmission needs driven by Public Policy Requirements identified in the Plan Development Scope or to propose solutions to transmission needs driven by Public Policy Requirements that were identified in the Plan Development Scope. The Transmission Provider shall respond in the draft Plan to all such comments, including if it decides to reconsider evaluating proposed transmission needs driven by Public Policy Requirements.

In the draft Plan, the Transmission Provider will identify any proposed transmission solutions to identified transmission needs driven by Public Policy Requirements that it selected for inclusion in the Plan. Stakeholders shall have the opportunity to comment, and Transmission Provider shall have the option to post a revised draft of the Plan, pursuant to section 4.3. In the final Plan, Transmission Provider shall provide an explanation of (1) which transmission solutions to identified transmission needs driven by Public Policy Requirements will be adopted as part of the Local Planning Process, and (2) why other proposed transmission solutions were not selected.

As used throughout this LPP, the term “Public Policy Requirements” shall mean requirements established by local, state, or federal laws or regulations (*i.e.*, enacted statutes passed by the legislature and signed by the executive and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level).

**5. Disclosure of Criteria, Assumptions, and Data.** The Transmission Provider will define and post on its OASIS the basic methodology, local reliability criteria, assumptions, and data that the Transmission Provider will use to prepare the LPP. If such information is confidential, the Transmission Provider shall provide it subject to appropriate confidentiality agreements or other protections as determined by the Transmission Provider.

**6. Submission of Data to Transmission Provider.** The Transmission Provider may solicit stakeholders for information to prepare the Plan.

**6.1 Transmission Customer Data Obligations.** Transmission customers and participating stakeholders shall provide Transmission Provider with data as set forth in Section 4.2.3. Data may include but is not limited to, the following data: (a) data



concerning planned additions or upgrades (including status and expected in-service dates) to generation or demand response resources, planned retirements, and environmental restrictions; and (b) projections of need for service over the planning horizon, including transmission capacity, duration, and receipt and delivery points.

**6.2 Process for Providing Data and Updates.** Data shall be submitted to the email address Transmission Provider has identified on its OASIS. During the course of the annual planning cycle, if material changes to the data occur, the data owners must provide timely written notice to the Transmission Provider.

**7. Dispute Resolution Procedures.** If a dispute arises concerning transmission planning with a stakeholder, the Transmission Provider will utilize the dispute resolution mechanism provided for in Section 12 of the Tariff.

**8. Recovery of Planning Costs.** Unless Transmission Provider allocates planning-related costs to an individual stakeholder, or as part of a generation interconnection or transmission service request, all costs of the Transmission Provider related to the planning process shall be included in the Transmission Provider's rate base.

## **9. Critical Energy Infrastructure Information and Confidential Information.**

**9.1 Critical Energy Infrastructure Information.** Any stakeholder and the Transmission Provider must agree to adhere to the Commission's guidelines concerning Critical Energy Infrastructure Information (CEII), as set out in the Commission's regulations in 18 C.F.R. Part 388 (or any successor thereto) and associated orders issued by the Commission. As necessary, additional information concerning CEII, including a summary list of data that is determined by the supplying party to be deemed CEII, shall be posted on the Transmission Provider's OASIS, and updated regularly.

**9.2 Confidential Information.** In the event that any party claims that planning-related information it will provide is confidential, or any party seeks access to such information (Confidential Information), the providing or requesting party, as applicable, must agree to adhere to the terms of a confidentiality and non-disclosure agreement in a form acceptable to the Transmission Provider prior to supplying or receiving such Confidential Information. Confidential Information includes any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business, which is designated as confidential by the entity supplying the information, whether conveyed orally, electronically, in writing, through inspection or otherwise. Confidential information shall not include information that is generally available to the public other than as a result of disclosure by a receiving party or that is required to be disclosed by this Tariff or the SPP Tariff, as appropriate.

**9.3 Access to Confidential Information.** Confidential Information shall be provided only to those participating stakeholders in the planning process that execute the confidentiality and non-disclosure agreement; provided, however, any such

information may be supplied to (i) federal, state or local regulatory authorities that request such information and protect such information subject to non-disclosure regulations, or (ii) upon order of a court of competent jurisdiction. The Transmission Provider shall not provide Confidential Information belonging to any third party that is in the Transmission Provider's possession without first obtaining consent by the third party. If a participating stakeholder requires Confidential Information belonging to a third party to assess and comment on the Plan, the Transmission Provider shall notify that stakeholder that its request is on hold pending consent by the third party, and shall diligently work to obtain such consent by the third party. If the Transmission Provider is unable to obtain consent, it shall promptly notify the participating stakeholder.

**10. Cost Allocation of New Facilities.** The cost allocation methodologies outlined in this Attachment K do not supersede cost obligations as set forth in other parts of this Tariff or the SPP Tariff, as appropriate. Specifically, section 27 of this Tariff sets forth the cost allocation procedures for new facilities required to provide Point-to-Point Transmission Service, and sections 32.4 and 35 of this Tariff set forth the cost allocation procedures for new facilities required to provide Network Integration Transmission Service (see also Attachment A and Attachment F, respectively). The costs of new facilities required because of individual requests for transmission and generator interconnection service shall be allocated to customers pursuant to the appropriate Tariff. Under this Tariff, the cost of new facilities required by requests for generator interconnection service is governed under Attachments M and N, applicable to large generator interconnections, and Attachments O and P, applicable to small generator interconnections. The costs of new facilities that do not fit under the existing rate structures of the appropriate Tariff shall be directly assigned to the requesting customer.

**11. Inclusion of Locally Planned Facilities in the Regional Transmission Planning Process.** Any transmission enhancements, modifications, or expansions determined under this LPP to be needed to meet local reliability criteria will be identified as Zonal Reliability Upgrades (as this term is defined in the SPP Tariff) and will be reported to SPP for assessment and inclusion in the SPP Transmission Expansion Plan, pursuant to Attachment O of the SPP Tariff. If the LPP determines that a transmission enhancement, modification, or expansion is needed to meet both local reliability criteria and the SPP regional planning criteria, then the Transmission Provider will coordinate with SPP to include the project in the Integrated Transmission Planning Assessment, pursuant to the SPP Tariff. The Transmission Provider will notify stakeholders who participated in the LPP if a project identified in the LPP will be included in SPP's Integrated Transmission Planning Assessment.

## **ATTACHMENT L**

### **Creditworthiness Procedures**

#### **A. Purpose and Summary**

This Attachment L establishes non-discriminatory credit review procedures and credit standards for customers requesting services under the Transmission Provider's Tariff (Customers), and is intended to mitigate the Transmission Provider's exposure to financial risk of Customer's non-payment or late payment of fees or charges incurred pursuant to the Tariff.

Credit review under Attachment L will be conducted in accordance with standard commercial practices and will specify quantitative and qualitative criteria to determine the level of secured and unsecured credit granted to the Customer. In the event that credit is not established, or a change in circumstances occurs, the Transmission Provider may require Customer to provide and maintain in effect during the term of service a form of security acceptable to Transmission Provider.

#### **B. Scope**

This policy applies to all Customers seeking or taking service under the Transmission Provider's Tariff.

#### **C. Requirements for Unsecured Credit**

Transmission Provider will retrieve and review Standard & Poor's and Moody's rating agency reports. To the extent applicable, Customers seeking to establish or maintain unsecured credit are required to provide all of the following:

- Two most recent audited year-end financial statements plus the most recent quarterly financial statement on a going-forward basis.
- Documentation of any material issues that could impact the creditworthiness of the Customer.
- Demonstration by Customer of its strong financial standing as a stand-alone entity, or, if applicable, the strong financial standing of its members to whom the Customer must have financial recourse.
- Proof of access to internal or external financial resources that provide sufficient liquidity to support existing and proposed obligations.

#### **D. Minimum Quantitative Standards**

If rated, Customer must possess a senior unsecured debt rating or equivalent rating of at least BBB- by Standard & Poor's or a rating of at least Baa3 from Moody's. With respect to any customer, if the rating then assigned to such customer's senior unsecured long-term debt obligations (not supported by third party credit enhancements) by Standard & Poor's and Moody's are not equivalent, then the rating that is assigned to such customer will be the lower rating as issued by either Standard & Poor's or Moody's.

**E. Qualitative Credit Standards for All Customers**

Transmission Provider may consider qualitative factors in conjunction with the quantitative factors above. A combination of the following factors may be considered:

- Years in business: a Customer in business fewer than five years will be considered as having greater risk.
- Management's experience in the industry: a management team with an average of less than five years of experience will be considered as having greater risk.
- Market risk: consideration of pricing exposure, credit exposures, and operational exposures.
- Litigation Risk: a pending legal action with potential monetary damages approaching 3% of gross revenues will be considered as significantly increasing Customer risk.
- Regulatory Environment (State and Local): a company subject to significant exposure to regulatory decisions, such as key planning decisions, shall be considered as having increased risk.
- Prior payment history with the Transmission Provider, other Transmission Providers or other vendors: a Customer with an excellent payment history of greater than or equal to five years shall be considered a lower risk in this category. At its sole discretion, the Transmission Provider may use an excellent payment history from a Customer as the sole basis for determining to continue to grant unsecured credit even in the presence of other quantitative or qualitative factors that would otherwise require the posting of security.
- Bond spreads
- Credit Default Swaps
- S&P reports
- Moody's reports
- Fitch rating information
- Industry contacts
- Credit management within an organization
- Information gathered through networking
- Commodity price movements
- Energy industry news and trends
- Financial metrics in addition to scoring model parameters
  1. Cash Flow from Operations / Total Debt
  2. Current Ratio

3. Days operating cash on hand
  4. Debt/Equity
  5. Cap ratio
  6. Earnings Before Interest and Taxes / Interest expense
  7. Earnings Before Interest and Taxes / Total debt
  8. Equity / Total Assets
  9. Free Cash Flow
  10. Funds Flow from Operations
  11. Funds Flow from Operations / Interest coverage
  12. Funds Flow from Operations / Total Debt
  13. Return on Equity
  14. TIER
- Dividend Payouts
  - Counterparty operating risk
  - Industry and counterparty specific trends
  - Counterparty size – earnings, revenues, market share, etc.
  - Regulated vs. unregulated revenues – counterparty specific
  - Macroeconomic climate
  - Counterparty access to credit markets and credit facility availability
  - Makeup of counterparty market demographics
    1. Wealth
    2. Character of customer base – commercial, industrial, household
    3. Growth of market
    4. Market regulation
    5. Type of sales contracts with customers – all requirements, time span
    6. Price competitiveness of counterparty
  - Generator fuel mix for power providers
  - Age of generators and infrastructure
  - Amount of hedging by counterparty
  - Management abilities
  - Lawsuits

- Ability to pass through fuel and other input costs
- Long-term wholesale power supply contracts
- Rate flexibility
- New build exposure
- Member profile
- Sales mix (residential, commercial, industrial)
- Size
- Service territory
- Current maturities of long-term debt
- Capital spending program
- Dividends/distributions to parent
- Cash on hand
- Working Capital
- Ability to access capital markets
- Management
- Ability to recover costs
- Pass-through capability
- Generation Diversification
- Geographic Diversification

Customers that do not meet the above criteria may not be granted unsecured credit but will be given the option to post security acceptable to the Transmission Provider. Customers will be provided a written explanation of the methodology used.

**F. Acceptable Security**

In the event that security must be posted, the Transmission Provider will accept the following as security:

- An Irrevocable Standby Letter of Credit from a United States-based bank or financial institution, with a credit rating of A or better by Standard & Poor's or A-2 or better by Moody's, equal to amounts established by the applicable section of the Transmission Provider's Tariff which shall remain in effect a minimum of thirty (30) days beyond the term of service;
- An irrevocable and unconditional surety bond issued by an U.S. based insurance company having a credit rating of A or better by Standard & Poor's or A2 or better by Moody's;
- An unconditional and irrevocable guaranty issued by an U.S. based company having a credit rating of A or better by Standard & Poor's or A2

or better by Moody's; or

- Other security and amount as deemed acceptable at the sole discretion of the Transmission Provider.

**G. Creditworthiness Procedures**

1. Secured and unsecured credit limits will be determined by the Transmission Provider based on information provided by Customer in accordance with these procedures.
2. Acceptable forms of security include those described in Section F above.
3. When credit levels and collateral requirements change, the Transmission Provider will determine the amount of the change.
4. Any changes to a creditworthiness determination will be communicated promptly to the Customer by e-mail, or letter via the U.S. Postal Service or fax.
5. Customers may contest the determination of credit levels or collateral amounts within three (3) business days of notification by demonstrating that information relied upon in making a creditworthiness determination are incomplete or incorrect. The Transmission Provider reserves the right to make the final determination on required credit levels or collateral amounts.
6. After the Customer has been notified of a revised credit determination, it will be granted five (5) business days from the date of the notice to post additional collateral required by the Transmission Provider.
7. If the Customer fails to post the required additional collateral within five business days, or otherwise as required by the Transmission Provider, the Transmission Provider may take appropriate remedies as allowed under the Tariff and by law.

**ATTACHMENT M**  
**Large Generator Interconnection Procedures**

**STANDARD LARGE GENERATOR  
INTERCONNECTION PROCEDURES  
(LGIP)**

**including**

**STANDARD LARGE GENERATOR  
INTERCONNECTION AGREEMENT  
(LGIA)**

**Standard Large Generator Interconnection  
Procedures (LGIP)**  
**(Applicable to Generating Facilities that exceed 20 MW)**



## Table of Contents

Section 1. DEFINITIONS .....	1
Section 2. Scope and Application.....	11
2.1 Application of Standard Large Generator Interconnection Procedures .....	11
2.2 Comparability .....	11
2.3 Base Case Data.....	11
2.4 No Applicability to Transmission Service.....	11
Section 3. Interconnection Requests.....	12
3.1 General.....	12
3.2 Identification of Types of Interconnection Services.....	12
3.3 Utilization of Surplus Interconnection Service. ....	14
3.4 Valid Interconnection Request .....	15
3.5 OASIS Posting.....	17
3.6 Coordination with Affected Systems.....	22
3.7 Withdrawal.....	22
3.8 Identification of Contingent Facilities .....	23
Section 4. Queue Position.....	23
4.1 General.....	23
4.2 Clustering.....	24
4.3 Transferability of Queue Position. ....	25
4.4 Modifications.....	25
Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Standard Large Generator Interconnection Procedures .....	27
5.1 Queue Position for Pending Requests .....	27
5.2 New Transmission Provider .....	29
Section 6. Interconnection Feasibility Study .....	29
6.1 Interconnection Feasibility Study Agreement .....	29
6.2 Scope of Interconnection Feasibility Study.....	30
6.3 Interconnection Feasibility Study Procedures.....	30
6.4 Re-Study.....	31
Section 7. Interconnection System Impact Study .....	31
7.1 Interconnection System Impact Study Agreement.....	31
7.2 Execution of Interconnection System Impact Study Agreement .....	32
7.3 Scope of Interconnection System Impact Study .....	32
7.4 Interconnection System Impact Study Procedures .....	33
7.5 Meeting with Transmission Provider.....	34
7.6 Re-Study.....	34
Section 8. Interconnection Facilities Study .....	34
8.1 Interconnection Facilities Study Agreement.....	34
8.2 Scope of Interconnection Facilities Study .....	35
8.3 Interconnection Facilities Study Procedures.....	35

8.4	Meeting with Transmission Provider .....	36
8.5	Re-Study .....	36
Section 9.	Engineering & Procurement ('E&P') Agreement.....	36
Section 10.	Optional Interconnection Study .....	37
10.1	Optional Interconnection Study Agreement .....	37
10.2	Scope of Optional Interconnection Study .....	38
10.3	Optional Interconnection Study Procedures .....	38
Section 11.	Standard Large Generator Interconnection Agreement (LGIA) .....	39
11.1	Tender .....	39
11.2	Negotiation.....	39
11.3	Execution and Filing.....	39
11.4	Commencement of Interconnection Activities.....	40
Section 12.	Construction of Transmission Provider's Interconnection Facilities and Network Upgrades.....	40
12.1	Schedule.....	40
12.2	Construction Sequencing .....	41
Section 13.	Miscellaneous.....	42
13.1	Confidentiality .....	42
13.2	Delegation of Responsibility .....	46
13.3	Obligation for Study Costs .....	46
13.4	Third Parties Conducting Studies .....	47
13.5	Disputes .....	48
13.6	Local Furnishing Bonds.....	50

## Section 1. DEFINITIONS

**Adverse System Impact** shall mean the negative effects due to technical or operational limit on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

**Affected System** shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

**Affected System Operator** shall mean the entity that operates an Affected System.

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

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

**Applicable Laws and Regulations** shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permit and other duly authorized actions of any Governmental Authority.

**Applicable Reliability Council** shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

**Applicable Reliability Standards** shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

**Base Case** shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

**Breach** shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

**Breaching Party** shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

**Business Day** shall mean Monday through Friday, excluding Federal Holidays.

**Calendar Day** shall mean any day including Saturday, Sunday or a Federal Holiday.

**Clustering** shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

**Commercial Operation** shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

**Commercial Operation Date** of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

**Confidential Information** shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

**Contingent Facilities** shall mean those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.

**Control Area** shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by an Applicable Reliability Council.

**Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

**Dispute Resolution** shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

**Distribution System** shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage

transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

**Distribution Upgrades** shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

**Effective Date** shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

**Energy Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

**Engineering & Procurement (E&P) Agreement** shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead- time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

**Environmental Law** shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

**Federal Power Act** shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

**FERC** shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

**Force Majeure** shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

**Generating Facility** shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

**Generating Facility Capacity** shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

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

**Governmental Authority** shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

**Hazardous Substances** shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical,

material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

**Initial Synchronization Date** shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

**In-Service Date** shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

**Interconnection Customer** shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

**Interconnection Customer's Interconnection Facilities** shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

**Interconnection Facilities** shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

**Interconnection Facilities Study** shall mean a study conducted by the Transmission Provider or a third-party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

**Interconnection Facilities Study Agreement** shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

**Interconnection Feasibility Study** shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

**Interconnection Feasibility Study Agreement** shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

**Interconnection Request** shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

**Interconnection Service** shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

**Interconnection Study** shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

**Interconnection System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

**IRS** shall mean the Internal Revenue Service.

**Joint Operating Committee** shall be a group made up of representatives



from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

**Large Generating Facility** shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

**Loss** shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suit, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

**Material Modification** shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

**Metering Equipment** shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

**NERC** shall mean the North American Electric Reliability Council or its successor organization.

**Network Resource** shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

**Network Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

**Network Upgrades** shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission

System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

**Notice of Dispute** shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

**Optional Interconnection Study** shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

**Optional Interconnection Study Agreement** shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

**Party or Parties** shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

**Permissible Technological Advancement** shall mean any change to the technology of the Large Generating Facility that: (i) does not change the technical specifications submitted by the Interconnection Customer to the Transmission Provider or (ii) does change the submitted technical specifications but does not materially change the results of the System Impact Study after review in accordance with Section 4.4.4.

**Point of Change of Ownership** shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

**Point of Interconnection** shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

**Provisional Interconnection Service** shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

**Provisional Large Generator Interconnection Agreement** shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

**Queue Position** shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

**Reasonable Efforts** shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

**Scoping Meeting** shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

**Site Control** shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

**Small Generating Facility** shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

**Stand Alone Network Upgrades** shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

**Standard Large Generator Interconnection Agreement (LGIA)** shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

**Standard Large Generator Interconnection Procedures (LGIP)** shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized, the total amount of Interconnection Service at the Point of Interconnection would remain the same.

**System Protection Facilities** shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

**Tariff** shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

**Transmission Owner** shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

**Transmission Provider** shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

**Transmission Provider's Interconnection Facilities** shall mean all facilities and equipment owned, controlled, or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

**Transmission System** shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

**Trial Operation** shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

## **Section 2. Scope and Application**

### **2.1 Application of Standard Large Generator Interconnection Procedures.**

Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility.

### **2.2 Comparability.**

Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this LGIP. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

### **2.3 Base Case Data.**

Transmission Provider shall maintain base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list on either its OASIS site or a password-protected website subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on either its OASIS site or a password-protected website. Such network models and underlying assumptions should reasonably represent those used during the most recent interconnection study and be representative of current system conditions. If Transmission Provider posts this information on a password-protected website, a link to the information must be provided on Transmission Provider's OASIS site. Transmission Provider is permitted to require that Interconnection Customers, OASIS site users and password-protected website users sign a confidentiality agreement before the release of commercially sensitive information or Critical Energy Infrastructure Information in the Base Case data. Such databases and lists, hereinafter referred to as Base Cases, shall include all (1) generation projects and (2) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

### **2.4 No Applicability to Transmission Service.**

Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

## **Section 3. Interconnection Requests**

### **3.1 General.**

An Interconnection Customer shall submit to Transmission Provider an Interconnection Request in the form of Appendix 1 to this LGIP and a refundable deposit of \$10,000. Transmission Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Point(s) of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Point(s) of Interconnection to be studied no later than the execution of the Interconnection Feasibility Study Agreement.

Transmission Provider shall have a process in place to consider requests for Interconnection Service below the Generating Facility Capacity. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of Interconnection Facilities and Network Upgrades, and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer. If after the additional studies are complete, Transmission Provider determines that additional Network Upgrades are necessary, then Transmission Provider must: (1) specify which additional Network Upgrade costs are based on which studies; and (2) provide a detailed explanation of why the additional Network Upgrades are necessary. Any Interconnection Facility and/or Network Upgrade costs required for safety and reliability also will be borne by the Interconnection Customer.

Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems shall be established in Appendix C of the executed, or requested to be filed unexecuted, LGIA.

### **3.2 Identification of Types of Interconnection Services.**

At the time the Interconnection Request is submitted, Interconnection

Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

### **3.2.1 Energy Resource Interconnection Service.**

#### **3.2.1.1 The Product.**

Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. Energy Resource Interconnection Service does not in and of itself convey any right to deliver electricity to any specific customer or Point of Delivery.

#### **3.2.1.2 The Study.**

The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

### **3.2.2 Network Resource Interconnection Service.**

#### **3.2.2.1 The Product.**

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as

Network Resources. Network Resource Interconnection Service Allows Interconnection Customer's Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

#### **3.2.2.2 The Study.**

The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer's Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility's interconnection is also studied with Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on Transmission Provider's Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

### **3.3 Utilization of Surplus Interconnection Service.**

In accordance with Section 3.3, Transmission Provider shall allow an Interconnection Customer to utilize or transfer Surplus Interconnection Service at an existing Point of Interconnection. The original Interconnection Customer or one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the existing Interconnection Customer or one of its affiliates does not exercise its priority, then that service may be made available to other potential Interconnection Customers.



### **3.3.1 Surplus Interconnection Service Requests.**

Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its affiliates. Surplus Interconnection Service requests also may be made by another Interconnection Customer. Transmission Provider shall evaluate Interconnection Requests for Surplus Interconnection Service pursuant to Section 3.3.1. All requests for Surplus Interconnection Service shall be processed outside of the interconnection queue.

- 3.3.1.1** To initiate a Surplus Interconnection Service Request, either the original Interconnection Customer, its affiliate or a third-party Interconnection Customer (transferee) shall notify the Transmission Provider in writing of a request to utilize or transfer any Surplus Interconnection Service made available by the original Interconnection Customer at the existing Point of Interconnection. The written Surplus Interconnection Service request should include, at a minimum, the following information; (1) the amount of Surplus Interconnection Service (in MW) proposed to be made available; (2) the start date and end date that the Surplus Interconnection Service is to be made available; (3) the type of service (Energy Resource Interconnection Service or Network Resource Interconnection Service) to be made available as Surplus Interconnection Service, provided however, that if the original Interconnection Customer's Large Generator Interconnection Agreement provides for Energy Resource Interconnection Service, any Surplus Interconnection Service must also be Energy Resource Interconnection Service; (4) a one-line diagram illustrating how the Generating Facility that is to use the Surplus Interconnection Service will connect to the original Interconnection Customer's Interconnection Facilities; (5) details on the Generating Facility that is to use the Surplus Interconnection Service (type of resource, characteristics, modeling information); (6) the signature of the original Interconnection Customer if the original Interconnection Customer is not the entity submitting the Surplus Interconnection Service request; and (7) any other relevant conditions of the original Interconnection Customer on its proposed utilization or transfer. To aid the original Interconnection Customer in initiating this process, Transmission Provider may post on OASIS a blank request form for Surplus Interconnection Service, identifying the required fields of data set forth above.

In addition to the written request, a deposit of \$25,000 must be received by the Transmission Provider. Such

deposit shall be applied toward any Interconnection Studies pursuant to the Surplus Interconnection Service Request.

- 3.3.1.2** Within ten (10) Business Days after a request for Surplus Interconnection Service has been deemed valid and complete by the Transmission Provider in accordance with Section 3.3.1.1 requirements, the Transmission Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting and such date shall be no later than thirty (30) Calendar Days from receipt of the valid and complete Surplus Interconnection Service Request, unless otherwise mutually agreed upon by the Parties. Alternatively, the Interconnection Customer may waive this meeting.

**3.3.2 Surplus Interconnection Service System Impact Study.**

All requests for Surplus Interconnection Service will be subject to technical studies, as necessary, to ensure the reliable use of Surplus Interconnection Service. The Transmission Provider shall evaluate if the original System Impact Studies are still applicable and sufficient to accommodate the new request and may require new or additional studies to evaluate system impacts. Examples of circumstances in which the Transmission Provider would require new studies include, but are not limited to, circumstances in which the original System Impact Study(ies) are more than 3 years old and/or circumstances in which new generation facilities have been added to the Transmission Provider's system since the original Interconnection Customer's Large Generating Facility was studied.

**3.3.2.1 Surplus Interconnection Service System Impact Study Agreement.**

Within five (5) Business Days following the Scoping Meeting, the Transmission Provider will determine if the original System Impact Study is sufficient to evaluate the request for Surplus Interconnection Service. If the original System Impact Study is not sufficient to evaluate the request, Transmission Provider shall tender to Interconnection Customer the Interconnection System Impact Study Agreement in the form of Appendix 2 of this LGIP signed by Transmission Provider, which includes a good faith estimate of the estimated timeframe for completing the Interconnection System Impact Study. The Interconnection System Impact Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection System Impact Study.

Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt.

#### **3.3.2.2 Scope of Surplus Interconnection Service System Impact Study.**

The Interconnection System Impact Study shall evaluate the impact of the Surplus Interconnection Service Request on the reliability of the Transmission System. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies such as transient, harmonic and/or sub-transient studies, particularly if the generation technology of the generation facility using the Surplus Interconnection Service is different from the generation technology in the original Interconnection Customer's Large Generation Interconnection Agreement. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service.

If the existing Interconnection Service was not studied under off-peak conditions or such study was not deemed suitable, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original Interconnection System Impact Study is not available or deemed suitable for the Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service.

The studies performed to evaluate a request for Surplus Interconnection Service will identify if any additional Interconnection Facilities and/or Network Upgrades are necessary. If any additional Network Upgrades are necessary, the Surplus Interconnection Request will be denied for any amount above what can be accommodated without Network Upgrades.

### **3.3.2.3 Surplus Interconnection Service System Impact Study Procedures**

Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required.

### **3.3.2.4 Meeting with Transmission Provider.**

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study, unless otherwise mutually agreed upon by the Parties System. Alternatively, the Interconnection Customer may waive this meeting.

### **3.3.3 Surplus Interconnection Service Agreement.**

An agreement for Surplus Interconnection Service shall be developed between the Transmission Provider, the original Interconnection Customer and the Surplus Interconnection Service Customer. If the System Impact Study shows that the addition of Network Upgrades will be required for the use of Surplus Interconnection Service due to different technology or short circuit requirements, or for other reasons, Surplus Interconnection Service shall be available up to the amount that can be accommodated without Network Upgrades. The Generating Facility receiving Surplus Interconnection Service is to interconnect to the original Interconnection Customer's Interconnection Facilities. Changes or additions to the original Interconnection Customer's Interconnection Facilities may be necessary and permissible.

#### **3.3.3.1** Within thirty (30) Calendar Days after delivery of the Interconnection System Impact Study report, Transmission Provider shall tender a draft Surplus Interconnection

Service Agreement to the original Interconnection Customer and the Surplus Interconnection Service Customer. The draft Surplus Interconnection Service Agreement shall be in the form of the original Interconnection Customer's FERC-approved form of the LGIA. The original Interconnection Customer and the Surplus Interconnection Service Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days to the Transmission Provider for the Transmission Provider to execute.

**3.3.3.2** Transmission Provider and Interconnection Customers shall negotiate concerning any disputed provisions of the appendices to the draft Surplus Interconnection Service Agreement for not more than sixty (60) Calendar Days after tender of the draft Surplus Interconnection Service Agreement. If any Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft Surplus Interconnection Service Agreement pursuant to Section 3.3.3.1 and request submission of the unexecuted Surplus Interconnection Service Agreement to FERC or initiate Dispute Resolution procedures pursuant to Section 13.5 of the LGIP. Within sixty (60) Calendar Days of tender of draft Surplus Interconnection Service Agreement and unless otherwise agreed by the Parties, if Interconnection Customer has not executed the Surplus Interconnection Service Agreement, requested filing of an unexecuted Surplus Interconnection Service Agreement, or initiated Dispute Resolution procedures pursuant to Section 13.5 of the LGIP, it shall be deemed to have withdrawn its Surplus Interconnection Service Request. Transmission Provider shall provide to Interconnection Customers a final Surplus Interconnection Service Agreement within fifteen (15) Business Days after the completion of the negotiation process.

**3.3.3.3** As soon as practicable, but not later than ten (10) Business Days after execution of the Surplus Interconnection Service Agreement or the request to file an unexecuted Surplus Interconnection Service Agreement, the Transmission Provider shall file the Surplus Interconnection Service Agreement with FERC, together with its explanation of any matters as to which Interconnection Customer(s) and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Interconnection Customer(s) under the Surplus Interconnection Service

Agreement. An unexecuted Surplus Interconnection Service Agreement should contain terms and conditions deemed appropriate by Transmission Provider for the Surplus Interconnection Service Request. If the Parties agree to proceed with design, procurement, and construction of facilities under the agreed-upon terms of the unexecuted Surplus Interconnection Service Agreement, they may proceed pending FERC action.

**3.3.3.4** Surplus Interconnection Service cannot be offered until all facilities required for the original Interconnection Customer's interconnection service (including all Contingent Facilities) are constructed and In Service.

**3.3.3.5** Surplus Interconnection Service cannot be offered if the original Interconnection Customer's Generating Facility is scheduled to retire and permanently cease Commercial Operation before the Surplus Interconnection Service Customer's Generating Facility begins Commercial Operation.

### **3.4 Valid Interconnection Request.**

#### **3.4.1 Initiating an Interconnection Request.**

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a \$10,000 deposit, (ii) a completed application in the form of Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of \$10,000. Such deposit shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.4.3 after submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, all such deposit(s), additional and initial, become non-refundable.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period) not to exceed seven years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting and construction of the new Large Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by Transmission Provider by a period up to ten years, or longer

where Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

**3.4.2 Acknowledgment of Interconnection Request.**

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

**3.4.3 Deficiencies in Interconnection Request.**

An Interconnection Request will not be considered to be a valid request until all items in Section 3.4.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.4.1, Transmission Provider shall notify Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.4.3 shall be treated in accordance with Section 3.7.

**3.4.4 Scoping Meeting.**

Within ten (10) Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, and such date shall be no later than thirty (30) Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to: (i) general facility loadings, (ii) general instability issues, (iii) general short circuit issues, (iv) general voltage issues, and (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting. Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to

Section 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

### **3.5 OASIS Posting.**

**3.5.1** Transmission Provider will maintain on its OASIS a list of all Interconnection Requests. The list will identify, for each Interconnection Request: (i) the maximum summer and winter megawatt electrical output; (ii) the location by county and state; (iii) the station or transmission line or lines where the interconnection will be made; (iv) the projected In-Service Date; (v) the status of the Interconnection Request, including Queue Position; (vi) the type of Interconnection Service being requested; and (vii) the availability of any studies related to the Interconnection Request; (viii) the date of the Interconnection Request; (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed. Except in the case of an Affiliate, the list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that Transmission Provider file an unexecuted LGIA with FERC. Before holding a Scoping Meeting with its Affiliate, Transmission Provider shall post on OASIS an advance notice of its intent to do so. Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's OASIS site subsequent to the meeting between Interconnection Customer and Transmission Provider to discuss the applicable study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In- Service Date.

### **3.5.2 Requirement to Post Interconnection Study Metrics.**

Transmission Provider will maintain on its OASIS or its website summary statistics related to processing Interconnection Studies pursuant to Interconnection Requests, updated quarterly. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. For each calendar quarter, Transmission Providers must calculate and post the information detailed in sections 3.5.2.1 through 3.5.2.4.

#### **3.5.2.1 Interconnection Feasibility Studies processing time.**

(A) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the



reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than 45 days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection Feasibility Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete Interconnection Feasibility Studies where such Interconnection Requests had executed Interconnection Feasibility Study Agreements received by Transmission Provider more than 45 days before the reporting quarter end,

(D) Mean time (in days), Interconnection Feasibility Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection Feasibility Study Agreement to the date when Transmission Provider provided the completed Interconnection Feasibility Study to the Interconnection Customer,

(E) Percentage of Interconnection Feasibility Studies exceeding 45 days to complete this reporting quarter, calculated as the sum of 3.5.2.1(B) plus 3.5.2.1(C) divided by the sum of 3.5.2.1(A) plus 3.5.2.1(C)).

#### **3.5.2.2 Interconnection System Impact Studies Processing Time.**

(A) Number of Interconnection Requests that had Interconnection System Impact Studies completed within

Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than 90 days after receipt by Transmission Provider of the Interconnection Customer's executed Interconnection System Impact Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Requests with ongoing incomplete System Impact Studies where such Interconnection Requests had executed Interconnection System Impact Study Agreements received by Transmission Provider more than 90 days before the reporting quarter end,

(D) Mean time (in days), Interconnection System Impact Studies completed within Transmission Provider's coordinated region during the reporting quarter, from the date when Transmission Provider received the executed Interconnection System Impact Study Agreement to the date when Transmission Provider provided the completed Interconnection System Impact Study to the Interconnection Customer,

(E) Percentage of Interconnection System Impact Studies exceeding 90 days to complete this reporting quarter, calculated as the sum of 3.5.2.2(B) plus 3.5.2.2(C) divided by the sum of 3.5.2.2(A) plus 3.5.2.2(C)).

### **3.5.2.3 Interconnection Facilities Studies Processing Time.**

(A) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than 90 days with a cost variance of 20% or 180 days with a cost variance of 10% after receipt by Transmission Provider of the

Interconnection Customer's executed Interconnection Facilities Study Agreement,

(C) At the end of the reporting quarter, the number of active valid Interconnection Service requests with ongoing incomplete Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Studies Agreement received by Transmission Provider more than 90 days with a cost variance of 20% or 180 days with a cost variance of 10% before the reporting quarter end,

(D) Mean time (in days), for Interconnection Facilities Studies completed within Transmission Provider's coordinated region during the reporting quarter, calculated from the date when Transmission Provider received the executed Interconnection Facilities Study Agreement to the date when Transmission Provider provided the completed Interconnection Facilities Study to the Interconnection Customer,

(E) Percentage of delayed Interconnection Facilities Studies this reporting quarter, calculated as the sum of 3.5.2.3(B) plus 3.5.2.3(C) divided by the sum of 3.5.2.3(A) plus 3.5.2.3(C)).

#### **3.5.2.4 Interconnection Service Requests Withdrawn from Interconnection Queue.**

(A) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter,

(B) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of any interconnection studies or execution of any interconnection study agreements,

(C) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection System Impact Study,

(D) Number of Interconnection Requests withdrawn from

Transmission Provider's interconnection queue during the reporting quarter before completion of an Interconnection Facilities Study,

(E) Number of Interconnection Requests withdrawn from Transmission Provider's interconnection queue after execution of a generator interconnection agreement or Interconnection Customer requests the filing of an unexecuted, new interconnection agreement,

(F) Mean time (in days), for all withdrawn Interconnection Requests, from the date when the request was determined to be valid to when transmission Provider received the request to withdraw from the queue.

**3.5.3** Transmission Provider is required to post on OASIS or its website the measures in paragraph 3.5.2.1(A) through paragraph 3.5.2.4(F) for each calendar quarter within 30 days of the end of the calendar quarter. Transmission Provider will keep the quarterly measures posted on OASIS or its website for three calendar years with the first required report to be in the first quarter of 2020. If Transmission Provider retains this information on its website, a link to the information must be provided on Transmission Provider's OASIS site.

**3.5.4** In the event that any of the values calculated in paragraphs 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeds 25 percent for two consecutive calendar quarters, Transmission Provider will have to comply with the measures below for the next four consecutive calendar quarters and must continue reporting this information until Transmission Provider reports four consecutive calendar quarters without the values calculated in 3.5.2.1(E), 3.5.2.2(E) or 3.5.2.3(E) exceeding 25 percent for two consecutive calendar quarters:

- (i) Transmission Provider must submit a report to the Commission describing the reason for each study or group of clustered studies pursuant to an Interconnection Request that exceeded its deadline (i.e., 45, 90 or 180 days) for completion (excluding any allowance for Reasonable Efforts). Transmission Provider must describe the reasons for each study delay and any steps taken to remedy these specific issues and, if applicable, prevent such delays in the future. The report must be filed at the Commission within 45 days of the end of the calendar quarter.

- (ii) Transmission Provider shall aggregate the total number of employee-hours and third party consultant hours expended towards interconnection studies within its coordinated region that quarter and post on OASIS or its website. If Transmission Provider posts this information on its website, a link to the information must be provided on Transmission Provider's OASIS site. This information is to be posted within 30 days of the end of the calendar quarter.

### **3.6 Coordination with Affected Systems.**

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. Transmission Provider will include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

### **3.7 Withdrawal.**

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have fifteen (15) Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any

Interconnection Study data or results.

Transmission Provider shall (i) update the OASIS Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Transmission Provider has incurred, including interest calculated in accordance with section 35.19a(a)(2) of FERC's regulations. In the event of such withdrawal, Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection Customer's request, all information that Transmission Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

### **3.8 Identification of Contingent Facilities.**

The Transmission Provider shall identify Contingent Facilities in the Interconnection System Impact Study by reviewing and accounting for (1) planned Network Upgrades associated with Interconnection Customers with higher queue priority and/or (2) coordination with applicable Affected System parties to determine what Contingent Facilities have been identified through Affected System Studies, and/or (3) other planned transmission projects unrelated to any Interconnection Requests. Any such Contingent Facilities upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing, shall each be identified and listed in the Interconnection System Impact Study based on the technical screening process in 3.8.1. The Transmission Provider shall provide a written explanation as to why a facility was identified as a Contingent Facility and how it relates to the Interconnection Request.

Transmission Provider shall also provide, upon request of the Interconnection Customer, the estimated Interconnection Facility and/or Network Upgrade costs and estimated in-service completion time of each identified Contingent Facility when this information is readily available and not commercially sensitive. The Transmission Provider shall also include the same information regarding Contingent Facilities in the LGIA.

#### **3.8.1 Technical Screening Process.**

The technical screening process for identifying Contingent Facilities is comprised of the following steps:

- (i) **Identify Potential Contingent Facilities.** Transmission Provider will review the following to identify any unbuilt Interconnection Facilities and/or Network Upgrades as potential Contingent Facilities to be evaluated pursuant to Steps (ii)-(v) below: (1) all applicable Interconnection Study

results for higher queued Interconnection Requests, (2) all applicable Affected System Studies, and (3) its 10-year expansion plan.

- (ii) **Remove a Potential Contingent Facility and Perform Applicable Contingency Analyses.** The Transmission Provider will take a potential Contingent Facility out of service in its study model and: (a) perform steady state, short circuit, voltage stability, and/or transient stability analyses to determine if the Transmission System demonstrates acceptable pre- and post-contingency system performance, in accordance with current Transmission Provider, NERC, or Reliability Coordinator criteria or standards; and (b) document the resulting Transmission System performance deficiencies following the analysis in Step (ii)(a).
- (iii) **Add the proposed Generating Facility into Model and Re-run Contingency Analyses.** Transmission Provider will add the proposed Generating Facility into the model after taking the potential Contingent Facility out of service as provided in Step (ii) above, and: (a) perform the same analysis for the added proposed Generating Facility as the analysis outlined in Step (ii)(a) for the removed potential Contingent Facility; and (b) document the resulting Transmission System performance deficiencies following the analysis in Step (iii)(a).
- (iv) **Apply Threshold and Categorize.** If the Transmission System performance deficiencies observed in Step (iii)(b) are: (a) exacerbated by one percent (1%) or greater than the Transmission System performance deficiencies initially observed in Step (ii)(b), then the potential Contingent Facility that is individually evaluated in Step (ii) will be deemed a Contingent Facility; or (b) exacerbated by less than one percent (1%) than the Transmission System performance deficiencies initially observed in Step (ii)(b), then the potential Contingent Facility that is individually evaluated in Step (ii) will not be deemed a Contingent Facility.
- (v) **Repeat for Each Identified Potential Contingent Facility.** Transmission Provider will repeat Steps (ii)-(iv) for each potential Contingent Facility identified in Step (i).

## **Section 4. Queue Position**

### **4.1 General.**

Transmission Provider shall assign a Queue Position based upon the date

and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.4.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed. Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued.

Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.

#### **4.2 Clustering.**

At Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the Interconnection System Impact Study.

Clustering shall be implemented on the basis of Queue Position. If Transmission Provider elects to study Interconnection Requests using Clustering, all Interconnection Requests received within a period not to exceed one hundred and eighty (180) Calendar Days, hereinafter referred to as the "Queue Cluster Window" shall be studied together without regard to the nature of the underlying Interconnection Service, whether Energy Resource Interconnection Service or Network Resource Interconnection Service. The deadline for completing all Interconnection System Impact Studies for which an Interconnection System Impact Study Agreement has been executed during a Queue Cluster Window shall be in accordance with Section 7.4, for all Interconnection Requests assigned to the same Queue Cluster Window. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering Interconnection System Impact Studies shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Transmission Provider's OASIS beginning at least one



hundred and eighty (180) Calendar Days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

**4.3 Transferability of Queue Position.**

An Interconnection Customer may transfer its Queue Position to another entity only if such entity acquires the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

**4.4 Modifications.**

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2 or 4.4.5, or are determined not to be Material Modifications pursuant to Section 4.4.3.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefit (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

**4.4.1** Prior to the return of the executed Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project; through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.

**4.4.2** Prior to the return of the executed Interconnection Facilities Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15

percent decrease of electrical output of the proposed project through either

(1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) accomplished by applying Transmission Provider-approved injection-limiting equipment; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request.

Section 4.4.4 specifies a separate technological change procedure including the requisite information and process that will be followed to assess whether the Interconnection Customer's proposed technological advancement under Section 4.4.2(c) is a Material Modification. Section 1 contains a definition of Permissible Technological Advancement.

**4.4.3** Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, Transmission Provider shall evaluate the proposed modifications prior to making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those deemed acceptable under Sections 4.4.1, 6.1, 7.2 or so allowed elsewhere, shall constitute a Material Modification. Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

**4.4.4 Technological Change Procedure.**

In accordance with Section 4.4.2, at any time prior to the return of the executed Interconnection Facilities Study Agreement to the Transmission Provider and if the Interconnection Customer seeks modifications to the Large Generating Facility's technology, the Interconnection Customer must submit a written technological advancement request to Transmission Provider to make modifications to the Large Generating Facility's technology. The Interconnection Customer technological advancement request shall include Attachment A to Appendix 1, modified to reflect the technological advancement as appropriate, and an analysis of how its proposed technological advancement would result in electrical performance that is equivalent to or better than the electrical performance expected prior to the change. If the proposed

technological advancement does not change the Interconnection Request Large Generating Facility data submitted in Attachment A to Appendix 1, then the modifications shall be deemed a Permissible Technological Advancement and no further action shall be required. If the modifications to the Large Generating Facility's technology do change the submitted Interconnection Request Large Generating Facility data submitted in Attachment A to Appendix 1, the Transmission Provider shall request a supplemental study deposit of \$10,000. The Transmission Provider shall update the Interconnection System Impact Study models, re-run the Interconnection System Impact Study, and provide an updated Interconnection System Impact Study report within 30 Calendar Days of receipt of the technological advancement request. If the Interconnection System Impact Study results are such that the previously identified Interconnection Facilities and Network Upgrades are adequate, the modification to the Large Generating Facility's technology shall be deemed a Permissible Technological Advancement and no further action shall be required. If the study results are impacted such that the previously identified Interconnection Facilities or Network Upgrades are inadequate remedies for identified system impacts, the modification to the Large Generating Facility's technology shall be deemed a Material Modification in accordance with Section 4.4.3. In the latter instance, the Transmission Provider shall provide the Interconnection Customer with an explanation as to why the proposed technological advancement cannot be accommodated as a Permissible Technological Advancement and constitutes a Material Modification.

- 4.4.5** Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.
- 4.4.6** Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.

## **Section 5. Procedures for Interconnection Requests Submitted Prior to Effective Date of Standard Large Generator Interconnection Procedures**

### **5.1 Queue Position for Pending Requests**

**5.1.1** Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position.

**5.1.1.1** If an Interconnection Study Agreement has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.

**5.1.1.2** If an Interconnection Study Agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study Agreement prior to the effective date of the LGIP, Transmission Provider must offer Interconnection Customer the option of either continuing under Transmission Provider's existing interconnection study process or going forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this LGIP.

**5.1.1.3** If an LGIA has been submitted to FERC for approval before the effective date of the LGIP, then the LGIA would be grandfathered.

**5.1.2 Transition Period.**

To the extent necessary, Transmission Provider and Interconnection Customers with an outstanding request (i.e., an Interconnection Request for which an LGIA has not been submitted to FERC for approval as of the effective date of this LGIP) shall transition to this LGIP within a reasonable period of time not to exceed sixty (60) Calendar Days. The use of the term "outstanding request" herein shall mean any Interconnection Request, on the effective date of this LGIP: (i) that has been submitted but not yet accepted by Transmission Provider; (ii) where the related interconnection agreement has not yet been submitted to FERC for approval in executed or unexecuted form, (iii) where the relevant Interconnection Study Agreements have not yet been executed, or (iv) where any of the relevant Interconnection Studies are in process but not yet completed. Any Interconnection Customer with an outstanding request as of the effective date of this LGIP may request a reasonable extension of any deadline, otherwise applicable, if necessary to avoid undue hardship or prejudice to its

Interconnection Request. A reasonable extension shall be granted by Transmission Provider to the extent consistent with the intent and process provided for under this LGIP.

## **5.2 New Transmission Provider.**

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this LGIP shall be paid by or refunded to the Interconnection, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with FERC, unless otherwise provided, Interconnection Customer must complete negotiations with the successor Transmission Provider.

## **Section 6. Interconnection Feasibility Study**

### **6.1 Interconnection Feasibility Study Agreement.**

Simultaneously with the acknowledgement of a valid Interconnection Request Transmission Provider shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following Transmission Provider's receipt of such designation, Transmission Provider shall tender to Interconnection Customer the Interconnection Feasibility Study Agreement signed by Transmission Provider, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection Feasibility Study Agreement along with a \$10,000 deposit no later than thirty (30) Calendar Days after its receipt.

On or before the return of the executed Interconnection Feasibility Study Agreement to Transmission Provider, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A.

If the Interconnection Feasibility Study uncovers any unexpected result(s)

not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

If Interconnection Customer and Transmission Provider agree to forgo the Interconnection Feasibility Study, Transmission Provider will initiate an Interconnection System Impact Study under Section 7 of this LGIP and apply the \$10,000 deposit towards the Interconnection System Impact Study.

## **6.2 Scope of Interconnection Feasibility Study.**

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

## **6.3 Interconnection Feasibility Study Procedures.**

Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after Transmission Provider receives the fully executed Interconnection Feasibility Study Agreement. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, Transmission Provider

shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Transmission Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, the Transmission Provider shall provide the Interconnection Customer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

Transmission Provider shall study the Interconnection Request at the level of service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

#### **6.3.1 Meeting with Transmission Provider.**

Within ten (10) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Feasibility Study.

#### **6.4 Re-Study.**

If Re-Study of the Interconnection Feasibility Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to Section 4.4, or re-designation of the Point of Interconnection pursuant to Section 6.1 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take not longer than forty-five (45) Calendar Days from the date of the notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

### **Section 7. Interconnection System Impact Study**

#### **7.1 Interconnection System Impact Study Agreement.**

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.4.4, simultaneously with the delivery of the Interconnection Feasibility Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 3 to this LGIP. The Interconnection System Impact Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the Interconnection Feasibility Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

## **7.2 Execution of Interconnection System Impact Study Agreement.**

Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than thirty (30) Calendar Days after its receipt along with demonstration of Site Control, and a \$50,000 deposit.

If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and Interconnection Customer shall cure the deficiency within ten (10) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.4.4, shall be the substitute.

## **7.3 Scope of Interconnection System Impact Study.**

The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested that an unexecuted LGIA be filed with FERC. The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to



providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Interconnection Facilities and Network Upgrades, the System Impact Study shall consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

#### **7.4 Interconnection System Impact Study Procedures**

Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.6 above. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within ninety (90) Calendar Days after the receipt of the Interconnection System Impact Study Agreement or notification to proceed, study payment, and technical data. If Transmission Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within ninety (90) Calendar Days after the close of the Queue Cluster Window.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

**7.5 Meeting with Transmission Provider.**

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study.

**7.6 Re-Study.**

If Re-Study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to 4.4, or re-designation of the Point of Interconnection pursuant to section 7.2 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

**Section 8. Interconnection Facilities Study**

**8.1 Interconnection Facilities Study Agreement.**

Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Transmission Provider shall provide to Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this LGIP. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer shall compensate Transmission Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the Interconnection System Impact Study results meeting, Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within thirty (30) Calendar Days after its receipt, together with the required technical data and the greater of \$100,000 or Interconnection Customer's portion of the estimated monthly cost of conducting the Interconnection Facilities Study.

- 8.1.1** Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month. Interconnection Customer shall pay invoiced amounts within thirty (30) Calendar Days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit until settlement of the final invoice.

## **8.2 Scope of Interconnection Facilities Study.**

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities. The Facilities Study will also identify any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

## **8.3 Interconnection Facilities Study Procedures.**

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.6 above.

Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study.

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: ninety (90) Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report; or one hundred eighty (180) Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate.

**8.3.1** At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

**8.3.2** Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final

Interconnection Facilities Study report within fifteen (15) Business

Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

**8.4 Meeting with Transmission Provider.**

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

**8.5 Re-Study.**

If Re-Study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re- studied.

**Section 9. Engineering & Procurement ('E&P') Agreement.**

Prior to executing an LGIA, an Interconnection Customer may, in order to advance the implementation of its interconnection, request and Transmission Provider shall offer the Interconnection Customer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. However, Transmission Provider shall not be obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's Queue Position or In- Service Date. The E&P Agreement shall provide for Interconnection Customer to pay the cost of all activities authorized by Interconnection Customer and to

make advance payments or provide other satisfactory security for such costs.

Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

## **Section 10. Optional Interconnection Study**

### **10.1 Optional Interconnection Study Agreement.**

On or after the date when Interconnection Customer receives Interconnection System Impact Study results, Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wishes Transmission Provider to study within the scope described in Section 10.2. Within five (5) Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide to Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System whose

participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

The Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data and a \$10,000 deposit to Transmission Provider.

#### **10.2 Scope of Optional Interconnection Study.**

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected Systems that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

#### **10.3 Optional Interconnection Study Procedures.**

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within a mutually agreed upon time period specified within the Optional Interconnection Study Agreement. If Transmission Provider is unable to complete the Optional Interconnection Study within such time period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation and workpapers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

## **Section 11. Standard Large Generator Interconnection Agreement (LGIA)**

### **11.1 Tender.**

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within thirty (30) Calendar Days after the comments are submitted, Transmission Provider shall tender a draft LGIA, together with draft appendices. The draft LGIA shall be in the form of Transmission Provider's FERC-approved standard form LGIA, which is in Appendix 6. Interconnection Customer shall execute and return the completed draft appendices within thirty (30) Calendar Days.

### **11.2 Negotiation.**

Notwithstanding Section 11.1, at the request of Interconnection Customer Transmission Provider shall begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA pursuant to Section 11.1 and request submission of the unexecuted LGIA with FERC or initiate Dispute Resolution procedures pursuant to Section 13.5. If Interconnection Customer requests termination of the negotiations, but within sixty (60) Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, requested filing of an unexecuted LGIA, or initiated Dispute Resolution procedures pursuant to Section 13.5 within sixty (60) Calendar Days of tender of draft of the LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide to Interconnection Customer a final LGIA within fifteen (15) Business Days after the completion of the negotiation process.

### **11.3 Execution and Filing.**

Within fifteen (15) Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence that continued Site Control or (B) posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection

Customer also shall provide reasonable evidence that one or more of

the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return them to Transmission Provider; or (ii) request in writing that Transmission Provider file with FERC an LGIA in unexecuted form. As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered LGIA (if it does not conform with a FERC-approved standard form of interconnection agreement) or the request to file an unexecuted LGIA, Transmission Provider shall file the LGIA with FERC, together with its explanation of any matters as to which Interconnection Customer and Transmission Provider disagree and support for the costs that Transmission Provider proposes to charge to Interconnection Customer under the LGIA. An unexecuted LGIA should contain terms and conditions deemed appropriate by Transmission Provider for the Interconnection Request. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending FERC action.

#### **11.4 Commencement of Interconnection Activities.**

If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA, subject to modification by FERC. Upon submission of an unexecuted LGIA, Interconnection Customer and Transmission Provider shall promptly comply with the unexecuted LGIA, subject to modification by FERC.

### **Section 12. Construction of Transmission Provider's Interconnection Facilities and Network Upgrades**

#### **12.1 Schedule.**

Transmission Provider and Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.



## **12.2 Construction Sequencing.**

- 12.2.1 General. In general, the In-Service Date of an** Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.
- 12.2.2 Advance Construction of Network Upgrades that are an** Obligation of an Entity other than Interconnection Customer. An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than Interconnection Customer that is seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commit to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

- 12.2.3 Advancing Construction of Network Upgrades that are** Part of an Expansion Plan of the Transmission Provider.

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commit to pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credit, if any, for any expediting costs paid.

**12.2.4 Amended Interconnection System Impact Study.**

An Interconnection System Impact Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

**Section 13. Miscellaneous**

**13.1 Confidentiality.**

Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of an LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

**13.1.1 Scope.**

Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to

the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the LGIA; or (6) is required, in accordance with Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

**13.1.2 Release of Confidential Information.**

Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

**13.1.3 Rights.**

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

**13.1.4 No Warranties.**

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential

Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

**13.1.5 Standard of Care.**

Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

**13.1.6 Order of Disclosure.**

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

**13.1.7 Remedies.**

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party,

however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

**13.1.8 Disclosure to FERC, its Staff, or a State.**

Notwithstanding anything in this Section 13.1 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the LGIP, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

- (iv) **Subject to the exception in Section 13.1.8, any** information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees

to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

**13.1.9** This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

**13.1.10** Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

**13.2 Delegation of Responsibility.**

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

**13.3 Obligation for Study Costs.**

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

**13.4 Third Parties Conducting Studies.**

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives

neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the LGIA (Subcontractors) and limited to situations where Transmission Provider determines that doing so will help maintain or accelerate the study process for Interconnection Customer's pending Interconnection Request and not interfere with Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either Interconnection Customer or Transmission Provider at Transmission Provider's discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this LGIP, Article 26 of the LGIA (Subcontractors), and the relevant OATT procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

## **13.5 Disputes.**

### **13.5.1 Submission.**

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for

resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

**13.5.2 External Arbitration Procedures.**

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance



with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 13, the terms of this Section 13 shall prevail.

**13.5.3 Arbitration Decisions.**

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the LGIA and LGIP and shall have no power to modify or change any provision of the LGIA and LGIP in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

**13.5.4 Costs.**

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three-member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

**13.5.5 Non-binding dispute resolution procedures.**

If a Party has submitted a Notice of Dispute pursuant to section 13.5.1, and the Parties are unable to resolve the claim or dispute through unassisted or assisted negotiations within the thirty (30) Calendar Days provided in that section, and the Parties cannot reach mutual agreement to pursue the section 13.5 arbitration process, a Party may request that Transmission Provider engage in Non-binding Dispute Resolution pursuant to this section by providing written notice to Transmission Provider ("Request for Non-binding Dispute Resolution"). Conversely, either Party may file a Request for Non-binding Dispute Resolution pursuant to this section without first seeking mutual agreement to pursue the section 13.5 arbitration process. The process in section 13.5.5 shall serve as an alternative to, and not a replacement of, the

section 13.5 arbitration process.

Pursuant to this process, a Transmission Provider must within 30 days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor that shall not have any current or past substantial business or financial relationships with either Party. Unless otherwise agreed by the Parties, the decision-maker shall render a decision within sixty (60) Calendar Days of appointment and shall notify the Parties in writing of such decision and reasons therefore. This decision-maker shall be authorized only to interpret and apply the provisions of the LGIP and LGIA and shall have no power to modify or change any provision of the LGIP and LGIA in any manner. The result reached in this process is not binding, but, unless otherwise agreed, the Parties may cite the record and decision in the non-binding dispute resolution process in future dispute resolution processes, including in a section 13.5 arbitration, or in a Federal Power Act section 206 complaint. Each Party shall be responsible for its own costs incurred during the process and the cost of the decision-maker shall be divided equally among each Party to the dispute.

## **13.6 Local Furnishing Bonds.**

**13.6.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds.** This provision is applicable only to a Transmission Provider that has financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this LGIA and LGIP, Transmission Provider shall not be required to provide Interconnection Service to Interconnection Customer pursuant to this LGIA and LGIP if the provision of such Transmission Service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance Transmission Provider's facilities that would be used in providing such Interconnection Service.

## **13.6.2 Alternative Procedures for Requesting Interconnection Service.**

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be

used in providing such Interconnection Service, it shall advise the Interconnection Customer within thirty (30) Calendar Days of receipt of the Interconnection Request.

Interconnection Customer thereafter may renew its request for interconnection using the process specified in Article 5.2(ii) of the Transmission Provider's Tariff.

**APPENDIX 1 to LGIP  
INTERCONNECTION REQUEST FOR  
A LARGE GENERATING FACILITY**

1. The undersigned Interconnection Customer submit this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.
2. This Interconnection Request is for (check one):  
☐ A proposed new Large Generating Facility.  
☐ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
3. The type of interconnection service requested (check one):  
☐ Energy Resource Interconnection Service  
☐ Network Resource Interconnection Service
4. ☐ Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service
5. Interconnection Customer provides the following information:
  - a. Address or location of the proposed new Large Generating Facility site (to the extent known) or, in the case of an existing Generating Facility, the name and specific location of the existing Generating Facility;
  - b. Maximum summer at  degrees C and winter at  degrees C megawatt electrical output of the proposed new Large Generating Facility or the amount of megawatt increase in the generating capacity of an existing Generating Facility;
  - c. General description of the equipment configuration;
  - d. Commercial Operation Date (Day, Month, and Year);
  - e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;
  - f. Approximate location of the proposed Point of Interconnection (optional); and

- g. Interconnection Customer Data (set forth in Attachment A)
  - h. Primary frequency response operating range for electric storage resources.
  - i. Requested capacity (in MW) of Interconnection Service (if lower than the Generating Facility Capacity).
6. Applicable deposit amount as specified in the LGIP.
7. Evidence of Site Control as specified in the LGIP (check one)  
\_\_\_\_ Is attached to this Interconnection Request  
\_\_\_\_ Will be provided at a later date in accordance with this LGIP

8. This Interconnection Request shall be submitted to the representative indicated below:

[To be completed by Transmission Provider]

9. Representative of Interconnection Customer to contact: [To be completed by Interconnection Customer]

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: \_\_\_\_\_

By (signature): \_\_\_\_\_

Name (type or print): \_\_\_\_\_

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

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

**Attachment A**  
**to Appendix**  
**Interconnection Request**

**LARGE GENERATING FACILITY DATA**

**UNIT RATINGS**

kVA \_\_\_\_\_ °F \_\_\_\_\_ Voltage \_\_\_\_\_  
Power Factor \_\_\_\_\_  
Speed (RPM) \_\_\_\_\_ Connection (e.g. Wye) \_\_\_\_\_  
Short Circuit Ratio \_\_\_\_\_ Frequency, Hertz \_\_\_\_\_  
Stator Amperes at Rated kVA \_\_\_\_\_ Field Volts \_\_\_\_\_  
Max Turbine MW \_\_\_\_\_ °F \_\_\_\_\_

Primary frequency response operating range for electric storage resources:

Minimum State of Charge: \_\_\_\_\_

Maximum State of Charge: \_\_\_\_\_

**COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA**

Inertia Constant,  $H =$  \_\_\_\_\_ k  
W sec/kVA  
Moment-of-Inertia,  $WR^2 =$  \_\_\_\_\_ lb. ft.<sup>2</sup>

**REACTANCE DATA (PER UNIT-RATED KVA)**  
AXIS QUADRATURE AXIS

DIRECT

Synchronous – saturated	$X_{dv}$ _____	$X_{qv}$ _____
Synchronous – unsaturated	$X_{di}$ _____	$X_{qi}$ _____
Transient – saturated	$X'_{dv}$ _____	$X'_{qv}$ _____
Transient – unsaturated	$X'_{di}$ _____	$X'_{qi}$ _____
Subtransient – saturated	$X''_{dv}$ _____	$X''_{qv}$ _____
Subtransient – unsaturated	$X''_{di}$ _____	$X''_{qi}$ _____
Negative Sequence – saturated	$X_{2v}$ _____	

Negative Sequence –	$X_{2i}$ _____
Zero Sequence – saturated	$X_{0v}$ _____
Zero Sequence – unsaturated	$X_{0i}$ _____
Leakage Reactance	$X_{lm}$ _____

### **FIELD TIME CONSTANT DATA (SEC)**

Open Circuit	$T'_{do}$ _____	$T'_{qo}$ _____
Three-Phase Short Circuit Transient	$T'_{d3}$ _____	$T'_q$ _____
Line to Line Short Circuit Transient	$T'_{d2}$ _____	
Line to Neutral Short Circuit Transient	$T'_{d1}$ _____	
Short Circuit Subtransient	$T''_d$ _____	$T''_q$ _____
Open Circuit Subtransient	$T''_{do}$ _____	$T''_{qo}$ _____

### **ARMATURE TIME CONSTANT DATA (SEC)**

Three Phase Short Circuit	$T_{a3}$ _____
Line to Line Short Circuit	$T_{a2}$ _____
Line to Neutral Short Circuit	$T_{a1}$ _____

NOTE: If requested information is not applicable, indicate by marking "N/A."



**Attachment A**  
**to Appendix**  
**Interconnection Request**

**MW CAPABILITY AND PLANT CONFIGURATION LARGE  
GENERATING FACILITY DATA**

**ARMATURE WINDING RESISTANCE DATA (PER UNIT)**

Positive	$R_1$	_____
Negative	$R_2$	_____
Zero	$R_0$	_____

Rotor Short Time Thermal Capacity I<sup>2</sup>t = \_\_\_\_\_  
Field Current at Rated kVA, Armature Voltage and PF = \_\_\_\_\_ amps  
Field Current at Rated kVA and Armature Voltage, 0 PF = \_\_\_\_\_ amps  
Three Phase Armature Winding Capacitance = \_\_\_\_\_ microfarad  
Field Winding Resistance = \_\_\_\_\_ ohms \_\_\_\_\_ °C  
Armature Winding Resistance (Per Phase) = \_\_\_\_\_ ohms \_\_\_\_\_

**CURVES**

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves.  
Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

**Attachment A**  
**to Appendix**  
**Interconnection Request**

**GENERATOR STEP-UP TRANSFORMER DATA**

**RATINGS**

Capacity                      Self-cooled/ maximum Nameplate  
\_\_\_\_\_ / \_\_\_\_\_ kVA

Voltage Ratio              (Generator Side/System side/Tertiary)  
\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ kV

Winding Connections              (Low V/High V/Tertiary V (Delta or Wye)  
\_\_\_\_\_ / \_\_\_\_\_

Fixed Taps Available \_\_\_\_\_

Present Tap Setting \_\_\_\_\_

**IMPEDANCE**

Positive              Z1 (on self-cooled kVA rating) \_\_\_\_\_ % \_\_\_\_\_ X/R

Zero                  Z0 (on self-cooled kVA rating) \_\_\_\_\_ % \_\_\_\_\_ X/R

**Attachment A**  
**to Appendix**  
**Interconnection Request**

**EXCITATION SYSTEM DATA**

Identify appropriate IEEE model block diagram of excitation system and power system stabilizer (PSS) for computer representation in power system stability simulations and the corresponding excitation system and PSS constants for use in the model.

**GOVERNOR SYSTEM DATA**

Identify appropriate IEEE model block diagram of governor system for computer representation in power system stability simulations and the corresponding governor system constants for use in the model.

**WIND GENERATORS**

Number of generators to be interconnected pursuant to this Interconnection Request: \_\_\_\_\_

Elevation: \_\_\_\_\_      \_\_\_\_\_ Single Phase      \_\_\_\_\_ Three Phase

Inverter manufacturer, model name, number, and version:

\_\_\_\_\_

List of adjustable setpoints for the protective equipment or software:

\_\_\_\_\_

Note: A completed General Electric Company Power Systems Load Flow (PSLF) data sheet or other compatible formats, such as IEEE and PTI power flow models, must be supplied with the Interconnection Request. If other data sheets are more appropriate to the proposed device, then they shall be provided and discussed at Scoping Meeting.

**Attachment A**  
**to Appendix**  
**Interconnection Request**

**INDUCTION  
GENERATORS**

(\*) Field Volts: \_\_\_\_\_

(\*) Field Amperes: \_\_\_\_\_

(\*) Motoring Power (kW): \_\_\_\_\_

(\*) Neutral Grounding Resistor (If Applicable): \_\_\_\_\_

(\*)  $I^2t$  or K (Heating Time Constant): \_\_\_\_\_

(\*) Rotor Resistance: \_\_\_\_\_

(\*) Stator Resistance: \_\_\_\_\_

(\*) Stator Reactance: \_\_\_\_\_

(\*) Rotor Reactance: \_\_\_\_\_

(\*) Magnetizing Reactance: \_\_\_\_\_

(\*) Short Circuit Reactance: \_\_\_\_\_

(\*) Exciting Current: \_\_\_\_\_

(\*) Temperature Rise: \_\_\_\_\_

(\*) Frame Size: \_\_\_\_\_

(\*) Design Letter: \_\_\_\_\_

(\*) Reactive Power Required In Vars (No Load): \_\_\_\_\_

(\*) Reactive Power Required In Vars (Full Load):\_\_\_\_\_

(\*) Total Rotating Inertia, H:\_\_\_\_\_Per Unit on KVA Base

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated by (\*) is required.

## APPENDIX 2 to LGIP

### INTERCONNECTION FEASIBILITY STUDY AGREEMENT

**THIS AGREEMENT** is made and entered into this day of \_\_\_\_\_, 20 by and between, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, ("Interconnection Customer,") and \_\_\_\_\_ a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_, ("Transmission Provider "). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

### RECITALS

**WHEREAS**, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated; and

**WHEREAS**, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

**WHEREAS**, Interconnection Customer has requested Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Transmission System, and of any Affected Systems;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC- approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Feasibility Study consistent with Section of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of

the Scoping Meeting. Transmission Provider reserves the right to

request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Feasibility Study and as designated in accordance with Section 3.4.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.4.4 of the LGIP, Interconnection Customer modifies its Interconnection Request pursuant to Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.

5.0 The Interconnection Feasibility Study report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limit exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Interconnection Feasibility Study.

Upon receipt of the Interconnection Feasibility Study Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Feasibility Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

7.0 Miscellaneous. The Interconnection Feasibility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.



**ATTACHMENT N**  
**Large Generator Interconnection Agreement**

**Appendix 6 to the Standard Large  
Generator Interconnection Procedures**

**STANDARD LARGE GENERATOR  
INTERCONNECTION AGREEMENT (LGIA)**

## TABLE OF CONTENTS

### Page

Recitals	.....	- 1 -
Article 1.	Definitions.....	- 2 -
Article 2.	Effective Date, Term, and Termination.....	- 11 -
2.1	Effective Date .....	- 11 -
2.2	Term of Agreement.....	- 11 -
2.3	Termination Procedures.....	- 11 -
2.3.1	Written Notice .....	- 11 -
2.3.2	Default .....	- 11 -
2.4	Termination Costs.....	- 11 -
2.5	Disconnection .....	- 13 -
2.6	Survival.....	- 13 -
Article 3.	Regulatory Filings .....	- 13 -
3.1	Filing.....	- 13 -
Article 4.	Scope of Service .....	- 13 -
4.1	Interconnection Product Options.....	- 13 -
4.1.1	Energy Resource Interconnection Service .....	- 13 -
4.1.1.1	The Product .....	- 13 -
4.1.1.2	Transmission Delivery Service Implications .....	- 14 -
4.1.2	Network Resource Interconnection Service .....	- 14 -
4.1.2.1	The Product .....	- 14 -
4.1.2.2	Transmission Delivery Service Implications .....	- 15 -
4.2	Provision of Service .....	- 16 -
4.3	Performance Standards .....	- 16 -
4.4	No Transmission Delivery Service .....	- 17 -
4.5	Interconnection Customer Provided Services .....	- 17 -
Article 5.	Interconnection Facilities Engineering, Procurement, and Construction .....	- 17 -
5.1	Options .....	- 17 -
5.1.1	Standard Option.....	- 17 -
5.1.2	Alternate Option.....	- 18 -
5.1.3	Option to Build .....	- 18 -
5.1.4	Negotiated Option .....	- 18 -
5.2	General Conditions Applicable to Option to Build.....	- 19 -
5.3	Liquidated Damages .....	- 20 -
5.4	Power System Stabilizers .....	- 21 -
5.5	Equipment Procurement .....	- 21 -
5.6	Construction Commencement .....	- 22 -

5.7	Work Progress .....	- 22 -
5.8	Information Exchange .....	- 22 -
5.9	Other Interconnection Options .....	- 22 -
5.9.1	Limited Operation .....	- 22 -
5.9.2	Provisional Interconnection Service .....	- 23 -
5.10	Interconnection Customer's Interconnection Facilities ('ICIF') .....	- 24 -
5.10.1	Interconnection Customer's Interconnection Facility Specifications.....	- 24 -
5.10.2	Transmission Provider's Review .....	- 24 -
5.10.3	ICIF Construction .....	- 24 -
5.11	Transmission Provider's Interconnection Facilities Construction .....	- 25 -
5.12	Access Rights .....	- 25 -
5.13	Lands of Other Property Owners .....	- 25 -
5.14	Permits .....	- 26 -
5.15	Early Construction of Base Case Facilities .....	- 26 -
5.16	Suspension.....	- 26 -
5.17	Taxes.....	- 27 -
5.17.1	Interconnection Customer Payments Not Taxable .....	- 27 -
5.17.2	Representations and Covenants .....	- 27 -
5.17.3	Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider .....	- 27 -
5.17.4	Tax Gross-Up Amount .....	- 28 -
5.17.5	Private Letter Ruling or Change or Clarification of Law .....	- 29 -
5.17.6	Subsequent Taxable Events .....	- 29 -
5.17.7	Contests .....	- 30 -
5.17.8	Refund.....	- 30 -
5.17.9	Taxes Other Than Income Taxes.....	- 32 -
5.17.10	Transmission Owners Who Are Not Transmission Providers .....	- 32 -
5.18	Tax Status .....	- 32 -
5.19	Modification .....	- 32 -
5.19.1	General.....	- 32 -
5.19.2	Modifications.....	- 33 -
5.19.3	Standards .....	- 33 -
5.19.4	Modification Costs .....	- 33 -
Article 6.	Testing and Inspection.....	- 33 -
6.1	Pre-Commercial Operation Date Testing and Modifications.....	- 33 -
6.2	Post-Commercial Operation Date Testing and Modifications .....	- 34 -
6.3	Right to Observe Testing .....	- 34 -
6.4	Right to Inspect.....	- 34 -
Article 7.	Metering .....	- 34 -
7.1	General.....	- 34 -
7.2	Check Meters .....	- 34 -
7.3	Standards .....	- 35 -
7.4	Testing of Metering Equipment .....	- 35 -

7.5	Metering Data .....	- 35 -
Article 8.	Communications .....	- 35 -
8.1	Interconnection Customer Obligations .....	- 35 -
8.2	Remote Terminal Unit.....	- 36 -
8.3	No Annexation .....	- 36 -
8.4	Provision of Data from a Variable Energy Resource .....	- 36 -
Article 9.	Operations .....	- 37 -
9.1	General.....	- 37 -
9.2	Control Area Notification .....	- 37 -
9.3	Transmission Provider Obligations .....	- 37 -
9.4	Interconnection Customer Obligations .....	- 37 -
9.5	Start-Up and Synchronization .....	- 38 -
9.6	Reactive Power .....	- 38 -
9.6.1	Power Factor Design Criteria .....	- 38 -
9.6.1.1	Synchronous Generation .....	- 38 -
9.6.1.2	Non-Synchronous Generation.....	- 38 -
9.6.2	Voltage Schedules .....	- 39 -
9.6.2.1	Governors and Regulators .....	- 39 -
9.6.3	Payment for Reactive Power.....	- 39 -
9.6.4	Primary Frequency Response.....	- 40 -
9.7	Outages and Interruptions .....	- 43 -
9.7.1	Outages .....	- 43 -
9.7.1.1	Outage Authority and Coordination .....	- 43 -
9.7.1.2	Outage Schedules .....	- 43 -
9.7.1.3	Outage Restoration.....	- 44 -
9.7.2	Interruption of Service.....	- 44 -
9.7.3	Under-Frequency and Over Frequency Conditions .....	- 45 -
9.7.4	System Protection and Other Control Requirements.....	- 45 -
9.7.4.1	System Protection Facilities .....	- 46 -
9.7.5	Requirements for Protection .....	- 46 -
9.7.6	Power Quality .....	- 47 -
9.8	Switching and Tagging Rules .....	- 47 -
9.9	Use of Interconnection Facilities by Third Parties .....	- 47 -
9.9.1	Purpose of Interconnection Facilities .....	- 47 -
9.9.2	Third Party Users.....	- 47 -
9.10	Disturbance Analysis Data Exchange .....	- 48 -
Article 10.	Maintenance .....	- 48 -
10.1	Transmission Provider Obligations .....	- 48 -
10.2	Interconnection Customer Obligations .....	- 48 -
10.3	Coordination .....	- 48 -
10.4	Secondary Systems.....	- 48 -
10.5	Operating and Maintenance Expenses .....	- 48 -

Article 11.	Performance Obligation .....	- 49 -
11.1	Interconnection Customer Interconnection Facilities .....	- 49 -
11.2	Transmission Provider's Interconnection Facilities .....	- 49 -
11.3	Network Upgrades and Distribution Upgrades .....	- 49 -
11.4	Transmission Credits .....	- 49 -
11.4.1	Repayment of Amounts Advanced for Network Upgrades ..	- 49 -
11.4.2	Special Provisions for Affected Systems .....	- 50 -
11.5	Provision of Security .....	- 51 -
11.6	Interconnection Customer Compensation .....	- 51 -
11.6.1	Interconnection Customer Compensation for Actions During Emergency Condition .....	- 51 -
Article 12.	Invoice .....	- 52 -
12.1	General.....	- 52 -
12.2	Final Invoice .....	- 52 -
12.3	Payment .....	- 52 -
12.4	Disputes .....	- 52 -
Article 13.	Emergencies.....	- 53 -
13.1	Definition .....	- 53 -
13.2	Obligations.....	- 53 -
13.3	Notice .....	- 53 -
13.4	Immediate Action .....	- 53 -
13.5	Transmission Provider Authority .....	- 53 -
13.5.1	General.....	- 54 -
13.5.2	Reduction and Disconnection .....	- 54 -
13.6	Interconnection Customer Authority .....	- 55 -
13.7	Limited Liability .....	- 55 -
Article 14.	Regulatory Requirements and Governing Law.....	- 55 -
14.1	Regulatory Requirements .....	- 55 -
14.2	Governing Law .....	- 55 -
Article 15.	Notices. ....	- 55 -
15.1	General.....	- 55 -
15.2	Billings and Payments .....	- 56 -
15.3	Alternative Forms of Notice.....	- 56 -
15.4	Operations and Maintenance Notice .....	- 56 -
Article 16.	Force Majeure .....	- 56 -
16.1	Force Majeure .....	- 56 -
Article 17.	Default .....	- 57 -
17.1	Default .....	- 57 -
17.1.1	General.....	- 57 -
17.1.2	Right to Terminate .....	- 57 -

Article 18.	Indemnity, Consequential Damages and Insurance .....	- 57 -
18.1	Indemnity .....	- 57 -
18.1.1	Indemnified Person .....	- 57 -
18.1.2	Indemnifying Party .....	- 58 -
18.1.3	Indemnity Procedures .....	- 58 -
18.2	Consequential Damages .....	- 58 -
18.3	Insurance .....	- 59 -
Article 19.	Assignment .....	- 61 -
19.1	Assignment .....	- 61 -
Article 20.	Severability .....	- 61 -
20.1	Severability .....	- 61 -
Article 21.	Comparability .....	- 61 -
21.1	Comparability .....	- 61 -
Article 22.	Confidentiality .....	- 62 -
22.1	Confidentiality .....	- 62 -
22.1.1	Term .....	- 62 -
22.1.2	Scope .....	- 62 -
22.1.3	Release of Confidential Information .....	- 62 -
22.1.4	Rights .....	- 63 -
22.1.5	No Warranties .....	- 63 -
22.1.6	Standard of Care .....	- 63 -
22.1.7	Order of Disclosure .....	- 63 -
22.1.8	Termination of Agreement .....	- 63 -
22.1.9	Remedies .....	- 64 -
22.1.10	Disclosure to FERC, its Staff, or a State .....	- 64 -
Article 23.	Environmental Releases .....	- 65 -
Article 24.	Information Requirements .....	- 65 -
24.1	Information Acquisition .....	- 65 -
24.2	Information Submission by Transmission Provider .....	- 65 -
24.3	Updated Information Submission by Interconnection Customer .....	- 66 -
24.4	Information Supplementation .....	- 66 -
Article 25.	Information Access and Audit Rights .....	- 67 -
25.1	Information Access .....	- 67 -
25.2	Reporting of Non-Force Majeure Events .....	- 67 -
25.3	Audit Rights .....	- 67 -
25.4	Audit Rights Periods .....	- 68 -
25.4.1	Audit Rights Period for Construction-Related Accounts and Records .....	- 68 -
25.4.2	Audit Rights Period for All Other Accounts and Records .....	- 68 -
25.5	Audit Results .....	- 68 -

Article 26.	Subcontractors .....	- 68 -
26.1	General.....	- 68 -
26.2	Responsibility of Principal .....	- 68 -
26.3	No Limitation by Insurance .....	- 69 -
Article 27.	Disputes .....	- 69 -
27.1	Submission .....	- 69 -
27.2	External Arbitration Procedures .....	- 69 -
27.3	Arbitration Decisions.....	- 69 -
27.4	Costs .....	- 70 -
Article 28.	Representations, Warranties, and Covenants .....	- 70 -
28.1	General.....	- 70 -
28.1.1	Good Standing.....	- 70 -
28.1.2	Authority .....	- 70 -
28.1.3	No Conflict .....	- 70 -
28.1.4	Consent and Approval .....	- 70 -
Article 29.	Joint Operating Committee .....	- 71 -
29.1	Joint Operating Committee .....	- 71 -
Article 30.	Miscellaneous.....	- 71 -
30.1	Binding Effect .....	- 71 -
30.2	Conflicts.....	- 72 -
30.3	Rules of Interpretation .....	- 72 -
30.4	Entire Agreement.....	- 72 -
30.5	No Third Party Beneficiaries .....	- 72 -
30.6	Waiver .....	- 72 -
30.7	Headings .....	- 73 -
30.8	Multiple Counterparts.....	- 73 -
30.9	Amendment .....	- 73 -
30.10	Modification by the Parties.....	- 73 -
30.11	Reservation of Rights .....	- 73 -
30.12	No Partnership.....	- 73 -

Appendix A - Interconnection Facilities, Network Upgrades, and Distribution Upgrades

Appendix B – Milestones

Appendix C – Interconnection Details

Appendix D – Security Arrangements Details

Appendix E – Commercial Operation Date

Appendix F – Addresses for Delivery of Notices and Billings

Appendix G – Interconnection Requirements for a Wind Generating Plant



## STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

**THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT** (Agreement) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State/Commonwealth of \_\_\_\_\_ ("Interconnection Customer" with a Large Generating Facility), and \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State/Commonwealth of \_\_\_\_\_ ("Transmission Provider and/or Transmission Owner"). Interconnection Customer and Transmission Provider each may be referred to as a "Party" or collectively as the "Parties."

### Recitals

**WHEREAS**, Transmission Provider operates the Transmission System; and

**WHEREAS**, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

**WHEREAS**, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

## **Article 1. Definitions**

**Adverse System Impact** shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

**Affected System** shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

**Affected System Operator** shall mean the entity that operates an Affected System.

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

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

**Applicable Laws and Regulations** shall mean all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

**Applicable Reliability Council** shall mean the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

**Applicable Reliability Standards** shall mean the requirements and guidelines of NERC, the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected.

**Base Case** shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

**Breach** shall mean the failure of a Party to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

**Breaching Party** shall mean a Party that is in Breach of the Standard Large Generator Interconnection Agreement.

**Business Day** shall mean Monday through Friday, excluding Federal Holidays.

**Calendar Day** shall mean any day including Saturday, Sunday or a Federal Holiday.

**Clustering** shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

**Commercial Operation** shall mean the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

**Commercial Operation Date** of a unit shall mean the date on which the Generating Facility commences Commercial Operation as agreed to by the Parties pursuant to Appendix E to the Standard Large Generator Interconnection Agreement.

**Confidential Information** shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

**Control Area** shall mean an electrical system or systems bounded by interconnection metering and telemetry, capable of controlling generation to maintain its interchange schedule with other Control Areas and contributing to frequency regulation of the interconnection. A Control Area must be certified by the Applicable Reliability Council.

**Default** shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

**Dispute Resolution** shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

**Distribution System** shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

**Distribution Upgrades** shall mean the additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

**Effective Date** shall mean the date on which the Standard Large Generator Interconnection Agreement becomes effective upon execution by the Parties subject to acceptance by FERC, or if filed unexecuted, upon the date specified by FERC.

**Emergency Condition** shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by the Standard Large Generator Interconnection Agreement to possess black start capability.

**Energy Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to connect its Generating Facility to the Transmission Provider's Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission Provider's Transmission System on an as available basis. Energy Resource Interconnection Service in and of itself does not convey transmission service.

**Engineering & Procurement (E&P) Agreement** shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

**Environmental Law** shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

**Federal Power Act** shall mean the Federal Power Act, as amended, 16 U.S.C. §§ 791a et seq.

**FERC** shall mean the Federal Energy Regulatory Commission (Commission) or its successor.

**Force Majeure** shall mean any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

**Generating Facility** shall mean Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

**Generating Facility Capacity** shall mean the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

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

**Governmental Authority** shall mean any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include Interconnection Customer, Transmission Provider, or any Affiliate thereof.

**Hazardous Substances** shall mean any chemicals, materials or substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "hazardous constituents," "restricted hazardous materials," "extremely hazardous substances," "toxic substances," "radioactive substances," "contaminants," "pollutants," "toxic pollutants" or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

**Initial Synchronization Date** shall mean the date upon which the Generating Facility is initially synchronized and upon which Trial Operation begins.

**In-Service Date** shall mean the date upon which the Interconnection Customer reasonably expects it will be ready to begin use of the Transmission Provider's Interconnection Facilities to obtain back feed power.

**Interconnection Customer** shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

**Interconnection Customer's Interconnection Facilities** shall mean all facilities and equipment, as identified in Appendix A of the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the

Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

**Interconnection Facilities** shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

**Interconnection Facilities Study** shall mean a study conducted by the Transmission Provider or a third party consultant for the Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission Provider's Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

**Interconnection Facilities Study Agreement** shall mean the form of agreement contained in Appendix 4 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

**Interconnection Feasibility Study** shall mean a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission Provider's Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

**Interconnection Feasibility Study Agreement** shall mean the form of agreement contained in Appendix 2 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

**Interconnection Request** shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

**Interconnection Service** shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection,

pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Transmission Provider's Tariff.

**Interconnection Study** shall mean any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

**Interconnection System Impact Study** shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

**Interconnection System Impact Study Agreement** shall mean the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

**IRS** shall mean the Internal Revenue Service.

**Joint Operating Committee** shall be a group made up of representatives from Interconnection Customers and the Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

**Large Generating Facility** shall mean a Generating Facility having a Generating Facility Capacity of more than 20 MW.

**Loss** shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Large Generator Interconnection Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnifying Party.

**Material Modification** shall mean those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

**Metering Equipment** shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Large Generator Interconnection Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

**NERC** shall mean the North American Electric Reliability Council or its successor organization.

**Network Resource** shall mean any designated generating resource owned, purchased, or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

**Network Resource Interconnection Service** shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Large Generating Facility with the Transmission Provider's Transmission System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

**Network Upgrades** shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider's Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission Provider's Transmission System.

**Notice of Dispute** shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

**Optional Interconnection Study** shall mean a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

**Optional Interconnection Study Agreement** shall mean the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

**Party or Parties** shall mean Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

**Point of Change of Ownership** shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

**Point of Interconnection** shall mean the point, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.



**Provisional Interconnection Service** shall mean Interconnection Service provided by Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to Transmission Provider's Transmission System and enabling that Transmission System to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Provisional Large Generator Interconnection Agreement and, if applicable, the Tariff.

**Provisional Large Generator Interconnection Agreement** shall mean the interconnection agreement for Provisional Interconnection Service established between Transmission Provider and/or the Transmission Owner and the Interconnection Customer. This agreement shall take the form of the Large Generator Interconnection Agreement, modified for provisional purposes.

**Queue Position** shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

**Reasonable Efforts** shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Large Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

**Scoping Meeting** shall mean the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

**Site Control** shall mean documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease or grant Interconnection Customer the right to possess or occupy a site for such purpose.

**Small Generating Facility** shall mean a Generating Facility that has a Generating Facility Capacity of no more than 20 MW.

**Stand Alone Network Upgrades** shall mean Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If the Transmission Provider and

Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, the Transmission Provider must provide the Interconnection Customer a written technical explanation outlining why the Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

**Standard Large Generator Interconnection Agreement (LGIA)** shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Large Generating Facility that is included in the Transmission Provider's Tariff.

**Standard Large Generator Interconnection Procedures (LGIP)** shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Large Generating Facility that are included in the Transmission Provider's Tariff.

**Surplus Interconnection Service** shall mean any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

**System Protection Facilities** shall mean the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission Provider's Transmission System from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission Provider's Transmission System or on other delivery systems or other generating systems to which the Transmission Provider's Transmission System is directly connected.

**Tariff** shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with FERC, and as amended or supplemented from time to time, or any successor tariff.

**Transmission Owner** shall mean an entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

**Transmission Provider** shall mean the public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

**Transmission Provider's Interconnection Facilities** shall mean all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission

Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

**Transmission System** shall mean the facilities owned, controlled or operated by the Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

**Trial Operation** shall mean the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

**Variable Energy Resource** shall mean a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

## **Article 2. Effective Date, Term, and Termination**

**2.1 Effective Date.** This LGIA shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by FERC. Transmission Provider shall promptly file this LGIA with FERC upon execution in accordance with Article 3.1, if required.

**2.2 Term of Agreement.** Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten (10) years from the Effective Date or such other longer period as Interconnection Customer may request (Term to be specified in individual agreements) and shall be automatically renewed for each successive one-year period thereafter.

### **2.3 Termination Procedures.**

**2.3.1 Written Notice.** This LGIA may be terminated by Interconnection Customer after giving Transmission Provider ninety (90) Calendar Days advance written notice, or by Transmission Provider notifying FERC after the Generating Facility permanently ceases Commercial Operation.

**2.3.2 Default.** Either Party may terminate this LGIA in accordance with Article 17.

**2.3.3** Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Law and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC.

**2.4 Termination Costs.** If a Party elects to terminate this Agreement pursuant to Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations

applicable to such termination, including the filing with FERC of a notice of termination of this LGIA, which notice has been accepted for filing by FERC. Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the Terminating Party under this LGIA. In the event of termination by a Party, the Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this LGIA, unless otherwise ordered or approved by FERC:

**2.4.1** With respect to any portion of Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

**2.4.2** Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

**2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs

associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

**2.5 Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this LGIA or such non-terminating Party otherwise is responsible for these costs under this LGIA.

**2.6 Survival.** This LGIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this LGIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this LGIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

### **Article 3. Regulatory Filings**

**3.1 Filing.** Transmission Provider shall file this LGIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this LGIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

### **Article 4. Scope of Service**

**4.1 Interconnection Product Options.** Interconnection Customer has selected the following (checked) type of Interconnection Service:

#### **4.1.1 Energy Resource Interconnection Service**

**4.1.1.1 The Product.** Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System and be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Attachment A.

**4.1.1.2 Transmission Delivery Service Implications.** Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so (e.g., PJM, ISO-NE, NYISO), Interconnection Customer may place a bid to sell into the market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Large Generating Facility is assured, but Interconnection Customer may obtain Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to Transmission Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for Interconnection Customer to obtain the right to deliver or inject energy beyond the Large Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require the construction of additional Network Upgrades.

#### **4.1.2 Network Resource Interconnection Service.**

**4.1.2.1 The Product.** Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as all Network

Resources. To the extent Interconnection Customer wants to receive Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Attachment A to this LGIA.

**4.1.2.2 Transmission Delivery Service Implications.** Network Resource Interconnection Service allows Interconnection Customer's Large Generating Facility to be designated by any Network Customer under the Tariff on Transmission Provider's Transmission System as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Large Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Large Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Because such studies and upgrades would be associated with a request for delivery service under the Tariff, cost responsibility for the studies and upgrades would be in accordance with FERC's policy for pricing transmission delivery services.

Network Resource Interconnection Service does not necessarily provide Interconnection Customer with the capability to physically deliver the output of its Large Generating Facility to any particular load on Transmission Provider's Transmission System without incurring congestion

costs. In the event of transmission constraints on Transmission Provider's Transmission System, Interconnection Customer's Large Generating Facility shall be subject to the applicable congestion management procedures in Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that Interconnection Customer's Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Large Generating Facility be undertaken, regardless of whether or not such Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for Transmission Provider to grant such request.

**4.2 Provision of Service.** Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.

**4.3 Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to the extent a Party is required or prevented or limited in taking any action by such regulations and



standards, such Party shall not be deemed to be in Breach of this LGIA for its compliance therewith. If such Party is a Transmission Provider or Transmission Owner, then that Party shall amend the LGIA and submit the amendment to FERC for approval.

**4.4 No Transmission Delivery Service.** The execution of this LGIA does not constitute a request for, nor the provision of, any transmission delivery service under Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or Point of Delivery.

**4.5 Interconnection Customer Provided Services.** The services provided by Interconnection Customer under this LGIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

## **Article 5. Interconnection Facilities Engineering, Procurement, and Construction**

**5.1 Options.** Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either the Standard Option or Alternate Option set forth below, and such dates and selected option shall be set forth in Appendix B, Milestones. At the same time, Interconnection Customer shall indicate whether it elects to exercise the Option to Build set forth in Article 5.1.3 below. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days. Upon receipt of the notification that Interconnection Customer's designated dates are not acceptable to Transmission Provider, the Interconnection Customer shall notify Transmission Provider within thirty (30) Calendar Days whether it elects to exercise the Option to Build if it has not already elected to exercise the Option to Build.

**5.1.1 Standard Option.** Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly provide written notice to Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

**5.1.2 Alternate Option.** If the dates designated by Interconnection Customer are acceptable to Transmission Provider, Transmission Provider shall so notify Interconnection Customer within thirty (30) Calendar Days, and shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable RTO or ISO refuses to grant clearances to install equipment.

**5.1.3 Option to Build.** Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades on the dates specified in Article 5.1.2. Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

**5.1.4 Negotiated Option.** If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives, or the procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build under Article 5.1.3). If the Parties are unable to reach agreement on such terms and conditions, then, pursuant to Article 5.1.1 (Standard Option), Transmission Provider shall assume responsibility for the design, procurement and construction of all facilities other than Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades if the Interconnection Customer elects to exercise the Option to Build.

**5.2 General Conditions Applicable to Option to Build.** If Interconnection Customer assumes responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) Interconnection Customer shall engineer, procure equipment, and construct Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;
- (2) Interconnection Customer's engineering, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;
- (5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall be obligated to remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider;

(10) Transmission Provider shall approve and accept for operation and maintenance Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2; and

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider.

(12) If Interconnection Customer exercises the Option to Build pursuant to Article 5.1.3, Interconnection Customer shall pay Transmission Provider the agreed upon amount of [\$ PLACEHOLDER] for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

**5.3 Liquidated Damages.** The actual damages to Interconnection Customer, in the event Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by Interconnection Customer and accepted by Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by Transmission Provider to Interconnection Customer in the event that Transmission Provider does not complete any portion of Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to ½ of 1 percent per day of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of Transmission Provider's Interconnection Facilities and Network Upgrades for which Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by Transmission Provider to Interconnection Customer as just compensation for the damages

caused to Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this LGIA. Liquidated damages, when the Parties agree to them, are the exclusive remedy for the Transmission Provider's failure to meet its schedule.

No liquidated damages shall be paid to Interconnection Customer if: (1) Interconnection Customer is not ready to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Large Generating Facility's Trial Operation or to export power from the Large Generating Facility on the specified dates, unless Interconnection Customer would have been able to commence use of Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Large Generating Facility's Trial Operation or to export power from the Large Generating Facility, but for Transmission Provider's delay; (2) Transmission Provider's failure to meet the specified dates is the result of the action or inaction of Interconnection Customer or any other Interconnection Customer who has entered into an LGIA with Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure; (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

**5.4 Power System Stabilizers.** The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators.

**5.5 Equipment Procurement.** If responsibility for construction of Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by Transmission Provider, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

**5.5.1** Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

- 5.5.2** Transmission Provider has received written authorization to proceed with design and procurement from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.5.3** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.6 Construction Commencement.** Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:
- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;
- 5.6.3** Transmission Provider has received written authorization to proceed with construction from Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.6.4** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.
- 5.7 Work Progress.** The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will provide written notice to Transmission Provider of such later date upon which the completion of Transmission Provider's Interconnection Facilities will be required.
- 5.8 Information Exchange.** As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes.
- 5.9 Other Interconnection Options**
- 5.9.1 Limited Operation.** If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be

completed prior to the Commercial Operation Date of the Large Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the completion of Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this LGIA. Transmission Provider shall permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

**5.9.2 Provisional Interconnection Service.** Upon the request of Interconnection Customer, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities Transmission Provider may execute a Provisional Large Generator Interconnection Agreement or Interconnection Customer may request the filing of an unexecuted Provisional Large Generator Interconnection Agreement with the Interconnection Customer for limited Interconnection Service at the discretion of Transmission Provider based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, and/or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified and/or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such, Interconnection Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities that are required for the interconnection of a new, modified and/or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at the Interconnection Customer's expense, to confirm the facilities that are required for Provisional Interconnection Service. The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated on a quarterly basis at the Interconnection Customer's expense. Interconnection Customer assumes all risk and liabilities with respect to changes between the Provisional Large Generator Interconnection Agreement and the Large Generator Interconnection Agreement, including changes in output limits and Interconnection

Facilities, Network Upgrades, Distribution Upgrades, and/or System Protection Facilities cost responsibilities.

**5.10 Interconnection Customer's Interconnection Facilities ('ICIF').**

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

**5.10.1 Interconnection Customer's Interconnection Facility Specifications.**

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least one hundred eighty (180) Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider and comment on such specifications within thirty (30) Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

**5.10.2 Transmission Provider's Review.** Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Large Generating Facility, or the ICIF. Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of Transmission Provider.

**5.10.3 ICIF Construction.** The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Large Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with Interconnection Customer's step-up transformers, the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic



voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and communications, if applicable.

**5.11 Transmission Provider's Interconnection Facilities Construction.**

Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within one hundred twenty (120) Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Transmission Provider shall deliver to Interconnection Customer the following "as-built" drawings, information and documents for Transmission Provider's Interconnection Facilities [include appropriate drawings and relay diagrams].

Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

**5.12 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

**5.13 Lands of Other Property Owners.** If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons any rights of use, licenses, rights of way and easements that are necessary to construct, operate, maintain, test, inspect, replace or remove Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property.

- 5.14 Permits.** Transmission Provider or Transmission Owner and Interconnection Customer shall cooperate with each other in good faith in obtaining all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's own, or an Affiliate's generation.
- 5.15 Early Construction of Base Case Facilities.** Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.
- 5.16 Suspension.** Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this LGIA with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension and (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this LGIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this LGIA on or before the expiration of three (3) years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date of the written notice to Transmission Provider, if no effective date is specified.

## **5.17 Taxes.**

**5.17.1 Interconnection Customer Payments Not Taxable.** The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with the Internal Revenue Code and any applicable state income tax laws and shall not be taxable as contributions in aid of construction or otherwise under the Internal Revenue Code and any applicable state income tax laws.

**5.17.2 Representations and Covenants.** In accordance with IRS Notice 2001-82 and IRS Notice 88-129, Interconnection Customer represents and covenants that (i) ownership of the electricity generated at the Large Generating Facility will pass to another party prior to the transmission of the electricity on the Transmission System, (ii) for income tax purposes, the amount of any payments and the cost of any property transferred to Transmission Provider for Transmission Provider's Interconnection Facilities will be capitalized by Interconnection Customer as an intangible asset and recovered using the straight-line method over a useful life of twenty (20) years, and (iii) any portion of Transmission Provider's Interconnection Facilities that is a "dual-use intertie," within the meaning of IRS Notice 88-129, is reasonably expected to carry only a de minimis amount of electricity in the direction of the Large Generating Facility. For this purpose, "de minimis amount" means no more than 5 percent of the total power flows in both directions, calculated in accordance with the "5 percent test" set forth in IRS Notice 88-129. This is not intended to be an exclusive list of the relevant conditions that must be met to conform to IRS requirements for non-taxable treatment.

At Transmission Provider's request, Interconnection Customer shall provide Transmission Provider with a report from an independent engineer confirming its representation in clause (iii), above. Transmission Provider represents and covenants that the cost of Transmission Provider's Interconnection Facilities paid for by Interconnection Customer will have no net effect on the base upon which rates are determined.

**5.17.3 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon the Transmission Provider.** Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify and hold harmless Transmission Provider from the cost consequences of any current tax liability imposed against Transmission Provider as the result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA for Interconnection Facilities, as

well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

Transmission Provider shall not include a gross-up for the cost consequences of any current tax liability in the amounts it charges Interconnection Customer under this LGIA unless (i) Transmission Provider has determined, in good faith, that the payments or property transfers made by Interconnection Customer to Transmission Provider should be reported as income subject to taxation or (ii) any Governmental Authority directs Transmission Provider to report payments or property as income subject to taxation; provided, however, that Transmission Provider may require Interconnection Customer to provide security for Interconnection Facilities, in a form reasonably acceptable to Transmission Provider (such as a parental guarantee or a letter of credit), in an amount equal to the cost consequences of any current tax liability under this Article 5.17. Interconnection Customer shall reimburse Transmission Provider for such costs on a fully grossed-up basis, in accordance with Article 5.17.4, within thirty (30) Calendar Days of receiving written notification from Transmission Provider of the amount due, including detail about how the amount was calculated.

The indemnification obligation shall terminate at the earlier of (1) the expiration of the ten year testing period and the applicable statute of limitation, as it may be extended by Transmission Provider upon request of the IRS, to keep these years open for audit or adjustment,

or (2) the occurrence of a subsequent taxable event and the payment of any related indemnification obligations as contemplated by this Article 5.17.

**5.17.4 Tax Gross-Up Amount.** Interconnection Customer's liability for the cost consequences of any current tax liability under this Article 5.17 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, this means that Interconnection Customer will pay Transmission Provider, in addition to the amount paid for the Interconnection Facilities and Network Upgrades, an amount equal to (1) the current taxes imposed on Transmission Provider ("Current Taxes") on the excess of (a) the gross income realized by Transmission Provider as a result of payments or property transfers made by Interconnection Customer to Transmission Provider under this LGIA (without regard to any payments under this Article 5.17) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation Amount"), plus (2) an additional amount sufficient to permit Transmission Provider to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Transmission Provider's composite federal and state tax rates at the time the payments or property transfers are received and Transmission Provider will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Transmission Provider's anticipated tax depreciation deductions as a result of such payments or property transfers by Transmission Provider's current weighted average cost of capital. Thus, the formula for calculating Interconnection Customer's liability to Transmission Owner pursuant to this Article 5.17.4 can be expressed as follows:  $(\text{Current Tax Rate} \times (\text{Gross Income Amount} - \text{Present Value of Tax Depreciation})) / (1 - \text{Current Tax Rate})$ . Interconnection Customer's estimated tax liability in the event taxes are imposed shall be stated in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades.

**5.17.5 Private Letter Ruling or Change or Clarification of Law.** At Interconnection Customer's request and expense, Transmission Provider shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Interconnection Customer to Transmission Provider under this LGIA are subject to federal income taxation. Interconnection Customer will prepare the initial draft of the request for a private letter ruling, and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Interconnection Customer's knowledge. Transmission Provider and Interconnection Customer shall cooperate in good faith with respect to the submission of such request.

Transmission Provider shall keep Interconnection Customer fully informed of the status of such request for a private letter ruling and shall execute either a privacy act waiver or a limited power of attorney, in a form acceptable to the IRS, that authorizes Interconnection Customer to participate in all discussions with the IRS regarding such request for a private letter ruling. Transmission Provider shall allow Interconnection Customer to attend all meetings with IRS officials about the request and shall permit Interconnection Customer to prepare the initial drafts of any follow-up letters in connection with the request.

**5.17.6 Subsequent Taxable Events.** If, within 10 years from the date on which the relevant Transmission Provider's Interconnection Facilities are placed in service, (i) Interconnection Customer Breaches the covenants contained in Article 5.17.2, (ii) a "disqualification event" occurs within the meaning of IRS Notice 88-129, or (iii) this LGIA terminates and Transmission Provider retains ownership of the Interconnection Facilities and Network Upgrades, Interconnection Customer shall pay a tax gross-up for the cost consequences of any current tax liability imposed on

Transmission Provider, calculated using the methodology described in Article 5.17.4 and in accordance with IRS Notice 90-60.

**5.17.7 Contests.** In the event any Governmental Authority determines that Transmission Provider's receipt of payments or property constitutes income that is subject to taxation, Transmission Provider shall notify Interconnection Customer, in writing, within thirty (30) Calendar Days of receiving notification of such determination by a Governmental Authority. Upon the timely written request by Interconnection Customer and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise oppose such determination. Upon Interconnection Customer's written request and sole expense, Transmission Provider may file a claim for refund with respect to any taxes paid under this Article 5.17, whether or not it has received such a determination. Transmission Provider reserves the right to make all decisions with regard to the prosecution of such appeal, protest, abatement or other contest, including the selection of counsel and compromise or settlement of the claim, but Transmission Provider shall keep Interconnection Customer informed, shall consider in good faith suggestions from Interconnection Customer about the conduct of the contest, and shall reasonably permit Interconnection Customer or an Interconnection Customer representative to attend contest proceedings.

Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement or other contest. At any time during the contest, Transmission Provider may agree to a settlement either with Interconnection Customer's consent or after obtaining written advice from nationally-recognized tax counsel, selected by Transmission Provider, but reasonably acceptable to Interconnection Customer, that the proposed settlement represents a reasonable settlement given the hazards of litigation. Interconnection Customer's obligation shall be based on the amount of the settlement agreed to by Interconnection Customer, or if a higher amount, so much of the settlement that is supported by the written advice from nationally-recognized tax counsel selected under the terms of the preceding sentence. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability. Any settlement without Interconnection Customer's consent or such written advice will relieve Interconnection Customer from any obligation to indemnify Transmission Provider for the tax at issue in the contest.

**5.17.8 Refund.** In the event that (a) a private letter ruling is issued to Transmission Provider which holds that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not subject to federal income

taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Transmission Provider in good faith that any amount paid or the value of any property transferred by Interconnection Customer to Transmission Provider under the terms of this LGIA is not taxable to Transmission Provider, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Interconnection Customer to Transmission Provider are not subject to federal income tax, or (d) if Transmission Provider receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Interconnection Customer to Transmission Provider pursuant to this LGIA, Transmission Provider shall promptly refund to Interconnection Customer the following:

(i) any payment made by Interconnection Customer under this Article 5.17 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) interest on any amounts paid by Interconnection Customer to Transmission Provider for such taxes which Transmission Provider did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 CFR §35.19a(a)(2)(iii) from the date payment was made by Interconnection Customer to the date Transmission Provider refunds such payment to Interconnection Customer, and

(iii) with respect to any such taxes paid by Transmission Provider, any refund or credit Transmission Provider receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Transmission Provider for such overpayment of taxes (including any reduction in interest otherwise payable by Transmission Provider to any Governmental Authority resulting from an offset or credit); provided, however, that Transmission Provider will remit such amount promptly to Interconnection Customer only after and to the extent that Transmission Provider has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Transmission Provider's Interconnection Facilities.

The intent of this provision is to leave the Parties, to the extent practicable, in the event that no taxes are due with respect to any payment for Interconnection Facilities and Network Upgrades

hereunder, in the same position they would have been in had no such tax payments been made.

**5.17.9 Taxes Other Than Income Taxes.** Upon the timely request by Interconnection Customer, and at Interconnection Customer's sole expense, Transmission Provider may appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Transmission Provider for which Interconnection Customer may be required to reimburse Transmission Provider under the terms of this LGIA. Interconnection Customer shall pay to Transmission Provider on a periodic basis, as invoiced by Transmission Provider, Transmission Provider's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Interconnection Customer and Transmission Provider shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Interconnection Customer to Transmission Provider for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Interconnection Customer will be responsible for all taxes, interest and penalties, other than penalties attributable to any delay caused by Transmission Provider.

**5.17.10 Transmission Owners Who Are Not Transmission Providers.** If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate, and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of the duties and obligations of Transmission Provider under this Article 5.17 of this LGIA.

**5.18 Tax Status.** Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect any Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, Local Furnishing Bonds.

**5.19 Modification.**

**5.19.1 General.** Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the



timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

**5.19.2 Modifications.** In the case of Large Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within thirty (30) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

**5.19.3 Standards.** Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

**5.19.4 Modification Costs.** Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

## **Article 6. Testing and Inspection**

**6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 6.4 Right to Inspect.** Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment. A Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be Confidential Information and treated pursuant to Article 22 of this LGIA.

## **Article 7. Metering**

- 7.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the

measurement of power flows for purposes of this LGIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice.

**7.3 Standards.** Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards.

**7.4 Testing of Metering Equipment.** Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two (2) years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two (2) years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

**7.5 Metering Data.** At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating conditions, as the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

## **Article 8. Communications**

**8.1 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide standard voice line, dedicated voice line and facsimile communications at its Large Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public

telephone system. Interconnection Customer shall also provide the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Large Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

- 8.2 Remote Terminal Unit.** Prior to the Initial Synchronization Date of the Large Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to the Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

- 8.3 No Annexation.** Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.
- 8.4 Provision of Data from a Variable Energy Resource.** The Interconnection Customer whose Generating Facility is a Variable Energy Resource shall provide meteorological and forced outage data to the Transmission Provider to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The Interconnection Customer with a Variable Energy Resource having wind as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. The Interconnection Customer with a Variable Energy Resource having solar as the energy source, at a minimum, will be required to provide the Transmission Provider with site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. The Transmission Provider and Interconnection Customer whose Generating Facility is a Variable Energy Resource shall mutually agree to any

additional meteorological data that are required for the development and deployment of a power production forecast. The Interconnection Customer whose Generating Facility is a Variable Energy Resource also shall submit data to the Transmission Provider regarding all forced outages to the extent necessary for the Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data to be provided by the Interconnection Customer to the Transmission Provider, including the frequency and timing of data submittals, shall be made taking into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance in maintaining generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by the Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C, Interconnection Details, of this LGIA, as they may change from time to time.

## **Article 9. Operations**

- 9.1 General.** Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.
- 9.2 Control Area Notification.** At least three months before Initial Synchronization Date, Interconnection Customer shall notify Transmission Provider in writing of the Control Area in which the Large Generating Facility will be located. If Interconnection Customer elects to locate the Large Generating Facility in a Control Area other than the Control Area in which the Large Generating Facility is physically located, and if permitted to do so by the relevant transmission tariffs, all necessary arrangements, including but not limited to those set forth in Article 7 and Article 8 of this LGIA, and remote Control Area generator interchange agreements, if applicable, and the appropriate measures under such agreements, shall be executed and implemented prior to the placement of the Large Generating Facility in the other Control Area.
- 9.3 Transmission Provider Obligations.** Transmission Provider shall cause the Transmission System and Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this LGIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.
- 9.4 Interconnection Customer Obligations.** Interconnection Customer shall at its own expense operate, maintain and control the Large Generating Facility and

Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the Control Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this LGIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this LGIA.

**9.5 Start-Up and Synchronization.** Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to Transmission Provider's Transmission System.

**9.6 Reactive Power and Primary Frequency Response.**

**9.6.1 Power Factor Design Criteria.**

**9.6.1.1 Synchronous Generation.** Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all synchronous generators in the Control Area on a comparable basis.

**9.6.1.2 Non-Synchronous Generation.** Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Control Area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

**9.6.2 Voltage Schedules.** Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Control Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one (1) day in advance, and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

**9.6.2.1 Voltage Regulators.** Whenever the Large Generating Facility is operated in parallel with the Transmission System and voltage regulators are capable of operation, Interconnection Customer shall operate the Large Generating Facility voltage regulators in automatic operation. If the Large Generating Facility's voltage regulators are not capable of such automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Large Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Control Area on a comparable basis.

**9.6.3 Payment for Reactive Power.** Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1,

provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

**9.6.4 Primary Frequency Response.** Interconnection Customer shall ensure the primary frequency response capability of its Large Generating Facility by installing, maintaining, and operating a functioning governor or equivalent controls. The term “functioning governor or equivalent controls” as used herein shall mean the required hardware and/or software that provides frequency responsive real power control with the ability to sense changes in system frequency and autonomously adjust the Large Generating Facility’s real power output in accordance with the droop and deadband parameters and in the direction needed to correct frequency deviations. Interconnection Customer is required to install a governor or equivalent controls with the capability of operating: (1) with a maximum 5 percent droop and  $\pm 0.036$  Hz deadband; or (2) in accordance with the relevant droop, deadband, and timely and sustained response settings from an approved NERC Reliability Standard providing for equivalent or more stringent parameters. The droop characteristic shall be: (1) based on the nameplate capacity of the Large Generating Facility, and shall be linear in the range of frequencies between 59 to 61 Hz that are outside of the deadband parameter; or (2) based on an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. The deadband parameter shall be: the range of frequencies above and below nominal (60 Hz) in which the governor or equivalent controls is not expected to adjust the Large Generating Facility’s real power output in response to frequency deviations. The deadband shall be implemented: (1) without a step to the droop curve, that is, once the frequency deviation exceeds the deadband parameter, the expected change in the Large Generating Facility’s real power output in response to frequency deviations shall start from zero and then increase (for under-frequency deviations) or decrease (for over-frequency deviations) linearly in proportion to the magnitude of the frequency deviation; or (2) in accordance with an approved NERC Reliability Standard providing for an equivalent or more stringent parameter. Interconnection Customer shall notify Transmission Provider that the primary frequency response capability of the Large Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Interconnection Customer shall operate the Large Generating Facility consistent with the provisions specified in Sections 9.6.4.1 and 9.6.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Large Generating Facilities.



**9.6.4.1 Governor or Equivalent Controls.** Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its governor or equivalent controls in service and responsive to frequency. Interconnection Customer shall: (1) in coordination with Transmission Provider and/or the relevant balancing authority, set the deadband parameter to: (1) a maximum of  $\pm 0.036$  Hz and set the droop parameter to a maximum of 5 percent; or (2) implement the relevant droop and deadband settings from an approved NERC Reliability Standard that provides for equivalent or more stringent parameters. Interconnection Customer shall be required to provide the status and settings of the governor or equivalent controls to Transmission Provider and/or the relevant balancing authority upon request. If Interconnection Customer needs to operate the Large Generating Facility with its governor or equivalent controls not in service, Interconnection Customer shall immediately notify Transmission Provider and the relevant balancing authority, and provide both with the following information: (1) the operating status of the governor or equivalent controls (i.e., whether it is currently out of service or when it will be taken out of service); (2) the reasons for removing the governor or equivalent controls from service; and (3) a reasonable estimate of when the governor or equivalent controls will be returned to service. Interconnection Customer shall make Reasonable Efforts to return its governor or equivalent controls into service as soon as practicable. Interconnection Customer shall make Reasonable Efforts to keep outages of the Large Generating Facility's governor or equivalent controls to a minimum whenever the Large Generating Facility is operated in parallel with the Transmission System.

**9.6.4.2 Timely and Sustained Response.** Interconnection Customer shall ensure that the Large Generating Facility's real power response to sustained frequency deviations outside of the deadband setting is automatically provided and shall begin immediately after frequency deviates outside of the deadband, and to the extent the Large Generating Facility has operating capability in the direction needed to correct the frequency deviation. Interconnection Customer shall not block or otherwise inhibit the ability of the governor or equivalent controls to respond and shall ensure that the response is not inhibited, except under certain operational constraints including, but not limited to, ambient temperature limitations, physical energy limitations, outages of

mechanical equipment, or regulatory requirements. The Large Generating Facility shall sustain the real power response at least until system frequency returns to a value within the deadband setting of the governor or equivalent controls. A Commission-approved Reliability Standard with equivalent or more stringent requirements shall supersede the above requirements.

**9.6.4.3 Exemptions.** Large Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 9.6.4, 9.6.4.1, and 9.6.4.2 of this Agreement. Large Generating Facilities that are behind the meter generation that is sized-to-load (i.e., the thermal load and the generation are near-balanced in real-time operation and the generation is primarily controlled to maintain the unique thermal, chemical, or mechanical output necessary for the operating requirements of its host facility) shall be required to install primary frequency response capability in accordance with the droop and deadband capability requirements specified in Section 9.6.4, but shall be otherwise exempt from the operating requirements in Sections 9.6.4, 9.6.4.1, 9.6.4.2, and 9.6.4.4 of this Agreement.

**9.6.4.4 Electric Storage Resources.** Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Appendix C of its LGIA that specifies a minimum state of charge and a maximum state of charge between which the electric storage resource will be required to provide primary frequency response consistent with the conditions set forth in Sections 9.6.4, 9.6.4.1, 9.6.4.2 and 9.6.4.3 of this Agreement. Appendix C shall specify whether the operating range is static or dynamic, and shall consider (1) the expected magnitude of frequency deviations in the interconnection; (2) the expected duration that system frequency will remain outside of the deadband parameter in the interconnection; (3) the expected incidence of frequency deviations outside of the deadband parameter in the interconnection; (4) the physical capabilities of the electric storage resource; (5) operational limitations of the electric storage resource due to manufacturer specifications; and (6) any other relevant factors agreed to by Transmission Provider and Interconnection Customer, and in consultation with the relevant transmission owner or balancing authority as appropriate. If the operating range is dynamic, then Appendix C must establish how frequently the operating range will be reevaluated and the factors that may be

considered during its reevaluation. Interconnection Customer's electric storage resource is required to provide timely and sustained primary frequency response consistent with Section 9.6.4.2 of this Agreement when it is online and dispatched to inject electricity to the Transmission System and/or receive electricity from the Transmission System. This excludes circumstances when the electric storage resource is not dispatched to inject electricity to the Transmission System and/or dispatched to receive electricity from the Transmission System. If Interconnection Customer's electric storage resource is charging at the time of a frequency deviation outside of its deadband parameter, it is to increase (for over-frequency deviations) or decrease (for under-frequency deviations) the rate at which it is charging in accordance with its droop parameter. Interconnection Customer's electric storage resource is not required to change from charging to discharging, or vice versa, unless the response necessitated by the droop and deadband settings requires it to do so and it is technically capable of making such a transition.

## **9.7 Outages and Interruptions.**

### **9.7.1 Outages.**

**9.7.1.1 Outage Authority and Coordination.** Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to the Parties. In all circumstances, any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

**9.7.1.2 Outage Schedules.** Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its

planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability. Transmission Provider shall compensate Interconnection Customer for any additional direct costs that Interconnection Customer incurs as a result of having to reschedule maintenance, including any additional overtime, breaking of maintenance contracts or other costs above and beyond the cost Interconnection Customer would have incurred absent Transmission Provider's request to reschedule maintenance. Interconnection Customer will not be eligible to receive compensation, if during the twelve (12) months prior to the date of the scheduled maintenance, Interconnection Customer had modified its schedule of maintenance activities.

**9.7.1.3 Outage Restoration.** If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

**9.7.2 Interruption of Service.** If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

**9.7.2.1** The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

**9.7.2.2** Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all

generating facilities directly connected to the Transmission System;

**9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;

**9.7.2.4** Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider;

**9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Large Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.

**9.7.3 Under-Frequency and Over Frequency Conditions.** The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility as required by the Applicable Reliability Council to ensure "ride through" capability of the Transmission System. Large Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

**9.7.4 System Protection and Other Control Requirements.**

- 9.7.4.1 System Protection Facilities.** Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on Transmission Provider's Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer's Interconnection Facilities.
- 9.7.4.2** Each Party's protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.
- 9.7.4.3** Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.
- 9.7.4.4** Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of Interconnection Customer's units.
- 9.7.4.5** Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.
- 9.7.4.6** Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.
- 9.7.5 Requirements for Protection.** In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall

be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Large Generating Facility and the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

**9.7.6 Power Quality.** Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard. In the event of a conflict between ANSI Standard C84.1-1989, or any applicable superseding electric industry standard, ANSI Standard C84.1-1989, or the applicable superseding electric industry standard, shall control.

**9.8 Switching and Tagging Rules.** Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

**9.9 Use of Interconnection Facilities by Third Parties.**

**9.9.1 Purpose of Interconnection Facilities.** Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility to the Transmission System and shall be used for no other purpose.

**9.9.2 Third Party Users.** If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with

Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to FERC for resolution.

- 9.10 Disturbance Analysis Data Exchange.** The Parties will cooperate with one another in the analysis of disturbances to either the Large Generating Facility or Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

## **Article 10. Maintenance**

- 10.1 Transmission Provider Obligations.** Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.2 Interconnection Customer Obligations.** Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.
- 10.3 Coordination.** The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.
- 10.4 Secondary Systems.** Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.
- 10.5 Operating and Maintenance Expenses.** Subject to the provisions herein addressing the use of facilities by others, and except for operations and



maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with: (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer's Interconnection Facilities; and (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

## **Article 11. Performance Obligation**

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, own and/or control Interconnection Customer Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at its sole expense.
- 11.2 Transmission Provider's Interconnection Facilities.** Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades, at the sole expense of the Interconnection Customer.
- 11.3 Network Upgrades and Distribution Upgrades.** Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.
- 11.4 Transmission Credits.**
- 11.4.1 Repayment of Amounts Advanced for Network Upgrades.** Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer

receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the Commercial Operation Date..

If the Large Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, is responsible for identifying the entity to which reimbursement must be made.

**11.4.2 Special Provisions for Affected Systems.** Unless Transmission Provider provides, under the LGIA, for the repayment of amounts advanced to Affected System Operator for Network Upgrades, Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

**11.4.3** Notwithstanding any other provision of this LGIA, nothing herein shall be construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer, shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

**11.5 Provision of Security.** At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction identified in Article 14.2.1. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.

In addition:

**11.5.1** The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

**11.5.2** The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

**11.5.3** The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

**11.6 Interconnection Customer Compensation.** If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this LGIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to an RTO or ISO FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider or RTO or ISO with any filing of a proposed rate schedule at the time of such filing with FERC. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this LGIA, Transmission Provider agrees to compensate Interconnection Customer in such amount as would have been due Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed at FERC or other appropriate Governmental Authority within sixty (60) Calendar Days of the commencement of service.

**11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition.** Transmission Provider or RTO or ISO shall compensate Interconnection Customer for its provision of real and

reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

## **Article 12. Invoice**

- 12.1 General.** Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this LGIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.
- 12.2 Final Invoice.** Within six months after completion of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice.
- 12.3 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA.
- 12.4 Disputes.** In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this LGIA as long as Interconnection Customer: (i) continues to make all payments not in dispute; and (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in FERC's regulations at 18 CFR § 35.19a(a)(2)(iii).

## **Article 13. Emergencies**

- 13.1 Definition.** "Emergency Condition" shall mean a condition or situation: (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Large Generating Facility or Interconnection Customer's Interconnection Facilities' System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this LGIA to possess black start capability.
- 13.2 Obligations.** Each Party shall comply with the Emergency Condition procedures of the applicable ISO/RTO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.
- 13.3 Notice.** Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.
- 13.4 Immediate Action.** Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition either declared by Transmission Provider or otherwise regarding the Transmission System.
- 13.5 Transmission Provider Authority.**

**13.5.1 General.** Transmission Provider may take whatever actions or inactions with regard to the Transmission System or Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Large Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Large Generating Facility; implementing a reduction or disconnection pursuant to Article 13.5.2; directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output within the manufacturer's design limitations of the Large Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

**13.5.2 Reduction and Disconnection.** Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities, when such, reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of Transmission Provider pursuant to Transmission Provider's Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

- 13.6 Interconnection Customer Authority.** Consistent with Good Utility Practice and the LGIA and the LGIP, Interconnection Customer may take actions or inactions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.
- 13.7 Limited Liability.** Except as otherwise provided in Article 11.6.1 of this LGIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

#### **Article 14. Regulatory Requirements and Governing Law**

- 14.1 Regulatory Requirements.** Each Party's obligations under this LGIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such other approvals. Nothing in this LGIA shall require Interconnection Customer to take any action that could result in its inability to obtain, or its loss of, status or exemption under the Federal Power Act, the Public Utility Holding Company Act of 1935, as amended, or the Public Utility Regulatory Policies Act of 1978.
- 14.2 Governing Law.**
- 14.2.1** The validity, interpretation and performance of this LGIA and each of its provisions shall be governed by the laws of the state where the Point of Interconnection is located, without regard to its conflicts of law principles.
- 14.2.2** This LGIA is subject to all Applicable Laws and Regulations.
- 14.2.3** Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

#### **Article 15. Notices.**

- 15.1 General.** Unless otherwise provided in this LGIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the

other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the United States Postal Service with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this LGIA by giving five (5) Business Days written notice prior to the effective date of the change.

**15.2 Billings and Payments.** Billings and payments shall be sent to the addresses set out in Appendix F.

**15.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

**15.4 Operations and Maintenance Notice.** Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

## **Article 16. Force Majeure**

### **16.1 Force Majeure.**

**16.1.1.1** Economic hardship is not considered a Force Majeure event.

**16.1.1.2** Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.



## **Article 17. Default**

### **17.1 Default**

**17.1.1 General.** No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this LGIA or the result of an act of omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.1.2, the breaching Party shall have thirty (30) Calendar Days from receipt of the Default notice within which to cure such Breach; provided however, if such Breach is not capable of cure within thirty (30) Calendar Days, the breaching Party shall commence such cure within thirty (30) Calendar Days after notice and continuously and diligently complete such cure within ninety (90) Calendar Days from receipt of the Default notice; and, if cured within such time, the Breach specified in such notice shall cease to exist.

**17.1.2 Right to Terminate.** If a Breach is not cured as provided in this article, or if a Breach is not capable of being cured within the period provided for herein, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this LGIA, to recover from the breaching Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this LGIA.

## **Article 18. Indemnity, Consequential Damages and Insurance**

**18.1 Indemnity.** The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this LGIA on behalf of the Indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

**18.1.1 Indemnified Person.** If an Indemnified Person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

**18.1.2 Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 18, the amount owing to the Indemnified Person shall be the amount of such Indemnified Person's actual Loss, net of any insurance or other recovery.

**18.1.3 Indemnity Procedures.** Promptly after receipt by an Indemnified Person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

The Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in such event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

**18.2 Consequential Damages.** Other than the Liquidated Damages heretofore described, in no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs or expenses for any special, indirect,

incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

**18.3 Insurance.** Each party shall, at its own expense, maintain in force throughout the period of this LGIA, and until released by the other Party, the following minimum insurance coverages, with insurers authorized to do business in the state where the Point of Interconnection is located:

**18.3.1** Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Interconnection is located.

**18.3.2** Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars (\$1,000,000) per occurrence/One Million Dollars (\$1,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

**18.3.3** Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, including death, and property damage.

**18.3.4** Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.

**18.3.5** The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the

provisions of this LGIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

- 18.3.6** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this LGIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 18.3.9** Within ten (10) days following execution of this LGIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 18.3.2 through 18.3.8 to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 18.3.2 through 18.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.2 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program

meets the minimum insurance requirements in a manner consistent with that specified in Article 18.3.9.

**18.3.11** The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this LGIA.

## **Article 19. Assignment**

**19.1 Assignment.** This LGIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this LGIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this LGIA; and provided further that Interconnection Customer shall have the right to assign this LGIA, without the consent of Transmission Provider, for collateral security purposes to aid in providing financing for the Large Generating Facility, provided that Interconnection Customer will promptly notify Transmission Provider of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment right(s), including providing the Transmission Provider with proof that it meets the requirements of Articles 11.5 and 18.3. Any attempted assignment that violates this article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

## **Article 20. Severability**

**20.1 Severability.** If any provision in this LGIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this LGIA; provided that if Interconnection Customer (or any third party, but only if such third party is not acting at the direction of Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

## **Article 21. Comparability**

**21.1 Comparability.** The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

## **Article 22. Confidentiality**

**22.1 Confidentiality.** Confidential Information shall include, without limitation, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by either of the Parties to the other prior to the execution of this LGIA.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that the information referred to in this Article 22 warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

**22.1.1 Term.** During the term of this LGIA, and for a period of three (3) years after the expiration or termination of this LGIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

**22.1.2 Scope.** Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this LGIA; or (6) is required, in accordance with Article 22.1.7 of the LGIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this LGIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

**22.1.3 Release of Confidential Information.** Neither Party shall release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or

considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22.

**22.1.4 Rights.** Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

**22.1.5 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party nor to enter into any further agreements or proceed with any other relationship or joint venture.

**22.1.6 Standard of Care.** Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

**22.1.7 Order of Disclosure.** If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this LGIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

**22.1.8 Termination of Agreement.** Upon termination of this LGIA for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to destroy,

erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

**22.1.9 Remedies.** The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

**22.1.10 Disclosure to FERC, its Staff, or a State.** Notwithstanding anything in this Article 22 to the contrary, and pursuant to 18 CFR section 1b.20, if FERC or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this LGIA, the Party shall provide the requested information to FERC or its staff, within the time provided for in the request for information. In providing the information to FERC or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by FERC and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this LGIA prior to the release of the Confidential Information to FERC or its staff. The Party shall notify the other Party to the LGIA when it is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

**22.1.11** Subject to the exception in Article 22.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this LGIA ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in



connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIA or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

### **Article 23. Environmental Releases**

Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall: (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

### **Article 24. Information Requirements**

**24.1 Information Acquisition.** Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

**24.2 Information Submission by Transmission Provider.** The initial information submission by Transmission Provider shall occur no later than one hundred eighty (180) Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements, unless otherwise agreed to by the Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information: (1) progress to date; (2) a description of the activities since the last report (3) a

description of the action items for the next period; and (4) the delivery status of equipment ordered.

**24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than one hundred eighty (180) Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

**24.4 Information Supplementation.** Prior to the Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice such as an open circuit "step voltage" test on the Large Generating Facility to verify proper operation of the Large Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; and (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Large Generating Facility terminal or field voltages is provided. Large Generating Facility testing shall be conducted and results provided to Transmission Provider for each individual generating unit in a station.

Subsequent to the Operation Date, Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than thirty (30) Calendar Days after the date of the equipment replacement, repair or adjustment.

## **Article 25. Information Access and Audit Rights**

- 25.1 Information Access.** Each Party (the "disclosing Party") shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA; and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party (the "notifying Party") shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.
- 25.3 Audit Rights.** Subject to the requirements of confidentiality under Article 22 of this LGIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such accounts

and records for a period equivalent to the audit rights periods described in Article 25.4.

## **25.4 Audit Rights Periods.**

**25.4.1 Audit Rights Period for Construction-Related Accounts and Records.** Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

**25.4.2 Audit Rights Period for All Other Accounts and Records.** Accounts and records related to either Party's performance or satisfaction of all obligations under this LGIA other than those described in Article 25.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

**25.5 Audit Results.** If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

## **Article 26. Subcontractors**

**26.1 General.** Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this LGIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this LGIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

**26.2 Responsibility of Principal.** The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this LGIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall Transmission Provider be liable for the actions or inactions of Interconnection Customer or its subcontractors with respect to obligations of Interconnection Customer under Article 5 of this LGIA. Any applicable obligation imposed by this LGIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

**26.3 No Limitation by Insurance.** The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

## **Article 27. Disputes**

**27.1 Submission.** In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with this LGIA or its performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this LGIA.

**27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and any applicable FERC regulations or RTO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Article 27, the terms of this Article 27 shall prevail.

**27.3 Arbitration Decisions.** Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute

Resolution Act. The final decision of the arbitrator must also be filed with FERC if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Network Upgrades.

- 27.4 Costs.** Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (1) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or (2) one half the cost of the single arbitrator jointly chosen by the Parties.

## **Article 28. Representations, Warranties, and Covenants**

- 28.1 General.** Each Party makes the following representations, warranties and covenants:

**28.1.1 Good Standing.** Such Party is duly organized, validly existing and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state or states in which the Large Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this LGIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this LGIA.

**28.1.2 Authority.** Such Party has the right, power and authority to enter into this LGIA, to become a Party hereto and to perform its obligations hereunder. This LGIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

**28.1.3 No Conflict.** The execution, delivery and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

**28.1.4 Consent and Approval.** Such Party has sought or obtained, or, in accordance with this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

## **Article 29. Joint Operating Committee**

**29.1 Joint Operating Committee.** Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. At least six (6) months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to the Joint Operating Committee. Each Interconnection Customer shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Joint Operating Committee shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIA. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be evidenced in writing. The duties of the Joint Operating Committee shall include the following:

**29.1.1** Establish data requirements and operating record requirements.

**29.1.2** Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

**29.1.3** Annually review the one (1) year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.

**29.1.4** Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facility and other facilities that impact the normal operation of the interconnection of the Large Generating Facility to the Transmission System.

**29.1.5** Ensure that information is being provided by each Party regarding equipment availability.

**29.1.6** Perform such other duties as may be conferred upon it by mutual agreement of the Parties.

## **Article 30. Miscellaneous**

**30.1 Binding Effect.** This LGIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

- 30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendices or exhibits hereto, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Rules of Interpretation.** This LGIA, unless a clear contrary intention appears, shall be construed and interpreted as follows: (1) the singular number includes the plural number and vice versa; (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this LGIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually; (3) reference to any agreement (including this LGIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof; (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder; (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this LGIA or such Appendix to this LGIA, or such Section to the LGIP or such Appendix to the LGIP, as the case may be; (6) "hereunder", "hereof", "herein", "hereto" and words of similar import shall be deemed references to this LGIA as a whole and not to any particular Article or other provision hereof or thereof; (7) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term; and (8) relative to the determination of any period of time, "from" means "from and including", "to" means "to but excluding" and "through" means "through and including".
- 30.4 Entire Agreement.** This LGIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this LGIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.
- 30.5 No Third Party Beneficiaries.** This LGIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 30.6 Waiver.** The failure of a Party to this LGIA to insist, on any occasion, upon strict performance of any provision of this LGIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.



Any waiver at any time by either Party of its rights with respect to this LGIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this LGIA. Termination or Default of this LGIA for any reason by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider. Any waiver of this LGIA shall, if requested, be provided in writing.

- 30.7 Headings.** The descriptive headings of the various Articles of this LGIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this LGIA.
- 30.8 Multiple Counterparts.** This LGIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 30.9 Amendment.** The Parties may by mutual agreement amend this LGIA by a written instrument duly executed by the Parties.
- 30.10 Modification by the Parties.** The Parties may by mutual agreement amend the Appendices to this LGIA by a written instrument duly executed by the Parties. Such amendment shall become effective and a part of this LGIA upon satisfaction of all Applicable Laws and Regulations.
- 30.11 Reservation of Rights.** Transmission Provider shall have the right to make a unilateral filing with FERC to modify this LGIA with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this LGIA pursuant to section 206 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this LGIA shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations thereunder, except to the extent that the Parties otherwise mutually agree as provided herein.
- 30.12 No Partnership.** This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

**IN WITNESS WHEREOF**, the Parties have executed this LGIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

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

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

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

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

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

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

**[Insert name of Interconnection Customer]**

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

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

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

## **Appendix A to LGIA**

### **Interconnection Facilities, Network Upgrades and Distribution Upgrades**

#### **1. Interconnection Facilities:**

**(a) [insert Interconnection Customer's Interconnection Facilities]:**

**(b) [insert Transmission Provider's Interconnection Facilities]:**

#### **2. Network Upgrades:**

**(a) [insert Stand Alone Network Upgrades]:**

**(b) [insert Other Network Upgrades]:**

#### **3. Distribution Upgrades:**

## **Appendix B to LGIA**

### **Milestones**

**Appendix C to LGIA**  
**Interconnection Details**

## **Appendix D to LGIA**

### **Security Arrangements Details**

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. FERC will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

## **Appendix E to LGIA**

### **Commercial Operation Date**

This Appendix E is a part of the LGIA between Transmission Provider and Interconnection Customer.

**[Date]**

**[Transmission Provider Address]**

Re: \_\_\_\_\_ Large Generating Facility

Dear \_\_\_\_\_:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. \_\_\_\_\_. This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. \_\_\_\_\_ at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

**[Signature]**

**[Interconnection Customer Representative]**

## **Appendix F to LGIA**

### **Addresses for Delivery of Notices and Billings**

#### **Notices:.**

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

#### **Billings and Payments:**

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

#### **Alternative Forms of Delivery of Notices (telephone, facsimile or email):**

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]



## **APPENDIX G**

### **INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT**

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

#### **A. Technical Standards Applicable to a Wind Generating Plant**

##### **i. Low Voltage Ride-Through (LVRT) Capability**

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

#### **Transition Period LVRT Standard**

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively

disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or “GSU”), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT

Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

#### **Post-transition Period LVRT Standard**

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.
5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

**ii. Power Factor Design Criteria (Reactive Power)**

The following reactive power requirements apply only to a newly interconnecting wind generating plant that has executed a Facilities Study Agreement as of the effective date of the Final Rule establishing the reactive power requirements for non-synchronous generators in section 9.6.1 of this LGIA (Order No. 827). A wind generating plant to which this provision applies shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this LGIA, if the Transmission Provider's System Impact Study shows that such a requirement is necessary to ensure safety or reliability. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission

Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

**iii. Supervisory Control and Data Acquisition (SCADA) Capability**

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

**iii. Supervisory Control and Data Acquisition (SCADA) Capability**

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

**ATTACHMENT O**  
**Small Generator Interconnection Procedures**

**SMALL GENERATOR  
INTERCONNECTION PROCEDURES (SGIP)**

**(For Generating Facilities No Larger Than 20 MW)**



## TABLE OF CONTENTS

	Page No.
Section 1. Application .....	- 1 -
1.1 Applicability .....	- 1 -
1.2 Pre-Application .....	- 2 -
1.3 Interconnection Request .....	- 5 -
1.4 Modification of the Interconnection Request .....	- 5 -
1.5 Site Control .....	- 5 -
1.6 Queue Position .....	- 6 -
1.7.....Interconnection Requests Submitted Prior to the Effective Date of the SGIP .....	- 6 -
Section 2. Fast Track Process .....	- 6 -
2.1 Applicability .....	- 6 -
2.2 Initial Review .....	- 7 -
2.3 Customer Options Meeting .....	- 9 -
2.4 Supplemental Review .....	- 10 -
Section 3. Study Process .....	- 13 -
3.1 Applicability .....	- 14 -
3.2 Scoping Meeting .....	- 14 -
3.3 Feasibility Study .....	- 14 -
3.4 System Impact Study .....	- 15 -
3.5 Facilities Study .....	- 16 -
Section 4. Provisions that Apply to All Interconnection Requests .....	- 17 -
4.1 Reasonable Efforts .....	- 17 -
4.2 Disputes .....	- 18 -
4.3 Interconnection Metering .....	- 18 -
4.4 Commissioning .....	- 18 -
4.5 Confidentiality .....	- 19 -
4.6 Comparability .....	- 20 -
4.7 Record Retention .....	- 20 -
4.8 Interconnection Agreement .....	- 20 -
4.9 Coordination with Affected Systems .....	- 20 -
4.10 Capacity of the Small Generating Facility .....	- 21 -

Attachment 1 – Glossary of Terms

Attachment 2 – Small Generator Interconnection Request

Attachment 3 – Certification Codes and Standards

Attachment 4 – Certification of Small Generator Equipment Packages

Attachment 5 – Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")

Attachment 6 – Feasibility Study Agreement

Attachment 7 – System Impact Study Agreement

Attachment 8 – Facilities Study Agreement

## **Section 1. Application**

### **1.1 Applicability**

- 1.1.1. A request to interconnect a certified Small Generating Facility (See Attachments 3 and 4 for description of certification criteria) no larger than 2 MW to the Transmission Provider's Distribution System shall be evaluated under the section 2 Fast Track Process if the eligibility requirements of section 2.1 are met. A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kilowatts (kW) shall be evaluated under the Attachment 5 10 kW Inverter Process. A request to interconnect a Small Generating Facility but no larger than 20 megawatts (MW) that does not meet the eligibility requirements of section 2.1, or does not pass the Fast Track Process or the 10 kW Inverter Process, shall be evaluated under the section 3 Study Process. If the Interconnection Customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement.
- 1.1.2. Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of these procedures.
- 1.1.3. Neither these procedures nor the requirements included hereunder apply to Small Generating Facilities interconnected or approved for interconnection prior to 60 Business Days after the effective date of these procedures.
- 1.1.4. Prior to submitting its Interconnection Request (Attachment 2), the Interconnection Customer may ask the Transmission Provider's interconnection contact employee or office whether the proposed interconnection is subject to these procedures. The Transmission Provider shall respond within 15 Business Days.
- 1.1.5. Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. The Federal Energy Regulatory Commission expects all Transmission Providers, market participants, and Interconnection Customers interconnected with electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.

1.1.6. References in these procedures to interconnection agreement are to the Small Generator Interconnection Agreement (SGIA).

## 1.2 Pre-Application

1.2.1 The Transmission Provider shall designate an employee or office from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the Transmission Provider's Internet web site. Electric system information provided to the Interconnection Customer should include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on the Transmission Provider's Transmission System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. The Transmission Provider shall comply with reasonable requests for such information.

1.2.2 In addition to the information described in section 1.2.1, which may be provided in response to an informal request, an Interconnection Customer may submit a formal written request form along with a non-refundable fee of \$300 for a pre-application report on a proposed project at a specific site. The Transmission Provider shall provide the pre-application data described in section 1.2.3 to the Interconnection Customer within 20 Business Days of receipt of the completed request form and payment of the \$300 fee. The pre-application report produced by the Transmission Provider is non-binding, does not confer any rights, and the Interconnection Customer must still successfully apply to interconnect to the Transmission Provider's system. The written pre-application report request form shall include the information in sections 1.2.2.1 through 1.2.2.8 below to clearly and sufficiently identify the location of the proposed Point of Interconnection.

1.2.2.1 Project contact information, including name, address, phone number, and email address.

1.2.2.2 Project location (street address with nearby cross streets and town)

1.2.2.3 Meter number, pole number, or other equivalent information identifying proposed Point of Interconnection, if available.

1.2.2.4 Generator Type (e.g., solar, wind, combined heat and power, etc.)

- 1.2.2.5 Size (alternating current kW)
  - 1.2.2.6 Single or three phase generator configuration
  - 1.2.2.7 Stand-alone generator (no onsite load, not including station service – Yes or No?)
  - 1.2.2.8 Is new service requested? Yes or No? If there is existing service, include the customer account number, site minimum and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.
- 1.2.3 Using the information provided in the pre-application report request form in section 1.2.2, the Transmission Provider will identify the substation/area bus, bank or circuit likely to serve the proposed Point of Interconnection. This selection by the Transmission Provider does not necessarily indicate, after application of the screens and/or study, that this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional pre-application reports if information about multiple Points of Interconnection is requested. Subject to section 1.2.4, the pre-application report will include the following information
- 1.2.3.1 Total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Interconnection.
  - 1.2.3.2 Existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed Point of Interconnection.
  - 1.2.3.3 Aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed Point of Interconnection.
  - 1.2.3.4 Available capacity (in MW) of substation/area bus or bank and circuit mostly likely to serve the proposed Point of Interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).
  - 1.2.3.5 Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
  - 1.2.3.6 Nominal distribution circuit voltage at the proposed Point of Interconnection.

- 1.2.3.7 Approximate circuit distance between the proposed Point of Interconnection and the substation.
  - 1.2.3.8 Relevant line section(s) peak load estimate, and minimum load data, including daytime minimum load as described in section 2.3.1.1.1 below and absolute minimum load, when available.
  - 1.2.3.9 Number and rating of protective devices and number and type (standard, bi-directional) of voltage regulating devices between the proposed Point of Interconnection and the substation/area. Identify whether the substation has a load tap changer.
  - 1.2.3.10 Number of phases available at the proposed Point of Interconnection.
  - 1.2.3.11 Limiting conductor ratings from the proposed Point of Interconnection to the distribution substation.
  - 1.2.3.12 Whether the Point of Interconnection is located on a spot network, grid network, or radial supply.
  - 1.2.3.13 Based on the proposed Point of Interconnection, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.
- 1.2.4 The pre-application report need only include existing data. A pre-application report request does not obligate the Transmission Provider to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the Transmission Provider cannot complete all or some of a pre-application report due to lack of available data, the Transmission Provider shall provide the Interconnection Customer with a pre-application report that includes the data that is available. The provision of information on “available capacity” pursuant to section 1.2.3.4 does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the pre-application report may become outdated at the time of the submission of the complete Interconnection Request. Notwithstanding any of the provisions of this section, the Transmission Provider shall, in good faith, include data in the pre-application report that represents that best available information at the time of reporting.

### 1.3 Interconnection Request

The Interconnection Customer shall submit its Interconnection Request to the Transmission Provider, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time- stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by the Transmission Provider within three Business Days of receiving the Interconnection Request. The Transmission Provider shall notify the Interconnection Customer within ten Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, the Transmission Provider shall provide along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to the Transmission Provider.

### 1.4 Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by the Transmission Provider and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.

### 1.5 Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

1.5.1 Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;

1.5.2 An option to purchase or acquire a leasehold site for such purpose; or

1.5.3 An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

1.6 Queue Position

The Transmission Provider shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. The Transmission Provider shall maintain a single queue per geographic region. At the Transmission Provider's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

1.7 Interconnection Requests Submitted Prior to the Effective Date of the SGIP

Nothing in this SGIP affects an Interconnection Customer's Queue Position assigned before the effective date of this SGIP. The Parties agree to complete work on any interconnection study agreement executed prior the effective date of this SGIP in accordance with the terms and conditions of that interconnection study agreement. Any new studies or other additional work will be completed pursuant to this SGIP.

## **Section 2. Fast Track Process**

2.1 Applicability

The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Distribution System if the Small Generating Facility's capacity does not exceed the size limits identified in the table below. Small Generating Facilities below these limits are eligible for Fast Track review. However, Fast Track eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that a Small Generating Facility will pass the Fast Track screens in section 2.2.1 below or the Supplemental Review screens in section 2.4.1 below.

Fast Track eligibility is determined based upon the generator type, the size of the generator, voltage of the line and the location of and the type of line at the Point of Interconnection. All Small Generating Facilities connecting to lines greater than 69 kilovolt (kV) are ineligible for the Fast Track Process regardless of size. All synchronous and induction machines must be no larger than 2 MW to be eligible for the Fast Track Process, regardless of location. For certified inverter-based systems, the size limit varies according to the voltage of the line at the proposed Point of Interconnection. Certified inverter-based Small Generating Facilities located within 2.5 electrical circuit miles of a substation and on a mainline (as defined in the table below) are eligible for the Fast Track Process under the higher thresholds according to the table below. In addition to the size threshold, the Interconnection Customer's proposed Small Generating Facility must meet the codes, standards, and certification requirements of Attachments 3 and 4 of these procedures, or the Transmission Provider has to have reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

<u>Fast Track Eligibility for Inverter-Based Systems</u>		
<u>Line Voltage</u>	<u>Fast Track Eligibility Regardless of Location</u>	<u>Fast Track Eligibility on a Mainline<sup>1</sup> and ≤2.5 Miles from Substation<sup>2</sup></u>
< 5 kV	≤500 kW	≤500 kW
≥ 5 kV and < 15 kV	≤2 MW	≤3 MW
≥ 15 kV and < 30 kV	≤3 MW	≤4 MW
≥ 30 kV and ≥ 69 kV	≤4 MW	≤5 MW

## 2.2 Initial Review

Within 15 Business Days after the Transmission Provider notifies the Interconnection Customer it has received a complete Interconnection Request, the Transmission Provider shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens.

### 2.2.1 Screens

- 2.2.1.1 The proposed Small Generating Facility's Point of Interconnection must be on a portion of the Transmission Provider's Distribution System that is subject to the Tariff.
- 2.2.1.2 For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation. A line section is that portion of a Transmission Provider's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
- 2.2.1.3 For interconnection of a proposed Small Generating Facility to the load side of spot network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a spot network's maximum load or 50 kW.<sup>3</sup>

<sup>1</sup> For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American wire gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil.

<sup>2</sup> An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to section 1.2.

<sup>3</sup> A spot Network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. (Standard Handbook for Electrical Engineers, 11<sup>th</sup> edition, Donald Fink, McGraw Hill Book Company)



- 2.2.1.4 The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed point of change of ownership.
- 2.2.1.5 The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.
- 2.2.1.6 Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the Transmission Provider's electric power system due to a loss of ground during the operating time of any anti-islanding function.

<b>Primary Distribution Line Type</b>	<b>Type of Interconnection to Primary Distribution Line</b>	<b>Result/Criteria</b>
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen

- 2.2.1.7 If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.
- 2.2.1.8 If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.
- 2.2.1.9 The Small Generating Facility, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Small Generating Facility proposes to interconnect shall not exceed 10

MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (e.g., three or four transmission busses from the point of interconnection).

2.2.1.10 No construction of facilities by the Transmission Provider on its own system shall be required to accommodate the Small Generating Facility.

2.2.2 If the proposed interconnection passes the screens, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer an executable interconnection agreement within five (5) Business Days after the determination.

2.2.3 If the proposed interconnection fails the screens, but the Transmission Provider determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five (5) Business Days after the determination.

2.2.4 If the proposed interconnection fails the screens, and the Transmission Provider cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, the Transmission Provider shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.

### 2.3 Customer Options Meeting

If the Transmission Provider determines the Interconnection Request cannot be approved without (1) minor modifications at minimal cost; (2) or a supplemental study or other additional studies or actions; or (3) incurring significant cost to address safety, reliability, or power quality problems, the Transmission Provider shall notify the Interconnection Customer of that determination within five Business Days after the determination and provide copies of all data and analyses underlying its conclusion. Within ten Business Days of the Transmission Provider's determination, the Transmission Provider shall offer to convene a customer options meeting with the Transmission Provider to review possible Interconnection Customer facility modifications or the screen analysis and related results, to determine what further steps are needed to permit the Small Generating Facility to be connected safely and reliably. At the time of notification of the Transmission Provider's determination, or at the customer options meeting, the Transmission Provider shall:

- 2.3.1 Offer to perform facility modifications or minor modifications to the Transmission Provider's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the limited cost to make such modifications to the Transmission Provider's electric system. If the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the Transmission Provider will provide the Interconnection Customer with an executable interconnection agreement within ten Business Days of the customer options meeting; or
- 2.3.2 Offer to perform a supplemental review in accordance with section 2.4 and provide a non-binding good faith estimate of the costs of such review; or
- 2.3.3 Obtain the Interconnection Customer's agreement to continue evaluating the Interconnection Request under the section 3 Study Process.

## 2.4 Supplemental Review

- 2.4.1 To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing, and submit a deposit for the estimated costs of the supplemental review in the amount of the Transmission Provider's good faith estimate of the costs of such review, both within 15 Business Days of the offer. If the written agreement and deposit have not been received by the Transmission Provider within that timeframe, the Interconnection Request shall continue to be evaluated under the section 3 Study Process unless it is withdrawn by the Interconnection Customer.
- 2.4.2 The Interconnection Customer may specify the order in which the Transmission Provider will complete the screens in section 2.4.4.
- 2.4.3 The Interconnection Customer shall be responsible for the Transmission Provider's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within 20 Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the Transmission Provider will return such excess within 20 Business Days of the invoice without interest.
- 2.4.4 Within 30 Business Days following receipt of the deposit for a supplemental review fee, the Transmission Provider shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the Transmission Provider's determinations under the screens. Unless the Interconnection Customer provided instructions for how to respond to the failure of any of the supplemental review screens below at the time the Interconnection

Customer accepted the offer of supplemental review, the Transmission Provider shall notify the Interconnection Customer following the failure of any of the screens, or if it is unable to perform the screen in section 2.4.4.1, within two Business Days of making such determination to obtain the Interconnection Customer's permission to: (1) continue evaluating the proposed interconnection under this section 2.4.4; (2) terminate the supplemental review and continue evaluating the Small Generating Facility under section 3; or (3) terminate the supplemental review upon withdrawal of the Interconnection Request by the Interconnection Customer.

2.4.4.1 Minimum Load Screen: Where 12 months of line section minimum load data (including onsite load but not station service load served by the proposed Small Generating Facility) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Generating Facility capacity on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed Small Generating Facility. If minimum load data is not available, or cannot be calculated, estimated or determined, the Transmission Provider shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under section 2.4.4.

2.4.4.1.1 The type of generation used by the proposed Small Generating Facility will be taken into account when calculating, estimating, or determining circuit or line section minimum load relevant for the application of screen 2.4.1.1. Solar photovoltaic (PV) generation systems with no battery storage use daytime minimum load (i.e. 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load

2.4.4.1.2 When this screen is being applied to a Small Generating Facility that serves some onsite electrical load, only the net export in kW, if known, that may flow into the Transmission Provider's system will be considered as part of the aggregate generation.

2.4.4.1.3 Transmission Provider will not consider as part of the aggregate generation for purposes of this screen generating facility capacity known to be already reflected in the minimum load data.

- 2.4.4.2 Voltage and Power Quality Screen: In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) the voltage fluctuation is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453, or utility practice similar to IEEE Standard 1453; and (3) the harmonic levels meet IEEE Standard 519 limits.
- 2.4.4.3 Safety and Reliability Screen: The location of the proposed Small Generating Facility and the aggregate generation capacity on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the Study Process. The Transmission Provider shall give due consideration to the following and other factors in determining potential impacts to safety and reliability in applying this screen.
- 2.4.4.3.1 Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g. several large commercial customers).
- 2.4.4.3.2 Whether the loading along the line section uniform or even.
- 2.4.4.3.3 Whether the proposed Small Generating Facility is located in close proximity to the substation (i.e. less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Interconnection is a Mainline rated for normal and emergency ampacity.
- 2.4.4.3.4 Whether the proposed Small Generating Facility incorporates a time delay function to prevent reconnection of the generator to the system until system voltage and frequency are within normal limits for a prescribed time.
- 2.4.4.3.5 Whether operational flexibility is reduced by the proposed Small Generating Facility, such that transfer of the line section(s) of the Small Generating Facility to a neighboring distribution circuit/substation may trigger overloads or voltage issues.
- 2.4.4.3.6 Whether the proposed Small Generating Facility employs equipment or systems certified by a recognized standards organization to address technical issues such

as, but not limited to, islanding, reverse power flow, or voltage quality.

- 2.4.5 If the proposed interconnection passes the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Interconnection Request shall be approved and the Transmission Provider will provide the Interconnection Customer with an executable interconnection agreement within the timeframes established in sections 2.4.5.1 and 2.4.5.2 below. If the proposed interconnection fails any of the supplemental review screens and the Interconnection Customer does not withdraw its Interconnection Request, it shall continue to be evaluated under the section 3 Study Process consistent with section 2.4.5.3 below.
- 2.4.5.1 If the proposed interconnection passes the supplemental screens in sections 2.4.1.1, 2.4.1.2, and 2.4.1.3 above and does not require construction of facilities by the Transmission Provider on its own system, the interconnection agreement shall be provided within ten Business Days after the notification of the supplemental review results.
- 2.4.5.2 If interconnection facilities or minor modifications to the Transmission Provider's system are required for the proposed interconnection to pass the supplemental screens in sections 2.4.1.1, 2.4.1.2, and 2.4.1.3 above, and the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the interconnection agreement, along with a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within 15 Business Days after receiving written notification of the supplemental review results.
- 2.4.5.3 If interconnection facilities or minor modifications to the Transmission Provider's system are required for the proposed interconnection to pass the supplemental screens in sections 2.4.1.1, 2.4.1.2, and 2.4.1.3 above, and the Interconnection Customer agrees to pay for the modifications to the Transmission Provider's electric system, the interconnection agreement, along with a non-binding good faith estimate for the interconnection facilities and/or minor modifications, shall be provided to the Interconnection Customer within 15 Business Days after receiving written notification of the supplemental review results.

### **Section 3. Study Process**

### 3.1 Applicability

The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with the Transmission Provider's Transmission System or Distribution System if the Small Generating Facility (1) is no larger than 20 MW and does not meet the eligibility requirements of section 2.1, (2) is not certified, or (3) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process.

### 3.2 Scoping Meeting

3.2.1 A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. The Transmission Provider and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.

3.2.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether the Transmission Provider should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, the Transmission Provider shall provide the Interconnection Customer, as soon as possible, but not later than five Business Days after the scoping meeting, a feasibility study agreement (Attachment 6) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

3.2.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within 15 Business Days. If the Parties agree not to perform a feasibility study, the Transmission Provider shall provide the Interconnection Customer, no later than five Business Days after the scoping meeting, a system impact study agreement (Attachment 7) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

### 3.3 Feasibility Study

3.3.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.

- 3.3.2 A deposit of the lesser of 50 percent of the good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.
- 3.3.3 The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment 6).
- 3.3.4 If the feasibility study shows no potential for adverse system impacts, the Transmission Provider shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, the Transmission Provider shall send the Interconnection Customer an executable interconnection agreement within five Business Days.
- 3.3.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

#### 3.4 System Impact Study

- 3.4.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.
- 3.4.2 If no transmission system impact study is required, but potential electric power Distribution System adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. The Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement within 15 Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.
- 3.4.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five Business Days following transmittal of the feasibility study report, the Transmission Provider shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.



- 3.4.4 If a transmission system impact study is not required, but electric power Distribution System adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, the Transmission Provider shall send the Interconnection Customer a distribution system impact study agreement.
- 3.4.5 If the feasibility study shows no potential for transmission system or Distribution System adverse system impacts, the Transmission Provider shall send the Interconnection Customer either a facilities study agreement (Attachment 8), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.
- 3.4.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within 30 Business Days.
- 3.4.7 A deposit of the good faith estimated costs for each system impact study may be required from the Interconnection Customer.
- 3.4.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.
- 3.4.9 Where transmission systems and Distribution Systems have separate owners, such as is the case with transmission-dependent utilities ("TDUs") – whether investor-owned or not – the Interconnection Customer may apply to the nearest Transmission Provider (Transmission Owner, Regional Transmission Operator, or Independent Transmission Provider) providing transmission service to the TDU to request project coordination. Affected Systems shall participate in the study and provide all information necessary to prepare the study.

### 3.5 Facilities Study

- 3.5.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.
- 3.5.2 In order to remain under consideration for interconnection, or, as appropriate, in the Transmission Provider's interconnection queue, the

Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within 30 Business Days.

- 3.5.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).
- 3.5.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The Transmission Provider may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the Transmission Provider may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by the Transmission Provider, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the Transmission Provider shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.
- 3.5.5 A deposit of the good faith estimated costs for the facilities study may be required from the Interconnection Customer.
- 3.5.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.
- 3.5.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, the Transmission Provider shall provide the Interconnection Customer an executable interconnection agreement within five Business Days.

## **Section 4. Provisions that Apply to All Interconnection Requests**

### **4.1 Reasonable Efforts**

The Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline,

and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

#### 4.2 Disputes

- 4.2.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 4.2.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 4.2.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 4.2.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 4.2.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 4.2.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.

#### 4.3 Interconnection Metering

Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with Federal Energy Regulatory Commission, state, or local regulatory requirements or the Transmission Provider's specifications.

#### 4.4 Commissioning

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards. The Transmission Provider must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests.

## 4.5 Confidentiality

- 4.5.1 Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of these procedures all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.
- 4.5.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce these procedures. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under these procedures, or to fulfill legal or regulatory requirements.
- 4.5.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- 4.5.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 4.5.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to these procedures, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to FERC. The Party shall notify the other Party when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential

investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

4.6 Comparability

The Transmission Provider shall receive, process and analyze all Interconnection Requests in a timely manner as set forth in this document. The Transmission Provider shall use the same reasonable efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Small Generating Facility is owned or operated by the Transmission Provider, its subsidiaries or affiliates, or others.

4.7 Record Retention

The Transmission Provider shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

4.8 Interconnection Agreement

After receiving an interconnection agreement from the Transmission Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement and agree to pay for Interconnection Facilities and Upgrades, if any, or request that the Transmission Provider file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission. If the Interconnection Customer does not sign the interconnection agreement, or ask that it be filed unexecuted by the Transmission Provider within 30 Business Days, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

4.9 Coordination with Affected Systems

The Transmission Provider shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. The Transmission Provider will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with the Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider which may be an Affected System shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

#### 4.10 Capacity of the Small Generating Facility

- 4.10.1 If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.
- 4.10.2 If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Interconnection, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.
- 4.10.3 The Interconnection Request shall be evaluated using the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system. However, if the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system is limited (e.g., through use of a control system, power relay(s), or other similar device settings or adjustments), then the Interconnection Customer must obtain the Transmission Provider's agreement, with such agreement not to be unreasonably withheld, that the manner in which the Interconnection Customer proposes to implement such a limit will not adversely affect the safety and reliability of the Transmission Provider's system. If the Transmission Provider does not so agree, then the Interconnection Request must be withdrawn or revised to specify the maximum capacity that the Small Generating Facility is capable of injecting into the Transmission Provider's electric system without such limitations. Furthermore, nothing in this section shall prevent a Transmission Provider from considering an output higher than the limited output, if appropriate, when evaluating system protection impacts.

## Glossary of Terms

**10 kW Inverter Process** – The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request, simplified procedures, and a brief set of terms and conditions. See SGIP Attachment 5.

**Affected System** – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

**Business Day** – Monday through Friday, excluding Federal Holidays.

**Distribution System** – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

**Distribution Upgrades** – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

**Fast Track Process** – The procedure for evaluating an Interconnection Request for a certified Small Generating Facility that meets the eligibility requirements of section 2.1 and includes the section 2 screens, customer options meeting, and optional supplemental review.

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

**Interconnection Customer** – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

**Interconnection Facilities** – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

**Interconnection Request** – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

**Material Modification** – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

**Network 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.

**Network Resource Interconnection Service** – An Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's System (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service in and of itself does not convey transmission service.

**Network Upgrades** – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection with the Small Generating Facility to the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

**Party or Parties** – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

**Point of Interconnection** – The point where the Interconnection Facilities connect with the Transmission Provider's Distribution System or Transmission System.



**Queue Position** – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

**Small Generating Facility** – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

**Study Process** – The procedure for evaluating an Interconnection Request that includes the section 3 scoping meeting, feasibility study, system impact study, and facilities study.

**Transmission Owner** – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

**Transmission Provider** – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

**Transmission System** – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

**Upgrades** – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

**SMALL GENERATOR INTERCONNECTION REQUEST  
(Application Form)**

**Transmission Provider:**\_\_\_\_\_

Designated Contact Person:\_\_\_\_\_

Address:\_\_\_\_\_

Telephone Number:\_\_\_\_\_

Fax:\_\_\_\_\_

E-Mail Address:\_\_\_\_\_

An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request.

**Preamble and Instructions**

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

**Processing Fee or Deposit:**

If the Interconnection Request is submitted under the Fast Track Process, the non-refundable processing fee is \$500.

If the Interconnection Request is submitted under the Study Process, whether a new submission or an Interconnection Request that did not pass the Fast Track Process, the Interconnection Customer shall submit to the Transmission Provider a deposit not to exceed \$1,000 towards the cost of the feasibility study.

**Interconnection Customer Information**

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

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

Contact Person:\_\_\_\_\_

Mailing Address:\_\_\_\_\_

City:\_\_\_\_\_ State:\_\_\_\_\_ Zip:\_\_\_\_\_

Facility Location (if different from above):\_\_\_\_\_

Telephone (Day):\_\_\_\_\_ Telephone (Evening):\_\_\_\_\_

Fax:\_\_\_\_\_ E-Mail Address:\_\_\_\_\_

Alternative Contact Information (if different from the Interconnection Customer)

Contact Name:\_\_\_\_\_

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

Address:\_\_\_\_\_

Telephone (Day): \_\_\_\_\_ Telephone (Evening):\_\_\_\_\_

Fax:\_\_\_\_\_ E-Mail Address:\_\_\_\_\_

Application is for: \_\_\_\_\_ New Small Generating Facility

\_\_\_\_\_ Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe:\_\_\_\_\_

Will the Small Generating Facility be used for any of the following?

Net Metering? Yes\_\_\_\_\_ No\_\_\_\_\_

To Supply Power to the Interconnection Customer? Yes\_\_\_\_\_ No\_\_\_\_\_

To Supply Power to Others? Yes\_\_\_\_\_ No\_\_\_\_\_

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

\_\_\_\_\_  
(Local Electric Service Provider\*)

\_\_\_\_\_  
(Existing Account Number\*)

[\*To be provided by the Interconnection Customer if the local electric service provider is different from the Transmission Provider]

Contact Name: \_\_\_\_\_

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

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone (Day): \_\_\_\_\_ Telephone (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Requested Point of Interconnection: \_\_\_\_\_

Interconnection Customer's Requested In-Service Date: \_\_\_\_\_

**Small Generating Facility Information**

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: \_\_\_\_ Solar \_\_\_\_ Wind \_\_\_\_ Hydro \_\_\_\_ Hydro Type (e.g. Run-of-River) \_\_\_\_  
Diesel \_\_\_\_ Natural Gas \_\_\_\_ Fuel Oil \_\_\_\_ Other (state type) \_\_\_\_\_

Prime Mover: \_\_\_\_ Fuel Cell \_\_\_\_ Recip Engine \_\_\_\_ Gas Turb \_\_\_\_ Steam Turb  
\_\_\_\_ Microturbine \_\_\_\_ PV \_\_\_\_ Other

Type of Generator: \_\_\_\_ Synchronous \_\_\_\_ Induction \_\_\_\_ Inverter

Generator Nameplate Rating: \_\_\_\_ kW (Typical) Generator Nameplate kVAR: \_\_\_\_\_

Interconnection Customer or Customer-Site Load: \_\_\_\_\_ kW (if none, so state)

Typical Reactive Load (if known): \_\_\_\_\_

Maximum Physical Export Capability Requested: \_\_\_\_\_ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Certifying Entity

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Is the prime mover compatible with the certified protective relay package? \_\_Yes \_\_No

Generator (or solar collector)

Manufacturer, Model Name & Number: \_\_\_\_\_

Version Number: \_\_\_\_\_

Nameplate Output Power Rating in kW: (Summer) \_\_\_\_\_ (Winter) \_\_\_\_\_

Nameplate Output Power Rating in kVA: (Summer) \_\_\_\_\_ (Winter) \_\_\_\_\_

Individual Generator Power Factor

Rated Power Factor: Leading: \_\_\_\_\_ Lagging: \_\_\_\_\_

Total Number of Generators in wind farm to be interconnected pursuant to this

Interconnection Request: \_\_\_\_\_ Elevation: \_\_\_\_\_

\_\_\_\_\_ Single phase \_\_\_\_\_ Three phase

Inverter Manufacturer, Model Name & Number (if used): \_\_\_\_\_

List of adjustable set points for the protective equipment or software: \_\_\_\_\_

Note: A completed Power Systems Load Flow data sheet must be supplied with the Interconnection Request.

#### Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: \_\_\_\_\_ Instantaneous \_\_\_\_\_ or RMS? \_\_\_\_\_

Harmonics Characteristics: \_\_\_\_\_

Start-up requirements: \_\_\_\_\_

#### Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: \_\_\_\_\_

(\*) Neutral Grounding Resistor (If Applicable): \_\_\_\_\_

#### Synchronous Generators:

Direct Axis Synchronous Reactance,  $X_d$ : \_\_\_\_\_ P.U.

Direct Axis Transient Reactance,  $X'_d$ : \_\_\_\_\_ P.U.

Direct Axis Subtransient Reactance,  $X''_d$ : \_\_\_\_\_ P.U.

Negative Sequence Reactance,  $X_2$ : \_\_\_\_\_ P.U.

Zero Sequence Reactance,  $X_0$ : \_\_\_\_\_ P.U.

KVA Base: \_\_\_\_\_  
Field Volts: \_\_\_\_\_  
Field Amperes: \_\_\_\_\_

Induction Generators:

Motoring Power (kW): \_\_\_\_\_  
 $I_2^2t$  or K (Heating Time Constant): \_\_\_\_\_  
Rotor Resistance,  $R_r$ : \_\_\_\_\_  
Stator Resistance,  $R_s$ : \_\_\_\_\_  
Stator Reactance,  $X_s$ : \_\_\_\_\_  
Rotor Reactance,  $X_r$ : \_\_\_\_\_  
Magnetizing Reactance,  $X_m$ : \_\_\_\_\_  
Short Circuit Reactance,  $X_d''$ : \_\_\_\_\_  
Exciting Current: \_\_\_\_\_  
Temperature Rise: \_\_\_\_\_  
Frame Size: \_\_\_\_\_  
Design Letter: \_\_\_\_\_  
Reactive Power Required In Vars (No Load): \_\_\_\_\_  
Reactive Power Required In Vars (Full Load): \_\_\_\_\_  
Total Rotating Inertia, H: \_\_\_\_\_ Per Unit on kVA Base

Note: Please contact the Transmission Provider prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

**Interconnection Facilities Information**

Will a transformer be used between the generator and the point of common coupling?  
\_\_\_\_\_ Yes    \_\_\_\_\_ No

Will the transformer be provided by the Interconnection Customer?  
\_\_\_\_\_ Yes    \_\_\_\_\_ No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: \_\_\_\_\_ single phase \_\_\_\_\_ three phase?    Size: \_\_\_\_\_ kVA  
Transformer Impedance: \_\_\_\_\_ % on \_\_\_\_\_ kVA Base

If Three Phase:

Transformer Primary: \_\_\_\_\_ Volts \_\_\_\_\_ Delta \_\_\_\_\_ Wye \_\_\_\_\_ Wye Grounded  
Transformer Secondary: \_\_\_\_\_ Volts \_\_\_\_\_ Delta \_\_\_\_\_ Wye \_\_\_\_\_ Wye Grounded  
Transformer Tertiary: \_\_\_\_\_ Volts \_\_\_\_\_ Delta \_\_\_\_\_ Wye \_\_\_\_\_ Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_ Size: \_\_\_\_\_ Speed: \_\_\_\_\_

Interconnecting Circuit Breaker (if applicable):

Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_  
Load Rating (Amps): \_\_\_\_\_ Interrupting Rating (Amps): \_\_\_\_\_ Trip Speed (Cycles): \_\_\_\_\_

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function	Minimum	Maximum
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____

If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_ Style/Catalog No.: \_\_\_\_\_ Type: \_\_\_\_\_  
Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_ Style/Catalog No.: \_\_\_\_\_ Type: \_\_\_\_\_  
Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_ Style/Catalog No.: \_\_\_\_\_ Type: \_\_\_\_\_  
Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_ Style/Catalog No.: \_\_\_\_\_ Type: \_\_\_\_\_  
Manufacturer: \_\_\_\_\_ Type: \_\_\_\_\_ Style/Catalog No.: \_\_\_\_\_ Type: \_\_\_\_\_

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: \_\_\_\_\_  
Type: \_\_\_\_\_ Accuracy Class: \_\_\_\_ Proposed Ratio Connection: \_\_\_\_

Manufacturer: \_\_\_\_\_  
Type: \_\_\_\_\_ Accuracy Class: \_\_\_\_ Proposed Ratio Connection: \_\_\_\_

Potential Transformer Data (If Applicable):

Manufacturer: \_\_\_\_\_  
Type: \_\_\_\_\_ Accuracy Class: \_\_\_\_ Proposed Ratio Connection: \_\_\_\_

Manufacturer: \_\_\_\_\_  
Type: \_\_\_\_\_ Accuracy Class: \_\_\_\_ Proposed Ratio Connection: \_\_\_\_

**General Information**

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? Yes\_\_\_ No\_\_\_

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) \_\_\_\_\_

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? Yes\_\_\_No\_\_\_

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable). Are Schematic Drawings Enclosed? Yes\_\_\_ No\_\_\_



**Applicant Signature**

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer: \_\_\_\_\_ Date: \_\_\_\_\_

**Certification Codes and Standards**

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers

IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1

**Certification of Small Generator Equipment Packages**

- 1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in SGIP Attachment 3, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the point of common coupling shall be required to meet the requirements of this interconnection procedure.

- 6.0 An equipment package does not include equipment provided by the utility.
- 7.0 Any equipment package approved and listed in a state by that state's regulatory body for interconnected operation in that state prior to the effective date of these small generator interconnection procedures shall be considered certified under these procedures for use in that state.

**Application, Procedures, and Terms and Conditions for Interconnecting a  
Certified Inverter-Based Small Generating Facility No  
Larger than 10 kW (10 kW Inverter Process)**

- 1.0 The Interconnection Customer (Customer) completes the Interconnection Request (Application) and submits it to the Transmission Provider (Company).
- 2.0 The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Small Generator Interconnection Procedures (SGIP). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.
- 7.0 Contact Information – The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.

- 8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.
- 9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

**Application for Interconnecting a Certified Inverter-Based Small Generating  
Facility No Larger than 10kW**

This Application is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

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

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Contact (if different from Interconnection Customer)

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

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Owner of the facility (include % ownership by any electric utility): \_\_\_\_\_

Small Generating Facility Information

Location (if different from above): \_\_\_\_\_

Electric Service Company: \_\_\_\_\_

Account Number: \_\_\_\_\_

Inverter Manufacturer:\_\_\_\_\_ Model: \_\_\_\_\_

Nameplate Rating:\_\_\_ (kW) \_\_\_\_\_(kVA) \_\_\_\_\_(AC Volts)

Single Phase \_\_\_\_\_ Three Phase\_\_\_\_\_

System Design Capacity: \_\_\_\_\_(kW) \_\_\_\_\_(kVA)

Prime Mover:        Photovoltaic ☐        Reciprocating Engine ☐ Fuel Cell  
                         Turbine ☐    Other \_\_\_\_\_

Energy Source:     Solar ☐ Wind ☐ Hydro ☐ Diesel ☐ Natural Gas ☐  
                         Fuel Oil ☐    Other (describe) \_\_\_\_\_

Is the equipment UL1741 Listed?    Yes \_\_\_\_\_ No \_\_\_\_\_  
                         If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: \_\_\_\_\_ Estimated In-Service Date: \_\_\_\_\_

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 3 and 4 of the Small Generator Interconnection Procedures (SGIP), or the Transmission Provider has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: \_\_\_\_\_  
Title: \_\_\_\_\_ Date: \_\_\_\_\_

-----  
Contingent Approval to Interconnect the Small Generating Facility (For Company use only)

(For Company use only)



Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW and return of the Certificate of Completion.

Company Signature: \_\_\_\_\_

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

Application ID number: \_\_\_\_\_

Company waives inspection/witness test? Yes\_\_\_\_ No\_\_\_\_

## Small Generating Facility Certificate of Completion

Is the Small Generating Facility owner-installed? Yes \_\_\_\_\_ No \_\_\_\_\_

Interconnection Customer: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

Location of the Small Generating Facility (if different from above):

\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

### Electrician:

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

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

License number: \_\_\_\_\_

Date Approval to Install Facility granted by the Company: \_\_\_\_\_

Application ID number: \_\_\_\_\_

### Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of \_\_\_\_\_

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

\_\_\_\_\_

Print Name: \_\_\_\_\_

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

As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to (insert Company information below):

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

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

City, State ZIP: \_\_\_\_\_

Fax: \_\_\_\_\_

-----  
Approval to Energize the Small Generating Facility (For Company use only)

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW

Company Signature: \_\_\_\_\_

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

## **Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10kW**

### **1.0 Construction of the Facility**

The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when the Transmission Provider (the "Company") approves the Interconnection Request (the "Application") and returns it to the Customer.

### **2.0 Interconnection and Operation**

The Customer may operate Small Generating Facility and interconnect with the Company's electric system once all of the following have occurred:

- 2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
- 2.2 The Customer returns the Certificate of Completion to the Company, and
- 2.3 The Company has either:
  - 2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or
  - 2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or
  - 2.3.3 The Company waives the right to inspect the Small Generating Facility.
- 2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation or failure to return the Certificate of Completion.
- 2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.

### 3.0 **Safe Operations and Maintenance**

The Customer shall be fully responsible to operate, maintain, and repair the Small Generating Facility as required to ensure that it complies at all times with the interconnection standards to which it has been certified.

### 4.0 **Access**

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

### 5.0 **Disconnection**

The Company may temporarily disconnect the Small Generating Facility upon the following conditions:

- 5.1 For scheduled outages upon reasonable notice.
- 5.2 For unscheduled outages or emergency conditions.
- 5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions.
- 5.4 The Company shall inform the Customer in advance of any scheduled disconnection, or as is reasonable after an unscheduled disconnection.

### 6.0 **Indemnification**

The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

### 7.0 **Insurance**

The Parties agree to maintain commercially reasonable amounts of insurance. authorized to do business in that state.

### 8.0 **Limitation of Liability**

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

## 9.0 **Termination**

The agreement to operate in parallel may be terminated under the following conditions:

### 9.1 **By the Customer**

By providing written notice to the Company.

### 9.2 **By the Company**

If the Small Generating Facility fails to operate for any conservative 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.

### 9.3 **Permanent Discussion**

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

### 9.4 **Survival Rights**

This Agreement shall continue in effect after termination to the extent necessary to allow to require either Party to fulfill rights or obligations that arose under the Agreement.

## 10.0 **Assignment/ Transfer of Ownership of the Facility**

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.

### Feasibility Study Agreement

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_, A \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_ ("Interconnection Customer,") and \_\_\_\_\_, a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_ ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

### RECITALS

**WHEREAS**, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on \_\_\_\_\_; and

**WHEREAS**, Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System; and

**WHEREAS**, Interconnection Customer has requested the Transmission Provider to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed an interconnection feasibility study consistent the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. The Transmission Provider reserves the right

to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the standard Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

- 5.0 In performing the study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
  - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
  - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
  - 6.3 Initial review of grounding requirements and electric system protection; and
  - 6.4 Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$1,000 may be required from the Interconnection Customer.



- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 **Governing Law, Regulatory Authority, and Rules**  
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 **Amendment**  
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 15.0 **No Third-Party Beneficiaries**  
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.
- 16.0 **Waiver**  
The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20. Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions,

charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed By their duly authorized officers or agents on the day and year first above written.

**[Insert name of Transmission Provider]**

**[Inset name of Interconnection Customer]**

\_\_\_\_\_

\_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name (Printed):

Name (Printed):

\_\_\_\_\_

\_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

**Attachment A to  
Feasibility Study Agreement**

**Assumptions Used in Conducting the Feasibility Study**

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on \_\_\_\_\_:

1) Designation of Point of Interconnection and configuration to be studied.

2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

### System Impact Study Agreement

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, ("Interconnection Customer,") and \_\_\_\_\_, a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

### RECITALS

**WHEREAS**, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on \_\_\_\_\_; and

**WHEREAS**, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

**WHEREAS**, the Transmission Provider has completed a feasibility study and provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); and

**WHEREAS**, the Interconnection Customer has requested the Transmission Provider to perform a system impact study(s) to assess the impact of interconnecting the Small Generating Facility with the Transmission Provider's Transmission System, and of any Affected Systems;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause to be performed a system impact study(s) consistent with the standard Small Generator Interconnection Procedures in accordance with the Open Access Transmission Tariff.
- 3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.

- 4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. The Transmission Provider reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.
- 5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.
- 6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and the Transmission Provider has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.
- 8.0 If the Transmission Provider uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –
- 8.1 Are directly interconnected with the Transmission Provider's electric system; or

- 8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
- 8.3 Have a pending higher queued Interconnection Request to interconnect with the Transmission Provider's electric system.
- 9.0 A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 30 Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with the Transmission Provider's queuing procedures.
- 10.0 A deposit of the equivalent of the good faith estimated cost of a distribution system impact study and the one half the good faith estimated cost of a transmission system impact study may be required from the Interconnection Customer.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 **Governing Law, Regulatory Authority, and Rules**  
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 **Amendment**  
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 15.0 **No Third-Party Beneficiaries**  
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

16.0 Waiver

The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement.

Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party.

Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in



no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

#### 21.0 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed By their duly authorized officers or agents on the day and year first above written.

**[Insert name of Transmission Provider]**

**[Inset name of Interconnection Customer]**

\_\_\_\_\_

\_\_\_\_\_

Signed: \_\_\_\_\_

Signed: \_\_\_\_\_

Name (Printed):

Name (Printed):

\_\_\_\_\_

\_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

**Attachment A to System  
Impact Study Agreement**

**Assumptions Used in Conducting the System Impact Study**

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

- 1) Designation of Point of Interconnection and configuration to be studied.
  
- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and the Transmission Provider.

### Facilities Study Agreement

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, ("Interconnection Customer,") and \_\_\_\_\_, a \_\_\_\_\_ existing under the laws of the State of \_\_\_\_\_, ("Transmission Provider"). Interconnection Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

### RECITALS

**WHEREAS**, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on \_\_\_\_\_; and

**WHEREAS**, the Interconnection Customer desires to interconnect the Small Generating Facility with the Transmission Provider's Transmission System;

**WHEREAS**, the Transmission Provider has completed a system impact study and provided the results of said study to the Interconnection Customer; and

**WHEREAS**, the Interconnection Customer has requested the Transmission Provider to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with the Transmission Provider's Transmission System.

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the standard Small Generator Interconnection Procedures.
- 2.0 The Interconnection Customer elects and the Transmission Provider shall cause a facilities study consistent with the standard Small Generator Interconnection Procedures to be performed in accordance with the Open Access Transmission Tariff.

- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of the Transmission Provider's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.
- 5.0 The Transmission Provider may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a draft facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the draft facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Interconnection Customer may, within thirty (30) calendar days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities

Study, subject to confidentiality arrangements consistent with Section 4.5 of the standard Small Generator Interconnection Procedures.

- 10.0 Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.
- 11.0 Any study fees shall be based on the Transmission Provider's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, the Transmission Provider shall refund such excess within 30 calendar days of the invoice without interest.
- 13.0 **Governing Law, Regulatory Authority, and Rules**  
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.
- 14.0 **Amendment**  
The Parties may amend this Agreement by a written instrument duly executed by both Parties.
- 15.0 **No Third-Party Beneficiaries**  
This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.
- 16.0 **Waiver**  
The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement.

Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal

rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

**17.0 Multiple Counterparts**

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

**18.0 No Partnership**

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

**19.0 Severability**

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

**20.0 Subcontractors**

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

**21.0 Reservation of Rights**

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed By their duly authorized officers or agents on the day and year first above written.

**[Insert name of Transmission Provider]**

**[Inset name of Interconnection Customer]**

\_\_\_\_\_

\_\_\_\_\_

Signed:\_\_\_\_\_

Signed:\_\_\_\_\_

Name (Printed):

Name (Printed):

\_\_\_\_\_

\_\_\_\_\_

Title\_\_\_\_\_

Title\_\_\_\_\_

**Attachment A to  
Facilities Study Agreement**

**Data to Be Provided by the Interconnection Customer with the  
Facilities Study Agreement**

Provide location plan and simplified one-line diagram of the plant and station facilities.  
For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each  
metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load  
on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or  
existing Transmission Provider station. Number of generation connections: \_\_\_\_\_

Will an alternate source of auxiliary power be available during CT/PT maintenance?  
Yes \_\_\_\_\_ No \_\_\_\_\_

Will a transfer bus on the generation side of the metering require that each meter set be  
designed for the total plant generation? Yes \_\_\_\_\_ No \_\_\_\_\_  
(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

---

---

What protocol does the control system or PLC use?

---

---

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station,  
transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

---



Bus length from generation to interconnection station:

---

Line length from interconnection station to Transmission Provider's Transmission System.

---

Tower number observed in the field. (Painted on tower leg)\*:

---

Number of third party easements required for transmission lines\*:

---

\* To be completed in coordination with Transmission Provider.

Is the Small Generating Facility located in Transmission Provider's service area?

Yes \_\_\_\_\_ No \_\_\_\_\_ If No, please provide name of local provider:

---

Please provide the following proposed schedule dates:

Begin Construction Date: \_\_\_\_\_

Generator step-up transformers

Received back feed power Date: \_\_\_\_\_

Generating Testing Date: \_\_\_\_\_

Commercial Operation Date: \_\_\_\_\_

**ATTACHMENT P**  
**Small Generator Interconnection Agreement**

**SMALL GENERATOR  
INTERCONNECTION AGREEMENT (SGIA)**

**(For Generating Facilities No Larger Than 20 MW)**

## TABLE OF CONTENTS

Page No.

<b>Article 1. Scope and Limitations of Agreement.....</b>	<b>- 1 -</b>
1.5 Responsibilities of the Parties.....	- 2 -
1.6 Parallel Operation Obligations .....	- 3 -
1.7 Metering.....	- 4 -
1.8 Reactive Power.....	- 4 -
<b>Article 2. Inspection, Testing, Authorization, and Right of Access .....</b>	<b>- 5 -</b>
2.1 Equipment Testing and Inspection.....	- 5 -
2.2 Authorization Required Prior to Parallel Operation. ....	- 6 -
2.3 Right of Access.....	- 6 -
<b>Article 3. Effective Date, Term, Termination, and Disconnection .....</b>	<b>- 7 -</b>
3.1 Effective Date .....	- 7 -
3.2 Term of Agreement.....	- 7 -
3.3 Termination.....	- 7 -
3.4 Temporary Disconnection.....	- 7 -
<b>Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades.....</b>	<b>- 9 -</b>
4.1 Interconnection Facilities .....	- 9 -
4.2 Distribution Upgrades .....	- 10 -
<b>Article 5. Cost Responsibility for Network Upgrades .....</b>	<b>- 10 -</b>
5.1 Applicability.....	- 10 -
5.2 Network Upgrades .....	- 10 -
5.3 Special Provisions for Affected Systems.....	- 11 -
5.4 Rights Under Other Agreements.....	- 11 -
<b>Article 6. Billing, Payment, Milestones, and Financial Security .....</b>	<b>- 12 -</b>
6.1 Billing and Payment Procedures and Final Accounting .....	- 12 -
6.2 Milestones.....	- 12 -
6.3 Financial Security Arrangements .....	- 13 -
<b>Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default.....</b>	<b>- 13 -</b>
7.1 Assignment.....	- 13 -
7.2 Limitation of Liability .....	- 14 -
7.3 Indemnity .....	- 14 -

7.4	Consequential Damages .....	- 15 -
7.5	Force Majeure.....	- 15 -
7.6	Default .....	- 16 -
<b>Article 8. Insurance .....</b>		<b>- 16 -</b>
<b>Article 9. Confidentiality .....</b>		<b>- 17 -</b>
<b>Article 10. Disputes .....</b>		<b>- 18 -</b>
<b>Article 11. Taxes .....</b>		<b>- 18 -</b>
<b>Article 12. Miscellaneous.....</b>		<b>- 19 -</b>
12.1	Governing Law, Regulatory Authority, and Rules .....	- 19 -
12.2	Amendment .....	- 19 -
12.3	No Third-Party Beneficiaries .....	- 19 -
12.4	Waiver.....	- 19 -
12.5	Entire Agreement.....	- 20 -
12.6	Multiple Counterparts.....	- 20 -
12.7	No Partnership.....	- 20 -
12.8	Severability .....	- 20 -
12.9	Security Arrangements .....	- 20 -
12.10	Environmental Releases .....	- 20 -
12.11	Subcontractors.....	- 21 -
12.12	Reservation of Rights.....	- 21 -
<b>Article 13. Notices .....</b>		<b>- 22 -</b>
13.1	General.....	- 22 -
13.2	Billing and Payment .....	- 22 -
13.3	Alternative Forms of Notice.....	- 23 -
13.4	Designated Operating Representative .....	- 23 -
13.5	Changes to the Notice Information .....	- 24 -
<b>Article 14. Signatures.....</b>		<b>- 24 -</b>
<b>Attachment 1 – Glossary of Terms</b>		
<b>Attachment 2 – Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment</b>		
<b>Attachment 3 – One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades</b>		
<b>Attachment 4 – Milestones</b>		

**Attachment 5** – Additional Operating Requirements for the Transmission Provider's Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs

**Attachment 6** – Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

This Interconnection Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_  
("Transmission Provider"), and

\_\_\_\_\_  
("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

### **Transmission Provider Information**

Transmission Provider: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

### **Interconnection Customer Information**

Interconnection Customer: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Interconnection Customer Application No: \_\_\_\_\_

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

### **Article 1. Scope and Limitations of Agreement**

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Small Generator Interconnection Procedures (SGIP) except for those submitted under the 10 kW Inverter Process contained in SGIP Attachment 5.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, the Transmission Provider's Transmission System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements, if any. The Interconnection Customer will be responsible for separately making all necessary arrangements (including scheduling) for delivery of electricity with the applicable Transmission Provider.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between the

Transmission Provider and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule and, in accordance with this Agreement, and with Good Utility Practice.
- 1.5.3 The Transmission Provider shall construct, operate, and maintain its Transmission System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of the Transmission Provider and any Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the point of change of ownership. The Transmission Provider and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect the Transmission Provider's Transmission System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 The Transmission Provider shall coordinate with all Affected Systems to support the interconnection.



1.5.7 The Interconnection Customer shall ensure “frequency ride through” capability and “voltage ride through” capability of its Small Generating Facility. The Interconnection Customer shall enable these capabilities such that its Small Generating Facility shall not disconnect automatically or instantaneously from the system or equipment of the Transmission Provider and any Affected Systems for a defined under-frequency or over-frequency condition, or an under-voltage or over-voltage condition, as tested pursuant to section 2.1 of this agreement. The defined conditions shall be in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The Small Generating Facility’s protective equipment settings shall comply with the Transmission Provider’s automatic load-shed program. The Transmission Provider shall review the protective equipment settings to confirm compliance with the automatic load-shed program. The term “ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority on a comparable basis. The term “frequency ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis. The term “voltage ride through” as used herein shall mean the ability of a Small Generating Facility to stay connected to and synchronized with the system or equipment of the Transmission Provider and any Affected Systems during system disturbances within a range of under-voltage and over-voltage conditions, in accordance with Good Utility Practice and consistent with any standards and guidelines that are applied to other generating facilities in the Balancing Authority Area on a comparable basis.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures

pertaining to the parallel operation of the Small Generating Facility in the applicable control area, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth in the Tariff or by the applicable system operator(s) for the Transmission Provider's Transmission System and; 2) the Operating Requirements set forth in Attachment 5 of this Agreement.

#### 1.7 Metering

The Interconnection Customer shall be responsible for the Transmission Provider's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments 2 and 3 of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to applicable industry rules and Operating Requirements.

#### 1.8 Reactive Power

##### 1.8.1 Power Factor Design Criteria

1.8.1.1 Synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established different requirements that apply to all similarly situated synchronous generators in the control area on a comparable basis.

1.8.1.2 Non-synchronous Generation. The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation at a power factor within the range of 0.95 leading to 0.95 lagging, unless the Transmission Provider has established a different power factor range that applies to all similarly situated non-synchronous generators in the control area on a comparable basis. This power factor range standard shall be dynamic and can be met using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors, or a combination of the two. This requirement shall only apply to newly interconnecting non-synchronous generators that have not yet executed a Facilities Study Agreement as of the effective date of the Final Rule establishing this requirement (Order No. 827).

- 1.8.2 The Transmission Provider is required to pay the Interconnection Customer for reactive power that the Interconnection Customer provides or absorbs from the Small Generating Facility when the Transmission Provider requests the Interconnection Customer to operate its Small Generating Facility outside the range specified in article 1.8.1. In addition, if the Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay the Interconnection Customer.
- 1.8.3 Payments shall be in accordance with the Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to a regional transmission organization or independent system operator FERC-approved rate schedule. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb reactive power under this Agreement, the Parties agree to expeditiously file such rate schedule and agree to support any request for waiver of the Commission's prior notice requirement in order to compensate the Interconnection Customer from the time service commenced.
- 1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment 1 or the body of this Agreement.

## **Article 2. Inspection, Testing, Authorization, and Right of Access**

### **2.1 Equipment Testing and Inspection**

- 2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify the Transmission Provider of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. The Transmission Provider may, at its own expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the Transmission Provider a written test report when such testing and inspection is completed.
- 2.1.2 The Transmission Provider shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the Transmission Provider of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated

control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

## 2.2 Authorization Required Prior to Parallel Operation

2.2.1 The Transmission Provider shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment 5 of this Agreement. Additionally, the Transmission Provider shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The Transmission Provider shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with the Transmission Provider's Transmission System without prior written authorization of the Transmission Provider. The Transmission Provider will provide such authorization once the Transmission Provider receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

## 2.3 Right of Access

2.3.1 Upon reasonable notice, the Transmission Provider may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify the Transmission Provider at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, the Transmission Provider shall have access to the Interconnection Customer's premises for any reasonable purpose in connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

2.3.3 Each Party shall be responsible for its own costs associated with following this article.

### **Article 3. Effective Date, Term, Termination, and Disconnection**

#### **3.1 Effective Date**

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. The Transmission Provider shall promptly file this Agreement with the FERC upon execution, if required.

#### **3.2 Term of Agreement**

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of ten years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

#### **3.3 Termination**

No termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with FERC of a notice of termination of this Agreement (if required), which notice has been accepted for filing by FERC.

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving the Transmission Provider 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from the Transmission Provider's Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this SGIA or such non-terminating Party otherwise is responsible for these costs under this SGIA.

3.3.4 The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.5 The provisions of this article shall survive termination or expiration of this Agreement.

#### **3.4 Temporary Disconnection**

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

- 3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of the Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, the Transmission Provider may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. The Transmission Provider shall notify the Interconnection Customer promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation of the Small Generating Facility. The Interconnection Customer shall notify the Transmission Provider promptly when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Transmission Provider's Transmission System or any Affected Systems. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of both Parties' facilities and operations, its anticipated duration, and the necessary corrective action.
- 3.4.2 Routine Maintenance, Construction, and Repair  
The Transmission Provider may interrupt interconnection service or curtail the output of the Small Generating Facility and temporarily disconnect the Small Generating Facility from the Transmission Provider's Transmission System when necessary for routine maintenance, construction, and repairs on the Transmission Provider's Transmission System. The Transmission Provider shall provide the Interconnection Customer with five Business Days notice prior to such interruption. The Transmission Provider shall use Reasonable Efforts to coordinate such reduction or temporary disconnection with the Interconnection Customer.
- 3.4.3 Forced Outages  
During any forced outage, the Transmission Provider may suspend interconnection service to effect immediate repairs on the Transmission Provider's Transmission System. The Transmission Provider shall use Reasonable Efforts to provide the Interconnection Customer with prior notice. If prior notice is not given, the Transmission Provider shall, upon request, provide the Interconnection Customer written documentation after the fact explaining the circumstances of the disconnection.

#### 3.4.4 Adverse Operating Effects

The Transmission Provider shall notify the Interconnection Customer as soon as practicable if, based on Good Utility Practice, operation of the Small Generating Facility may cause disruption or deterioration of service to other customers served from the same electric system, or if operating the Small Generating Facility could cause damage to the Transmission Provider's Transmission System or Affected Systems. Supporting documentation used to reach the decision to disconnect shall be provided to the Interconnection Customer upon request. If, after notice, the Interconnection Customer fails to remedy the adverse operating effect within a reasonable time, the Transmission Provider may disconnect the Small Generating Facility. The Transmission Provider shall provide the Interconnection Customer with five Business Day notice of such disconnection, unless the provisions of article 3.4.1 apply.

#### 3.4.5 Modification of the Small Generating Facility

The Interconnection Customer must receive written authorization from the Transmission Provider before making any change to the Small Generating Facility that may have a material impact on the safety or reliability of the Transmission System. Such authorization shall not be unreasonably withheld. Modifications shall be done in accordance with Good Utility Practice. If the Interconnection Customer makes such modification without the Transmission Provider's prior written authorization, the latter shall have the right to temporarily disconnect the Small Generating Facility.

#### 3.4.6 Reconnection

The Parties shall cooperate with each other to restore the Small Generating Facility, Interconnection Facilities, and the Transmission Provider's Transmission System to their normal operating state as soon as reasonably practicable following a temporary disconnection.

### **Article 4. Cost Responsibility for Interconnection Facilities and Distribution Upgrades**

#### 4.1 Interconnection Facilities

- 4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment 2 of this Agreement. The Transmission Provider shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs. Costs associated with Interconnection Facilities may be shared with other entities that may benefit from such facilities by agreement of the Interconnection Customer, such other entities, and the Transmission Provider.

4.1.2 The Interconnection Customer shall be responsible for its share of all reasonable expenses, including overheads, associated with (1) owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities, and (2) operating, maintaining, repairing, and replacing the Transmission Provider's Interconnection Facilities.

4.2 Distribution Upgrades

The Transmission Provider shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Distribution Upgrades that are located on land owned by the Interconnection Customer. The actual cost of the Distribution Upgrades, including overheads, shall be directly assigned to the Interconnection Customer.

**Article 5. Cost Responsibility for Network Upgrades**

5.1 Applicability

No portion of this article 5 shall apply unless the interconnection of the Small Generating Facility requires Network Upgrades.

5.2 Network Upgrades

The Transmission Provider or the Transmission Owner shall design, procure, construct, install, and own the Network Upgrades described in Attachment 6 of this Agreement. If the Transmission Provider and the Interconnection Customer agree, the Interconnection Customer may construct Network Upgrades that are located on land owned by the Interconnection Customer. Unless the Transmission Provider elects to pay for Network Upgrades, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer.

5.2.1 Repayment of Amounts Advanced for Network Upgrades

The Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to the Transmission Provider and Affected System operator, if any, for Network Upgrades, including any tax gross-up or other tax-related payments associated with the Network Upgrades, and not otherwise refunded to the Interconnection Customer, to be paid to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under the Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Small Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. § 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades



through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. The Interconnection Customer may assign such repayment rights to any person.

5.2.1.1 Notwithstanding the foregoing, the Interconnection Customer, the Transmission Provider, and any applicable Affected System operators may adopt any alternative payment schedule that is mutually agreeable so long as the Transmission Provider and said Affected System operators take one of the following actions no later than five years from the Commercial Operation Date: (1) return to the Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or (2) declare in writing that the Transmission Provider or any applicable Affected System operators will continue to provide payments to the Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides for the return of all amounts advanced for Network Upgrades not previously repaid; however, full reimbursement shall not extend beyond twenty (20) years from the commercial operation date.

5.2.1.2 If the Small Generating Facility fails to achieve commercial operation, but it or another generating facility is later constructed and requires use of the Network Upgrades, the Transmission Provider and Affected System operator shall at that time reimburse the Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

### 5.3 Special Provisions for Affected Systems

Unless the Transmission Provider provides, under this Agreement, for the repayment of amounts advanced to any applicable Affected System operators for Network Upgrades, the Interconnection Customer and Affected System operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by the Interconnection Customer to Affected System operator as well as the repayment by Affected System operator.

### 5.4 Rights Under Other Agreements

Notwithstanding any other provision of this Agreement, nothing herein shall be

construed as relinquishing or foreclosing any rights, including but not limited to firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that the Interconnection Customer shall be entitled to, now or in the future, under any other agreement or tariff as a result of, or otherwise associated with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Small Generating Facility.

## **Article 6. Billing, Payment, Milestones, and Financial Security**

### **6.1 Billing and Payment Procedures and Final Accounting**

6.1.1 The Transmission Provider shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.

6.1.2 Within three months of completing the construction and installation of the Transmission Provider's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, the Transmission Provider shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the Transmission Provider for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the Transmission Provider shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to the Transmission Provider within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, the Transmission Provider shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

### **6.2 Milestones**

The Parties shall agree on milestones for which each Party is responsible and list them in Attachment 4 of this Agreement. A Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can

attain this and future milestones, and (2) requesting appropriate amendments to Attachment 4. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment.

### 6.3 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of the Transmission Provider's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the Transmission Provider, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to the Transmission Provider and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of the Transmission Provider's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the Transmission Provider under this Agreement during its term. In addition:

6.3.1 The guarantee must be made by an entity that meets the creditworthiness requirements of the Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.

6.3.2 The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the Transmission Provider and must specify a reasonable expiration date.

## **Article 7. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default**

### 7.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:

7.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement, provided that the

Interconnection Customer promptly notifies the Transmission Provider of any such assignment;

7.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify the Transmission Provider of any such assignment.

7.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

## 7.2 Limitation of Liability

Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

## 7.3 Indemnity

7.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.

7.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of

the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

7.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.

7.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.

#### 7.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

#### 7.5 Force Majeure

7.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

7.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until

the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

## **7.6 Default**

7.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

7.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

## **Article 8. Insurance**

8.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located. Certification that such insurance is in effect shall be provided upon request of the

Transmission Provider, except that the Interconnection Customer shall show proof of insurance to the Transmission Provider no later than ten Business Days prior to the anticipated commercial operation date. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be unreasonably rejected.

- 8.2 The Transmission Provider agrees to maintain general liability insurance or self-insurance consistent with the Transmission Provider's commercial practice. Such insurance or self-insurance shall not exclude coverage for the Transmission Provider's liabilities undertaken pursuant to this Agreement.
- 8.3 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

## **Article 9. Confidentiality**

- 9.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party that is clearly marked or otherwise designated "Confidential." For purposes of this Agreement all design, operating specifications, and metering data provided by the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 9.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
  - 9.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
  - 9.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 9.3 Notwithstanding anything in this article to the contrary, and pursuant to 18 CFR § 1b.20, if FERC, during the course of an investigation or otherwise, requests

information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to FERC, within the time provided for in the request for information. In providing the information to FERC, the Party may, consistent with 18 CFR § 388.112, request that the information be treated as confidential and non-public by FERC and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this Agreement prior to the release of the Confidential Information to FERC. The Party shall notify the other Party to this Agreement when it is notified by FERC that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR § 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

## **Article 10. Disputes**

- 10.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 10.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 10.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact FERC's Dispute Resolution Service (DRS) for assistance in resolving the dispute.
- 10.4 The DRS will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute. DRS can be reached at 1-877-337-2237 or via the internet at <http://www.ferc.gov/legal/adr.asp>.
- 10.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 10.6 If neither Party elects to seek assistance from the DRS, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

## **Article 11. Taxes**

- 11.1 The Parties agree to follow all applicable tax laws and regulations, consistent



with FERC policy and Internal Revenue Service requirements.

- 11.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect the Transmission Provider's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

## **Article 12. Miscellaneous**

### **12.1 Governing Law, Regulatory Authority, and Rules**

The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of \_\_\_\_\_ (where the Point of Interconnection is located), without regard to its conflicts of law principles. This Agreement is subject to all Applicable Laws and Regulations. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

### **12.2 Amendment**

The Parties may amend this Agreement by a written instrument duly executed by both Parties, or under article 12.12 of this Agreement.

### **12.3 No Third-Party Beneficiaries**

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

### **12.4 Waiver**

12.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

12.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

12.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

12.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

12.7 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

12.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

12.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. FERC expects all Transmission Providers, market participants, and Interconnection Customers interconnected to electric systems to comply with the recommendations offered by the President's Critical Infrastructure Protection Board and, eventually, best practice recommendations from the electric reliability authority. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

12.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to

affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

#### 12.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

12.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

12.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

#### 12.12 Reservation of Rights

The Transmission Provider shall have the right to make a unilateral filing with FERC to modify this Agreement with respect to any rates, terms and conditions, charges, classifications of service, rule or regulation under section 205 or any other applicable provision of the Federal Power Act and FERC's rules and regulations thereunder, and the Interconnection Customer shall have the right to make a unilateral filing with FERC to modify this Agreement under any applicable provision of the Federal Power Act and FERC's rules and regulations; provided that each Party shall have the right to protest any such filing by the other Party and to participate fully in any proceeding before FERC in which such modifications may be considered. Nothing in this Agreement shall limit the rights of the Parties or of FERC under sections 205 or 206 of the Federal Power Act and FERC's rules and regulations, except to the extent that the Parties otherwise agree as provided herein.

## Article 13. Notices

### 13.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:

If to the Interconnection Customer:

Interconnection Customer:

\_\_\_\_\_  
Attention: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

If to the Transmission Provider:

Transmission Provider:

\_\_\_\_\_  
Attention: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

### 13.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer:

\_\_\_\_\_  
Attention: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

Transmission Provider:

\_\_\_\_\_  
Attention: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_  
Zip: \_\_\_\_\_

### 13.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or e-mail to the telephone numbers and e-mail addresses set out below:

If to the Interconnection Customer:

Interconnection Customer:

\_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_  
Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

If to the Transmission Provider:

Transmission Provider:

\_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_  
Zip: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

### 13.4 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer:

\_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_  
Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Transmission Provider's Operating Representative:

Transmission Provider:

\_\_\_\_\_  
Attention: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_

Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

### 13.5 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

## **Article 14. Signatures**

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

For the Transmission Provider

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

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

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

For the Interconnection Customer

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

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

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

## **Attachment 1**

### **Glossary of Terms**

**Affected System** – An electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

**Applicable Laws and Regulations** – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

**Business Day** – Monday through Friday, excluding Federal Holidays.

**Default** – The failure of a breaching Party to cure its breach under the Small Generator Interconnection Agreement.

**Distribution System** – The Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

**Distribution Upgrades** – The additions, modifications, and upgrades to the Transmission Provider's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

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

**Governmental Authority** – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.

**Interconnection Customer** – Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

**Interconnection Facilities** – The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

**Interconnection Request** – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with the Transmission Provider's Transmission System.

**Material Modification** – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

**Network Upgrades** – Additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Small Generating Facility interconnects with the Transmission Provider's Transmission System to accommodate the interconnection of the Small Generating Facility with the Transmission Provider's Transmission System. Network Upgrades do not include Distribution Upgrades.

**Operating Requirements** – Any operating and technical requirements that may be applicable due to Regional Transmission Organization, Independent System Operator, control area, or the Transmission Provider's requirements, including those set forth in the Small Generator Interconnection Agreement.

**Party or Parties** – The Transmission Provider, Transmission Owner, Interconnection Customer or any combination of the above.

**Point of Interconnection** – The point where the Interconnection Facilities connect with the Transmission Provider's Transmission System.

**Reasonable Efforts** – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.



**Small Generating Facility** – The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

**Tariff** – The Transmission Provider or Affected System's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the FERC, and as amended or supplemented from time to time, or any successor tariff.

**Transmission Owner** – The entity that owns, leases or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Small Generator Interconnection Agreement to the extent necessary.

**Transmission Provider** – The public utility (or its designated agent) that owns, controls, or operates transmission or distribution facilities used for the transmission of electricity in interstate commerce and provides transmission service under the Tariff. The term Transmission Provider should be read to include the Transmission Owner when the Transmission Owner is separate from the Transmission Provider.

**Transmission System** – The facilities owned, controlled or operated by the Transmission Provider or the Transmission Owner that are used to provide transmission service under the Tariff.

**Upgrades** – The required additions and modifications to the Transmission Provider's Transmission System at or beyond the Point of Interconnection. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

## **Attachment 2**

### **Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment**

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer, the Transmission Provider, or the Transmission Owner. The Transmission Provider will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.

### **Attachment 3**

#### **One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades**

## Attachment 4

### Milestones

In-Service Date: \_\_\_\_\_

Critical milestones and responsibility as agreed to by the Parties:

	Milestone/Date	Responsible Party
(1)	_____	_____
(2)	_____	_____
(3)	_____	_____
(4)	_____	_____
(5)	_____	_____
(6)	_____	_____
(7)	_____	_____
(8)	_____	_____
(9)	_____	_____
(10)	_____	_____

Agreed to by:

For the Transmission Provider \_\_\_\_\_ Date \_\_\_\_\_

For the Transmission Owner (If Applicable) \_\_\_\_\_  
Date \_\_\_\_\_

For the Interconnection Customer \_\_\_\_\_ Date \_\_\_\_\_

## **Attachment 5**

### **Additional Operating Requirements for the Transmission Provider's Transmission System and Affected Systems Needed to Support the Interconnection Customer's Needs**

The Transmission Provider shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with the Transmission Provider's Transmission System.

## **Attachment 6**

### **Transmission Provider's Description of its Upgrades and Best Estimate of Upgrade Costs**

The Transmission Provider shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades. The Transmission Provider shall functionalize Upgrade costs and annual expenses as either transmission or distribution related.

**ATTACHMENT Q**  
**Formula Rate**

Attachment H		GridLiance High Plains LLC		Rate Formula Template Utilizing FERC Form 1 Data GridLiance High Plains LLC		For the 12 months ended 12/31/____	
Formula Rate - Non-Levelized							
Line No.	(1)	(2)	(3)	(4)	(5)		
					Allocated Amount		
1	GROSS REVENUE REQUIREMENT	(page 3, line 47)			\$	-	
	REVENUE CREDITS	(Note O)	Total	Allocator			
2	Account No. 454	(page 4, line 29)	-	TP	-	-	
3	Account No. 456.1	(page 4, line 33)	-	TP	-	-	
4	Account No. 457.1 Scheduling	Attachment 5, line 36, col e	-	TP	-	-	
5	Revenues from Grandfathered Interzonal Transactions	(Note N)	-	TP	-	-	
6	Revenues from service provided by the ISO at a discount		-	TP	-	-	
7	TOTAL REVENUE CREDITS	(Sum of Lines 2 through 6)	-			-	
8	NET REVENUE REQUIREMENT	(line 1 minus line 7)			\$	-	
9	True-up Adjustment with Interest	Attachment 3, Col. J	-	DA	1.00000	-	
10	NET REVENUE REQUIREMENT	(line 8 plus line 9)			\$	-	

Formula Rate - Non-Levelized				Rate Formula Template Utilizing FERC Form 1 Data GridLiance High Plains LLC		For the 12 months ended 12/31/____	
Line No.	(1)	(2)	(3)	(4)	(5)		
		Source	Company Total	Allocator	Transmission		
					(Col 3 times Col 4)		
	<b>RATE BASE:</b>						
	GROSS PLANT IN SERVICE (Notes U and R)						
1	Production	205.46.g for end of year, records for other months	-	NA	-	-	
2	Transmission	Attachment 4, Line 14, Col. (b)	-	TP	-	-	
3	Distribution	207.75.g for end of year, records for other months	-	NA	-	-	



4	General & Intangible	Attachment 4, Line 14, Col. (c)	-	W/S	-	-
5	Common	356.1 for end of year, records for other months	-	CE	-	-
6	TOTAL GROSS PLANT	(Sum of Lines 1 through 5)	-	GP=	-	-
7	ACCUMULATED DEPRECIATION (Notes U and R)					
8	Production	219.20-24.c for end of year, records for other months	-	NA	-	-
9	Transmission	Attachment 4, Line 14, Col. (h)	-	TP	-	-
10	Distribution	219.26.c for end of year, records for other months	-	NA	-	-
11	General & Intangible	Attachment 4, Line 14, Col. (i)	-	W/S	-	-
12	Common	356.1 for end of year, records for other months	-	CE	-	-
13	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 8 through 12)	-			-
14	NET PLANT IN SERVICE					
15	Production	(line 1 - line 8)	-			-
16	Transmission	(Line 2 minus Line 9)	-			-
17	Distribution	(line 3 - line 10)	-			-
18	General & Intangible	(Line 4 minus Line 11)	-			-
19	Common	(line 5 - line 12)	-			-
20	TOTAL NET PLANT	(Sum of Lines 15 through 19)	-	NP=	-	-
21	ADJUSTMENTS TO RATE BASE (Note R)					
22	Account No. 281 (enter negative)	Attachment 4, Line 28, Col. (d) (Notes B and X)	-	NA	zero	-
23	Account No. 282 (enter negative)	Attachment 4, Line 28, Col. (e) (Notes B and X)	-	DA	1.00000	-
24	Account No. 283 (enter negative)	Attachment 4, Line 28, Col. (f) (Notes B and X)	-	DA	1.00000	-
25	Account No. 190	Attachment 4, Line 28, Col. (g) (Notes B and X)	-	DA	1.00000	-
26	Account No. 255 (enter negative)	Attachment 4, Line 28, Col. (h) (Notes B and X)	-	NP	-	-
26a	Unfunded Reserves (enter negative)	Attachment 4, Line 31, Col. (h)	-	DA	1.00000	-
27	CWIP	Attachment 4, Line 14, Col. (d)	-	DA	1.00000	-
28	Unamortized Regulatory Asset	Attachment 4, Line 28, Col. (b) (Note T)	-	DA	1.00000	-
29	Unamortized Abandoned Plant	Attachment 4, Line 28, Col. (c) (Note S)	-	DA	1.00000	-
30	TOTAL ADJUSTMENTS	(Sum of Lines 22 through 29)	-			-
31	LAND HELD FOR FUTURE USE	Attachment 4, Line 14, Col. (e) (Note C)	-	TP	-	-
32	WORKING CAPITAL	(Note D)				
33	CWC	1/8*(Page 3, Col 3, Line 14 minus Page 3, Col 3, Line 11)	-			-
34	Materials & Supplies	Attachment 4, Line 14, Col. (f) (Note C)	-	TP	-	-
35	Prepayments (Account 165)	Attachment 4, Line 14, Col. (g)	-	GP	-	-
36	TOTAL WORKING CAPITAL	(Sum of Lines 33 through 35)	-			-
37	RATE BASE	(Sum of Lines 20, 30, 31 & 36)	-			-

page 3 of 5

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data  
GridLiance High Plains LLC

For the 12 months ended 12/31/\_\_\_\_

Line No.	(1)	(2)	(3)	(4)	(5)
		Source	Company Total	Allocator	Transmission (Col 3 times Col 4)
O&M					
1	Transmission	321.112.b Attach. 5, Line 13, Col. (a)	-	TP	-
2	Less Account 566 (Misc Trans Expense)	321.97.b Attach. 5, Line 13, Col. (b)	-	TP	-
3	Less Account 565	321.96.b Attach. 5, Line 13, Col. (c)	-	TP	-
4	A&G	323.197.b Attach. 5, Line 13, Col. (d)	-	W/S	-
5	Less FERC Annual Fees	Attach. 5, Line 13, Col. (e)	-	W/S	-
6	Less EPRI & Reg. Comm. Exp. & Non-safety Ad.	(Note E) Attach. 5, Line 13, Col. (f)	-	W/S	-
6a	Less PBOP Expense in Year	Attachment 7, Line 8, Col. (g)	-	W/S	-
7	Plus Transmission Related Reg. Comm. Exp.	(Note E) Attach. 5, Line 13, Col. (g)	-	TP	-
7a	Plus PBOP Expense Allowed Amount	Attachment 7, Line 6, Col. (g)	-	W/S	-
8	Common	356.1	-	CE	-
9	Transmission Lease Payments	Attach. 5, Line 13, Col (h)	-	DA	1.0000

10	Account 566							
11	Amortization of Regulatory Asset	(Note T) Attach. 5, Line 13, Col. (i)	-	DA	1.0000	-		
12	Miscellaneous Transmission Expense (less amortization of regulatory asset)	Attach. 5, Line 13, Col. (j)	-	TP	-	-		
13	Total Account 566	(Line 11 plus Line 12) Ties to 321.97.b	-			-		
14	TOTAL O&M	(Sum of Lines 1, 4, 7, 7a, 8, 9, 13 less Lines 2, 3, 5, 6, 6a)	-			-		
15	DEPRECIATION EXPENSE (Note U)							
16	Transmission	336.7.b, d &e Attach. 5, Line 13, Col. (k)	-	TP	-	-		
17	General & Intangible	336.10.b, d &e, 336.1.b, d &e Attach. 5, Line 26, Col. (a)	-	W/S	-	-		
18	Common	336.11.b, d &e	-	CE	-	-		
19	Amortization of Abandoned Plant	(Note S) Attach. 5, Line 26, Col. (b)	-	DA	1.0000	-		
20	TOTAL DEPRECIATION	(Sum of Lines 16 through 19)	-			-		
21	TAXES OTHER THAN INCOME TAXES	(Note F)						
22	LABOR RELATED							
23	Payroll	263.i Attach. 5, Line 26, Col. (c)	-	W/S	-	-		
24	Highway and vehicle	263.i Attach. 5, Line 26, Col. (d)	-	W/S	-	-		
25	PLANT RELATED							
26	Property	263.i Attach. 5, Line 26, Co.1 (e)	-	GP	-	-		
27	Gross Receipts	263.i Attach. 5, Line 26, Col. (f)	-	NA	zero	-		
28	Other	263.i Attach. 5, Line 26, Col. (g)	-	GP	-	-		
29	Payments in lieu of taxes	263.i Attach. 5, Line 26, Col. (h)	-	GP	-	-		
30	TOTAL OTHER TAXES	(Sum of Lines 23 through 29)	-			-		
31	INCOME TAXES	(Note G)						
32	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$	(Note G)	0.3879					
33	$CIT=(T/1-T) * (1-(WCLTD/R)) =$	WCLTD = Page 4, Line 20, R = Page 4, Line 23	-					
34	FIT & SIT & P	(Note G)						
35								
36	$1 / (1 - T) =$ (from line 32)		-					
37	Amortized Investment Tax Credit	266.8f (enter negative) Attach. 5, Line 26, Col. (i)	-					
38	(Excess)/Deficient Deferred Income Taxes	Attach. 5, Line 26, Col. (j)	-					
39	Tax Effect of Permanent Differences	Attach. 5, Line 26, Col. (k) (Note W)	-					
40	Income Tax Calculation	Page 4, line 36, Col. (d)	-	NA		-		
41	ITC adjustment	(Line 36 times Line 37)	-	NP	-	-		
42	(Excess)/Deficient Deferred Income Tax Adjustment	(Line 36 times Line 38)	-	NP	-	-		
43	Permanent Differences Tax Adjustment	(Line 36 times Line 39)	-	NP	-	-		
44	Total Income Taxes	(Sum of Lines 40 through 43)	-			-		
45	RETURN							
46	Rate Base times Return	(Page 2, Line 37 times Page 4, Line 23)	-	NA		-		
47	REV. REQUIREMENT	(Sum of Lines 14, 20, 30, 44 & 46)	-			-		

page 4 of 5

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data  
GridLiance High Plains LLC

For the 12 months ended 12/31/\_\_\_\_

(1)

(2)

(3)

(4)

(5)

# SUPPORTING CALCULATIONS AND NOTES

Line No.					
	TRANSMISSION PLANT INCLUDED IN ISO RATES				
1	Total Transmission plant	(Page 2, Line 2, Column 3)			-
2	Less Transmission plant excluded from ISO rates	(Note H)			-
3	Less Transmission plant included in OATT Ancillary Services	(Note I)			-
4	Transmission plant included in ISO rates	(Line 1 minus Lines 2 & 3)			-
5	Percentage of Transmission plant included in ISO Rates	(Line 4 divided by Line 1)		TP=	-
6	WAGES & SALARY ALLOCATOR (W&S)				

		Form 1 Reference	\$	TP	Allocation				
7	Production	354.20.b	-	-	-				
8	Transmission	354.21.b	-	-	-				
9	Distribution	354.23.b	-	-	-				
10	Other	354.24,25,26.b	-	-	-				
11	Total (W & S Allocator is 1 if lines 7-10 are zero)	(Sum of Lines 7 through 10)	-		-	=	W&S Allocator (\$ / Allocation)	-	= WS
12	COMMON PLANT ALLOCATOR (CE) (Note J and X)		\$		% Electric (line 13 / line 16)		W&S Allocator (line 11)		CE
13	Electric	200.3.c	-		-		-	*	-
14	Gas	201.3.d	-		-		-		-
15	Other	201.3.e, f, and g	-		-		-		-
16	Total	(Sum of Lines 13 through 15)	-						
17	RETURN (R)	(Note V)			Cost (Notes K, Q, & R)		\$		
18							Weighted		
19			\$	%					
20	Long Term Debt	(Notes Q & R)	-	-	-		-	=WCLTD	
21	Preferred Stock (112.3.c)	(Notes Q & R)	-	-	-		-		
22	Common Stock	(Notes K, Q & R)	-	-	9.80%		-		
23	Total	(Sum of Lines 20 through 22)	-				-	=R	
24	REVENUE CREDITS								
25	ACCOUNT 447 (SALES FOR RESALE) (Note L)	310 -311							
26	a. Bundled Non-RQ Sales for Resale	311.x.h					-		
27	b. Bundled Sales for Resale	Attach 5, line 36, col (a)					-		
28	Total of (a)-(b)						-		
29	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	(Note M) Attach 5, line 36, col (b)					-		
30	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	330.x.n							
31	a. Transmission charges for all transmission transactions	Attach 5, line 36, col (c)					-		
32	b. Transmission charges associated with Project detailed on the Project Rev Req Schedule Col. 10.	Attach 5, line 36, col (d)					-		
33	Total of (a)-(b)						-		
	(a)	(b)		(c)		(d)			
	Income Taxes	% Ownership that has Actual or Potential Income Tax Liability		[1-Col. (b)]		Total Income Taxes			
34	Ownership		0.6682	-					
35	Return from Page 3, Line 46 times % in Line 34		-	-					
36	Income Tax Page 3, line 33 {CIT=(T/1-T) * (1-(WCLTD/R))} x Line 35		-	N/A		-			

page 5 of 5

Formula Rate - Non-Levelized

Rate Formula Template  
Utilizing FERC Form 1 Data  
GridLiance High Plains LLC

For the 12 months ended 12/31/\_\_\_\_

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)

References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

Note  
Letter

- A Reserved
- B The balances in Accounts 190, 281, 282 and 283, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. Balance of Account 255 is reduced by prior flow throughs and excluded if the utility chose to utilize amortization of tax credits against taxable income. Account 281 is not allocated. The calculations of ADIT in the annual true-up calculation will use the 13 month average balances for non-plant related items and the prorated end-of-year balances for plant related items. The calculation of ADIT in the annual projection and Annual True-Up calculations will be performed in accordance with IRS regulation Section 1.167(l)-1(h)(6). Work papers supporting the ADIT calculations will be posted with each Annual True-Up and/or projected net revenue requirement and included in the annual Informational Filing submitted to the Commission. Beginning with the 2019 rate year, the Annual True-Up for a given year will use the same methodology that was used to project that year's rates. The proration of the Annual True-Up shall apply beginning with the 2019 Annual True-Up.

- C  
D  
E  
F  
G
- Identified in Form 1 as being only transmission related.  
Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 14, column 5 minus amortization of Regulatory Asset at page 3, line 11, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on pages 111, line 57 in the Form 1.  
Page 3, Line 6 - EPRI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses itemized at 351.h, and non-safety related advertising included in Account 930.1 found at 323.191.b. Page 3, Line 7-Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.  
Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.  
The currently effective income tax rate, where FIT is the weighted average Federal income tax rate; SIT is the weighted average State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes." If the utility is taxed in more than one state it must attach a work paper showing the name of each state and how the blended or composite SIT was developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26). Excess Deferred Income Taxes reduce income tax expense by the amount of the expense multiplied by (T/1-T).
- Inputs Required:  
FIT =  
SIT=  
p =
- 35.00% (Weighted Average Federal Income Tax Rate)  
6.06% (Weighted Average State Income Tax Rate or Composite SIT)  
11.18% (percent of federal income tax deductible for state purposes)
- H  
I  
J  
K  
L  
M  
N  
O  
P  
Q  
R  
S  
T  
U  
V  
W  
X
- Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).  
Removes dollar amount of transmission plant to be included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.  
Enter dollar amounts  
ROE will be supported in the original filing and no change in ROE may be made absent a filing with FERC.  
Page 4, Line 28 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456.1.  
Includes income related only to transmission facilities, such as pole attachments, rentals and special use.  
Company will not have any grandfathered agreements. Therefore, this line shall remain zero.  
The revenues credited on page 1 lines 2-6 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. Revenue Credits do not include revenues associated with FERC annual charges, gross receipts taxes,-facilities not included in this template (e.g., direct assignment facilities and GSUs) the costs of which are not recovered under this Rate Formula Template.  
Reserved  
Prior to obtaining long term debt, the cost of debt, will be 1.99%. If SCMCN obtains project financing, the long term debt rate will be determined using the methodology in Attachment 8 and Attachment 8 contains a hypothetical example of the internal rate of return methodology; the methodology will be applied to actual amounts for use in Attachment H. Once SCMCN has long term debt, SCMCN will use its actual cost of long term debt determined in Attachment 5. The capital structure will be 60% equity and 40% debt during the construction period, after any asset is placed in service, it will be based on the actual capital structure, but capped at 60% equity.B273  
Calculate using 13 month average balance, except ADIT which is calculated based on the prorated end of year balances as required by Section 1.167(l)-1(h)(6) of the IRS regulations for purposes of rate projections. An annual true-up is calculated based on an average of the actual beginning of the year and end of the year balances for non-plant related ADIT and prorated end of year balances for plant related ADIT.  
Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant. Utility must receive FERC authorization before recovering the cost of abandoned plant.  
Recovery of Regulatory Assets is permitted only for pre-commercial and formation expenses as authorized by the Commission. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the AFUDC rate will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.  
Excludes Asset Retirement Obligation balances  
Company shall be allowed recovery of costs related to interest rate locks. Absent a Section 205 filing, Company shall not include in the Formula Rate, the gains, losses, or costs related to other hedges.  
The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Attachment H that are not the result of a timing difference  
Calculate using a simple average of beginning of year and end of year balances reconciling to FERC Form No. 1 by Page, Line and Column as shown in Column 2.

Line No.	(1)	(2) Attachment H Page, Line, Col.	(3) Transmission	(4) Allocator
1	Gross Transmission Plant - Total	Attach H, p 2, line 2 col 5 plus line 27 col 5 (Note A)	-	
2	Net Transmission Plant - Total	Attach H, p 2, line 16 col 5 plus line 27 & 29 col 5 (Note B)	-	
	O&M EXPENSE			
3	Total O&M Allocated to Transmission	Attach H, p 3, line 14 col 5	-	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	-	-
	GENERAL, INTANGIBLE AND COMMON (G&C) DEPRECIATION EXPENSE			
5	Total G, I & C Depreciation Expense	Attach H, p 3, lines 17 & 18, col 5 (Note H)	-	
6	Annual Allocation Factor for G, I & C Depreciation Expense	(line 5 divided by line 1 col 3)	-	-
	TAXES OTHER THAN INCOME TAXES			
7	Total Other Taxes	Attach H, p 3, line 30 col 5	-	
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1 col 3)	-	-
9	Less Revenue Credits	Attach H, p 1, line 7 col 5	-	
10	Annual Allocation Factor Revenue Credits	(line 9 divided by line 1 col 3)	-	-
11	Annual Allocation Factor for Expense	Sum of line 4, 6, 8, and 10	-	-
	INCOME TAXES			
12	Total Income Taxes	Attach H, p 3, line 44 col 5	-	
13	Annual Allocation Factor for Income Taxes	(line 12 divided by line 2 col 3)	-	-
	RETURN			
14	Return on Rate Base	Attach H, p 3, line 46 col 5	-	
15	Annual Allocation Factor for Return on Rate Base	(line 14 divided by line 2 col 3)	-	-
16	Annual Allocation Factor for Return	Sum of line 13 and 15	-	

[illegible]

[illegible]

### Note

Letter

- |   |   |
|---|---|
| A | Gross Transmission Plant is that identified on page 2 line 2 of Attachment H  |
| B | Inclusive of any CWIP or unamortized abandoned plant included in rate base when authorized by FERC order less any prefunded AFUDC, if applicable.   |
| C | Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1. This value includes subsequent capital investments required to maintain the facilities to their original capabilities.<br>Gross plant does not include Unamortized Abandoned Plant. |
| D | Project Net Plant is the Project Gross Plant identified in Column 3 less the associated Accumulated Depreciation. Net Plant includes CWIP and Unamortized Abandoned Plant and excludes any regulatory asset, which are to entered as a separate line item.  |
| E | Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment H, page 3, line 16. Project Depreciation Expense includes the amortization of Abandoned Plant  |
| F | True-Up Adjustment is calculated on the Project True-up Schedule for the Rate Year  |
| G | The Net Rev Req is the value to be used in the SPP's rate calculation under the applicable Schedule under the SPP OATT for each project.  |
| H | The Total General, Intangible and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in page 2 column 9.   |
| I | The Unamortized Abandoned Plant balance is included in Net Plant, and Amortization of Abandoned Plant is included in Depreciation/Amortization Expense.   |
| J | The discount is the reduction in revenue, if any, that the company agreed to, for instance, to be selected to build facilities as the result of a competitive process and equals the amount by which the annual revenue requirement is reduced from the ceiling rate  |
| K | Requires approval by FERC of incentive return applicable to the specified project(s)  |
| M | All facilities other than those being recovered under Schedules 7, 8, 9 are to be included in Attachment 1.   |
| N | Facilities that provide Wholesale Distribution Service are not to be listed as projects on line 15.   |
| O | When an updated projected net revenue requirement is posted due to an asset acquisition as provided for in the Protocols, the difference between the updated net revenue requirement in Col (16) and the revenues collected to date will be recovered over the remaining months of the Rate Year.                         |

Attachment 2  
Incentive ROE  
GridLiance High Plains LLC

Page 1 of 1

1	Rate Base	Attachment H, Page 2 line 37, Col.5							-
2	100 Basis Point Incentive Return								
								\$	
								Weighted	
3	Long Term Debt	(Attachment H, Notes Q and R)							-
4	Preferred Stock	(Attachment H, Notes Q and R)							-
5	Common Stock	(Attachment H, Notes K, Q and R)	Cost = Attachment H, Page 4 Line 22, Cost plus .01						-
6	Total (sum lines 3-5)								-
7	100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 6)								-
8	INCOME TAXES								
9	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$								0.3879
10	$CIT=(T/1-T) * (1-(WCLTD/R)) =$								-
11	WCLTD = Line 3								
12	and FIT, SIT & p are as given in Attachment H, Note G.								
13	$1 / (1 - T) =$ (from line 9)								1.6338
14	Amortized Investment Tax Credit (266.8f) (enter negative)	Attachment H, Page 3, Line 37							-
15	(Excess)/Deficient Deferred Income Taxes (enter negative)	Attachment H, Page 3, Line 38							-
16	Tax Effect of Permanent Differences (Note B)	Attachment H, Page 3, Line 39							-
17	Income Tax Calculation = line 10 * line 7 * line 29						NA		-
18	ITC adjustment (line 13 * line 14)						NP		-
19	(Excess)/Deficient Deferred Income Tax Adjustment (line 13 * line 15)						NP		-
20	Permanent Differences Tax Adjustment (line 13 * 16)						NP		-
21	Total Income Taxes (sum lines 17 - 20)								-
22	Return and Income Taxes with 100 basis point increase in ROE								-
23	Return (Attach. H, page 3 line 46 col 5)								-
24	Income Tax (Attach. H, page 3 line 44 col 5)								-
25	Return and Income Taxes without 100 basis point increase in ROE								-
26	Incremental Return and Income Taxes for 100 basis point increase in ROE								-
27	Rate Base (line 1)								-
28	Incremental Return and Income Taxes for 100 basis point increase in ROE divided by Rate Base								-
29	% Ownership that has Actual or Potential Income Tax Liability	Attachment H, Page 4, Line 34							0.6682

Notes:

- A Line 5 includes a 100 basis point increase in ROE that is used only to determine the increase in return and income taxes associated with a 100 basis point increase in ROE. Any actual ROE incentive must be approved by the Commission.  
For example, if the Commission were to grant a 137 basis point ROE incentive, the increase in return and taxes for a 100 basis point increase in ROE would be multiplied by 1.37 on Attachment 1 column 12.
- B The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Attachment H that are not the result of a timing difference

1	Rate Year being Trued-Up		Revenue Requirement Projected		Revenue Received <sup>3</sup>	Actual Revenue Requirement	Annual True-Up Calculation				
For Rate Year			\$ -								
2	A	B	C	D	E	F	G	H	I	J	
	Project # Or Other Identifier	Project Name	Projected Net Revenue Requirement <sup>1</sup>	% of Total Revenue Requirement	Revenue Received	Actual Net Revenue Requirement <sup>2</sup>	Net Under/(Over) Collection (F)-(E)		Interest Income (Expense) <sup>4</sup>	Total True-Up (G) + (H) + (I)	
					(E, Line 2 ) x (D)			Prior Period Adjustment <sup>5</sup>			
3	Attachment H		-	-	-	-	-	-	-	-	
3a					-	-	-	-	-	-	
3b					-	-	-	-	-	-	-
3c					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
					-	-	-	-	-	-	-
4	Total Annual Revenue Requirements (Note A)		-	-	-	-	-	-	-	-	
									Monthly Interest Rate	-	
									Interest Income (Expense)	-	

Notes:

- 1) From Attachment 1, line 15, col. 14 for the projection for the Rate Year.
- 2) From Attachment 1, line 15, col. 14 for that project based on the actual costs for the Rate Year.
- 3) The "Revenue Received" on line 2, Col. (E), is the total amount of revenue distributed to company in the year as shown on pages 328-330 of the Form No 1. The Revenue Received is input on line 2, Col. E excludes any True-Up revenues. Column E, lines 3 are the dollar amounts of Revenue Received reflecting the % in Column D. This assigns to each project a percentage of the revenue received based on the percentage of the Projected Net Revenue Requirement in Column C.
- 4) Interest from Attachment 6.
- 5) Prior Period Adjustment from line 5 is pro rata to each project, unless the error was project specific.

Prior Period Adjustment				
	(a)	(b)	(c)	(d)
	Prior Period Adjustment (Note B)	Amount In Dollars	Interest Note B	Total Col. (b) + Col. (c)
5	-	-	-	-

Notes:	A	For each project or Attachment H, the utility will populate the formula rate with the inputs for the True-Up Year. The revenue requirements, based on actual operating results for the True-Up Year, associated with the projects and Attachment H will then be entered in Col. (F) above. Column (E) above contains the actual revenues received associated with Attachment H and any Projects paid by SPP to the utility during the True-Up Year. Then in Col. (G), Col. (E) is subtracted from Col. (F) to calculate the True-up Adjustment. The Prior Period Adjustment from Line 5 below is input in Col. (H). Column (I) is the applicable interest rate from Attachment 6. Column (J) adds the interest on the sum of Col.(G) and (H). Col. (J) is the sum of Col. (G), (H), and (I).
	B	Prior Period Adjustment is the amount of an adjustment to correct an error in a prior period. The FERC Refund interest rate specified in CFR 35.19(a) for the period up to the date the projected rates that are subject to True Up here went into effect.



Line No	Month (a)	Gross Plant In Service		CWIP	LHFFU	Working Capital		Accumulated Depreciation	
		Transmission (b)	General & Intangible (c)	CWIP in Rate Base (d)	Held for Future Use (e)	Materials & Supplies (f)	Prepayments (g)	Transmission (h)	General & Intangible (i)
	Attachment H, Page 2, Line No:	2	4	27	31	34	35	9	11
		207.58.g for end of year, records for other months	205.5.g & 207.99.g for end of year, records for other months	(Note C)	214.x.d for end of year, records for other months	227.8.c & 227.16.c for end of year, records for other months	111.57.c for end of year, records for other months	219.25.c for end of year, records for other months	219.28.c & 200.21.c for end of year, records for other months
1	December Prior Year	-	-	-	-	-	-	-	-
2	January	-	-	-	-	-	-	-	-
3	February	-	-	-	-	-	-	-	-
4	March	-	-	-	-	-	-	-	-
5	April	-	-	-	-	-	-	-	-
6	May	-	-	-	-	-	-	-	-
7	June	-	-	-	-	-	-	-	-
8	July	-	-	-	-	-	-	-	-
9	August	-	-	-	-	-	-	-	-
10	September	-	-	-	-	-	-	-	-
11	October	-	-	-	-	-	-	-	-
12	November	-	-	-	-	-	-	-	-
13	December	-	-	-	-	-	-	-	-
14	Average of the 13 Monthly Balances	-	-	-	-	-	-	-	-

Adjustments to Rate Base

Line No	Month (a)	Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	Account No. 281 Accumulated Deferred Income Taxes (Note D) (d)	Account No. 282 Accumulated Deferred Income Taxes (Note D) (e)	Account No. 283 Accumulated Deferred Income Taxes (Note D) (f)	Account No. 190 Accumulated Deferred Income Taxes (Note D) (g)	Account No. 255 Accumulated Deferred Investment Credit (h)
		28	29	22	23	24	25	26
	Attachment H, Page 2, Line No:							
		Notes A & E	Notes B & F	272.8.b & 273.8.k	Attachment 4a or 4e	Attachment 4a or 4e	Attachment 4a or 4e	Consistent with 266.8.b & 267.8.h
15	December Prior Year	-	-	-	-	-	-	-
16	January	-	-	-	-	-	-	-
17	February	-	-	-	-	-	-	-
18	March	-	-	-	-	-	-	-
19	April	-	-	-	-	-	-	-
20	May	-	-	-	-	-	-	-
21	June	-	-	-	-	-	-	-
22	July	-	-	-	-	-	-	-
23	August	-	-	-	-	-	-	-
24	September	-	-	-	-	-	-	-
25	October	-	-	-	-	-	-	-
26	November	-	-	-	-	-	-	-
27	December	-	-	-	-	-	-	-
28	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

Unfunded Reserves (Notes G & H)		(b)	(c)	(d)	(e)	(f)	(g)	(h)
					Enter 1 if the accrual account is included in the formula rate, enter (0) if O if the accrual account is NOT included in the formula rate	Enter the percentage paid for by customers, 1 less the percent associated with an offsetting liability on the balance sheet	Allocation (Plant or Labor Allocator)	Amount Allocated, col. c x col. d x col. e x col. f x col. g
29	List of all reserves:		Amount	Enter 1 if NOT in a trust or reserved account, enter zero (0) if included in a trust or reserved account				
30a		Reserve 1	-	-				-

30b	Reserve 2	-	-	-
30c	Reserve 3			
30d	Reserve 4			
30e	...			
30f	...	-	-	-
31	Total	-	-	-

Notes:

- A Recovery of regulatory asset is limited to any regulatory assets authorized by FERC.
- B Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.
- C Includes only CWIP authorized by the Commission for inclusion in rate base. The annual report filed pursuant to Section 7 of the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will reconcile the project-specific CWIP balances to the total Account 107 CWIP balance reported on p. 216.b of the FERC Form 1.
- D For rate projections and the annual true-up, ADIT is computed using the prorated end of the year balances as required by Section 1.167(l)-1(h)(6) of the IRS regulations. Attachment 4a calculates the projected ADIT balances on line 28 above based on the prorated ending ADIT balances as calculated on Attachment 4b. For the annual true-up, Attachment 4e calculates the projected ADIT balances on line 28 above based on the prorated ending ADIT balances as calculated on Attachment 4f.
- E Recovery of a Regulatory Asset is permitted only for pre-commercial and formation expenses, and is subject to FERC approval before the amortization of the Regulatory Asset can be included in rates. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge equal to the AFUDC rate will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.
- F Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of abandoned plant.
- G The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 30 above. The allocator in Col. (g) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.
- H Calculate using 13 month average balance, except ADIT which is calculated as described in Note D.

## Attachment 4a - Accumulated Deferred Income Taxes (ADIT) Average Worksheet (Projection)

GridLiance High Plains LLC

Projection for the 12 Months Ended 12/31/\_\_\_\_

Ln	(a) Beginning Balance & Monthly Changes	(b) Month	(c) Year	(d) Balance	(e) Transmission Related	(f) Plant Related	(g) Labor Related	(h) Total (Sum Col. (e), (f) & (g))
ADIT-282								
1	Balance-BOY (Attach 4c, Line 30)	December	-	-	-	-	-	
2	Balance-EOY (Attach 4d, Line 30 less Line 26)	December	-	-	-	-	-	
3	Balance-EOY-Prorated (Attach 4b, Line 14)	December	-	-	-	-	-	
4	Balance-EOY-Total (Lines 2+3)	December	-	-	-	-	-	
5	Total Plant Allocator				1.00			100%
6	Net Plant Allocator					-		Attachment H, Page 2, Line 20
7	Wages & Salary Allocator						-	Attachment H, Page 4, Line 11
8	Projected ADIT Total			-	-	-	-	- Enter as negative Attachment 4, Page 1, Line 28 for Projection
ADIT-283								
9	Balance-BOY (Attach 4c, Line 44)	December	-	-	-	-	-	
10	Balance-EOY (Attach 4d, Line 44 less Line 40)	December	-	-	-	-	-	
11	Balance-EOY-Prorated (Attach 4b, Line 28)	December	-	-	-	-	-	
12	Balance-EOY-Total (Lines 9+10)	December	-	-	-	-	-	
13	Total Plant Allocator				1.00			100%
14	Net Plant Allocator					-		Attachment H, Page 2, Line 20
15	Wages & Salary Allocator						-	Attachment H, Page 4, Line 11
16	Projected ADIT Total			-	-	-	-	- Enter as negative Attachment 4, Page 1, Line 28 for Projection
ADIT-190								
17	Balance-BOY (Attach 4c, Line 18)	December	-	-	-	-	-	
18	Balance-EOY (Attach 4d, Line 18 less Line 14)	December	-	-	-	-	-	
19	Balance-EOY-Prorated (Attach 4b, Line 42)	December	-	-	-	-	-	
20	Balance-EOY-Total (Lines 17+18)	December	-	-	-	-	-	
21	Total Plant Allocator				1.00			100%
22	Net Plant Allocator					-		Attachment H, Page 2, Line 20
23	Wages & Salary Allocator						-	Attachment H, Page 4, Line 11
24	Projected ADIT Total			-	-	-	-	- Enter Attachment 4, Page 1, Line 28 for Projection

## Attachment 4b - Accumulated Deferred Income Taxes (ADIT) Proration Worksheet (Projection)

GridLiance High Plains LLC

Projection for the 12 Months Ended 12/31/ \_\_\_\_

(a) Beginning Balance & Monthly Changes	(b) Month	(c) Year	(d) Weighting for Projection	(e) Beginning Balance/ Monthly Increment	(f) Transmission	(g) Transmission Proration (d) x (f)	(h) Plant Related	(i) Plant Proration (d) x (h)	(j) Labor Related	(k) Labor Proration (d) x (j)
<b>ADIT-282-Proration-Note A</b>										
1 Balance (Attach 4c, Line 30)	December	-	100.00%	-	-	-	-	-	-	-
2 Increment	January	-	91.78%	-	-	-	-	-	-	-
3 Increment	February	-	84.11%	-	-	-	-	-	-	-
4 Increment	March	-	75.62%	-	-	-	-	-	-	-
5 Increment	April	-	67.40%	-	-	-	-	-	-	-
6 Increment	May	-	58.90%	-	-	-	-	-	-	-
7 Increment	June	-	50.68%	-	-	-	-	-	-	-
8 Increment	July	-	42.19%	-	-	-	-	-	-	-
9 Increment	August	-	33.70%	-	-	-	-	-	-	-
10 Increment	September	-	25.48%	-	-	-	-	-	-	-
11 Increment	October	-	16.99%	-	-	-	-	-	-	-
12 Increment	November	-	8.77%	-	-	-	-	-	-	-
13 Increment	December	-	0.27%	-	-	-	-	-	-	-
14 ADIT 282-Prorated EOY Balance				-	-	-	-	-	-	-
<b>ADIT-283-Proration-Note B</b>										
15 Balance (Attach 4c, Line 44)	December	-	100.00%	-	-	-	-	-	-	-
16 Increment	January	-	91.78%	-	-	-	-	-	-	-
17 Increment	February	-	84.11%	-	-	-	-	-	-	-
18 Increment	March	-	75.62%	-	-	-	-	-	-	-
19 Increment	April	-	67.40%	-	-	-	-	-	-	-
20 Increment	May	-	58.90%	-	-	-	-	-	-	-
21 Increment	June	-	50.68%	-	-	-	-	-	-	-
22 Increment	July	-	42.19%	-	-	-	-	-	-	-
23 Increment	August	-	33.70%	-	-	-	-	-	-	-
24 Increment	September	-	25.48%	-	-	-	-	-	-	-
25 Increment	October	-	16.99%	-	-	-	-	-	-	-
26 Increment	November	-	8.77%	-	-	-	-	-	-	-
27 Increment	December	-	0.27%	-	-	-	-	-	-	-
28 ADIT 283-Prorated EOY Balance				-	-	-	-	-	-	-
<b>ADIT-190-Proration-Note C</b>										
29 Balance (Attach 4c, Line 18)	December	-	100.00%	-	-	-	-	-	-	-
30 Increment	January	-	91.78%	-	-	-	-	-	-	-
31 Increment	February	-	84.11%	-	-	-	-	-	-	-
32 Increment	March	-	75.62%	-	-	-	-	-	-	-
33 Increment	April	-	67.40%	-	-	-	-	-	-	-
34 Increment	May	-	58.90%	-	-	-	-	-	-	-
35 Increment	June	-	50.68%	-	-	-	-	-	-	-
36 Increment	July	-	42.19%	-	-	-	-	-	-	-
37 Increment	August	-	33.70%	-	-	-	-	-	-	-
38 Increment	September	-	25.48%	-	-	-	-	-	-	-
39 Increment	October	-	16.99%	-	-	-	-	-	-	-
40 Increment	November	-	8.77%	-	-	-	-	-	-	-
41 Increment	December	-	0.27%	-	-	-	-	-	-	-
42 ADIT 190-Prorated EOY Balance				-	-	-	-	-	-	-

**Note 1** Uses a 365 day calendar year.**Note 2** Projected end of year ADIT must be based on enacted tax law. No assumptions for future estimated changes in tax law may be forecasted.**A** Substantial portion, if not all, of the ADIT-282 balance is subject to proration. Explanation must be provided for any portion of balance not subject to proration.**B** Only amounts in ADIT-283 relating to Depreciation, if applicable, are subject to proration. See Line 44 in Attach 4c and 4d.**C** Only amounts in ADIT-190 related to NOL carryforwards, if applicable, are subject to proration. See Line 18 in Attach 4c and 4d.

Attachment 4c - Accumulated Deferred Income Taxes (ADIT) Worksheet (Beginning of Year)  
For the 12 Months Ended 12/31/ \_\_\_\_  
GridLiance High Plains LLC

Ln	Item	Transmission Related	Plant Related	Labor Related	
1	ADIT-282	-	-	-	Line 30
2	ADIT-283	-	-	-	Line 44
3	ADIT-190	-	-	-	Line 18
4	Subtotal	-	-	-	Sum of Lines 1-4

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed. Dissimilar items with amounts exceeding \$100,000 will be listed separately.

	A	B	C	D	E	F	G
ADIT-190		Total	Gas, Prod or Other Related	Transmission Related	Plant Related	Labor Related	Justification
5							
6							
7							
8							
9							
10							
11							
12							
13							
14	NOL Carryforward						Amount subject to Proration
15	Subtotal - p234.b	-	-	-	-	-	
16	Less FASB 109 Above if not separately removed						
17	Less FASB 106 Above if not separately removed						
18	Total	-	-	-	-	-	

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded. This includes but is not limited to SFAS 109 & 158 balance sheet items and the related ADIT.

	A	B	C	D	E	F	G
ADIT- 282		Total	Gas, Prod or Other Related	Transmission Related	Plant Related	Labor Related	Justification
19							
20							
21							
22							
23							
24							
25							

26						
27	Subtotal - p274.b	-	-	-	-	
28	Less FASB 109 Above if not separately removed					
29	Less FASB 106 Above if not separately removed					
30	Total	-	-	-	-	

Instructions for Account 282:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded. This includes but is not limited to SFAS 109 & 158 balance sheet items and the related ADIT.

	A	B	C	D	E	F	G
		Total	Gas, Prod or Other Related	Transmission Related	Plant Related	Labor Related	Justification
ADIT- 283							
31							
32							
33							
34							
35							
36							
37							
38							
39							
40	Depreciation Items						Amount subject to Proration
41	Subtotal - p276.b	-	-	-	-	-	
42	Less FASB 109 Above if not separately removed						
43	Less FASB 106 Above if not separately removed						
44	Total	-	-	-	-	-	

Instructions for Account 283:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded. This includes but is not limited to SFAS 109 & 158 balance sheet items and the related ADIT.

Attachment 4d - Accumulated Deferred Income Taxes (ADIT) Worksheet (End of Year)  
For the 12 Months Ended 12/31/\_\_\_\_  
GridLiance High Plains LLC

Ln	Item	Transmission Related	Plant Related	Labor Related	
1	ADIT- 282	-	-	-	Line 30
2	ADIT-283	-	-	-	Line 44
3	ADIT-190	-	-	-	Line 18
4	Subtotal	-	-	-	Sum of Lines 1-4

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed. Dissimilar items with amounts exceeding \$100,000 will be listed separately.

	A	B	C	D	E	F	G
		Total	Gas, Prod or Other Related	Transmission Related	Plant Related	Labor Related	Justification
ADIT-190							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14	NOL Carryforward						Amount subject to Proration
15	Subtotal - p234.c	-	-	-	-	-	
16	Less FASB 109 Above if not separately removed						
17	Less FASB 106 Above if not separately removed						
18	Total	-	-	-	-	-	

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded. This includes but is not limited to SFAS 109 & 158 balance sheet items and the related ADIT.

	A	B	C	D	E	F	G
	ADIT-282	Total	Gas, Prod or Other Related	Transmission Related	Plant Related	Labor Related	Justification
19							
20							
21							
22							
23							
24							
25							
26	Depreciation Items						Amount subject to Proration
27	Subtotal - p275.k	-	-	-	-	-	
28	Less FASB 109 Above if not separately removed						
29	Less FASB 106 Above if not separately removed						
30	Total	-	-	-	-	-	

Instructions for Account 282:

1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
2. ADIT items related only to Transmission are directly assigned to Column D
3. ADIT items related to Plant and not in Columns C & D are included in Column E
4. ADIT items related to labor and not in Columns C & D are included in Column F
5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded. This includes but is not limited to SFAS 109 & 158 balance sheet items and the related ADIT.

	A	B	C	D	E	F	G
	ADIT-283	Total	Gas, Prod or Other Related	Transmission Related	Plant Related	Labor Related	Justification
31							
32							
33							
34							
35							
36							
37							
38							



39						
40	Depreciation Items					Amount subject to Proration
41	Subtotal - p277.k	-	-	-	-	
42	Less FASB 109 Above if not separately removed					
43	Less FASB 106 Above if not separately removed					
44	Total	-	-	-	-	

Instructions for Account 283:

- 1. ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- 2. ADIT items related only to Transmission are directly assigned to Column D
- 3. ADIT items related to Plant and not in Columns C & D are included in Column E
- 4. ADIT items related to labor and not in Columns C & D are included in Column F
- 5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded. This includes but is not limited to SFAS 109 & 158 balance sheet items and the related ADIT.

Attachment 4e - Accumulated Deferred Income Taxes (ADIT) Average Worksheet (True-Up)

GridLiance High Plains LLC

For the 12 Months Ended 12/31/\_\_\_\_

Ln	(a) Beginning Balance & Monthly Changes	(b) Month	(c) Year	(d) Balance	(e) Transmission Related	(f) Plant Related	(g) Labor Related	(h) Total (Sum Col. (e), (f) & (g))
ADIT-282								
1	Balance-BOY (Attach 4c, Line 30)	December	-	-	-	-	-	
2	Balance-EOY (Attach 4d, Line 30 less Line 26)	December	-	-	-	-	-	
3	Balance-EOY-Prorated (Attach 4f, Line 14)	December	-	-	-	-	-	
4	Balance-EOY-Total (Lines 2+3)			-	-	-	-	
5	Total Plant Allocator				1.00			100%
6	Net Plant Allocator					-		Attachment H, Page 2, Line 20
7	Wages & Salary Allocator						-	Attachment H, Page 4, Line 11
8	Projected ADIT Total			-	-	-	-	- Enter as negative Attachment 4, Page 1, Line 28 for True-up
ADIT-283								
9	Balance-BOY (Attach 4c, Line 44)	December	-	-	-	-	-	
10	Balance-EOY (Attach 4d, Line 44 less Line 40)	December	-	-	-	-	-	
11	Balance-EOY-Prorated (Attach 4f, Line 28)	December	-	-	-	-	-	
12	Balance-EOY-Total (Lines 2+3)			-	-	-	-	
13	Total Plant Allocator				1.00			100%
14	Net Plant Allocator					-		Attachment H, Page 2, Line 20
15	Wages & Salary Allocator						-	Attachment H, Page 4, Line 11
16	Projected ADIT Total			-	-	-	-	- Enter as negative Attachment 4, Page 1, Line 28 for True-up
ADIT-190								
17	Balance-BOY (Attach 4c, Line 18)	December	-	-	-	-	-	
18	Balance-EOY (Attach 4d, Line 18 less Line 14)	December	-	-	-	-	-	
19	Balance-EOY-Prorated (Attach 4f, Line 42)	December	-	-	-	-	-	
20	Balance-EOY-Total (Lines 2+3)			-	-	-	-	
21	Total Plant Allocator				1.00			100%
22	Net Plant Allocator					-		Attachment H, Page 2, Line 20
23	Wages & Salary Allocator						-	Attachment H, Page 4, Line 11
24	Projected ADIT Total			-	-	-	-	- Enter as negative Attachment 4, Page 1, Line 28 for True-up

Attachment 4f - Accumulated Deferred Income Taxes (ADIT) Proration Worksheet (True-up)  
GridLiance High Plains LLC  
For the 12 Months Ended 12/31/.....

(a) Beginning Balance & Monthly Changes	(b) Month	(c) Year	(d) Weighting for Projection	Transmission								Plant Related								Labor Related										
				(e) Monthly Increment	(f) Prorated (d) x (e)	(g) Prorated Projected Balance (Cumulative Sum of f)	(f) Actual Monthly Activity	(g) Difference between projected and actual activity	(h) Partially prorate actual activity above Monthly projection	(i) Partially prorate actual activity below Monthly projection but increases ADIT	(j) Partially prorate actual activity below Monthly projection and is a reduction to ADIT	(k) Partially prorated actual balance	(e) Monthly Increment	(f) Prorated (d) x (e)	(g) Prorated Projected Balance (Cumulative Sum of f)	(f) Actual Monthly Activity	(g) Difference between projected and actual activity	(h) Partially prorate actual activity above Monthly projection	(i) Partially prorate actual activity below Monthly projection but increases ADIT	(j) Partially prorate actual activity below Monthly projection and is a reduction to ADIT	(k) Partially prorated actual balance	(e) Monthly Increment	(f) Prorated (d) x (e)	(g) Prorated Projected Balance (Cumulative Sum of f)	(f) Actual Monthly Activity	(g) Difference between projected and actual activity	(h) Partially prorate actual activity above Monthly projection	(i) Partially prorate actual activity below Monthly projection but increases ADIT	(j) Partially prorate actual activity below Monthly projection and is a reduction to ADIT	(k) Partially prorated actual balance
ADIT-282-Proration-Note A																														
1 Balance (Attach 4c, Line 30)	December	-	100.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2 Increment	January	-	91.78%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Increment	February	-	84.11%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Increment	March	-	75.62%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Increment	April	-	67.40%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Increment	May	-	58.90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Increment	June	-	50.68%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Increment	July	-	42.19%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Increment	August	-	33.70%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Increment	September	-	25.48%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Increment	October	-	16.99%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Increment	November	-	8.77%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Increment	December	-	0.27%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 ADIT 282-Prorated EOY Balance				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ADIT-283-Proration-Note B																														
15 Balance (Attach 4c, Line 44)	December	-	100.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16 Increment	January	-	91.78%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Increment	February	-	84.11%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Increment	March	-	75.62%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Increment	April	-	67.40%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 Increment	May	-	58.90%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21 Increment	June	-	50.68%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Increment	July	-	42.19%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Increment	August	-	33.70%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 Increment	September	-	25.48%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25 Increment	October	-	16.99%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Increment	November	-	8.77%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Increment	December	-	0.27%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28 ADIT 283-Prorated EOY Balance				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ADIT-190-Proration-Note C																														
29 Balance (Attach 4c, Line 18)	December	-	100.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Increment	January	-	91.78%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-												

- Note 1** Uses a 365 day calendar year.
- Note 2** Projected end of year ADIT must be based on solely on enacted tax law. No assumptions for future estimated changes in tax law may be forecasted.
- A** Substantial portion, if not all, of the ADIT-282 balance is subject to proration. Explanation must be provided for any portion of balance not subject to proration.
- B** Only amounts in ADIT-283 relating to Depreciation, if applicable, are subject to proration. See Line 44 in Attach 4c and 4d.
- C** Only amounts in ADIT-190 related to NOL carryforwards, if applicable, are subject to proration. See Line 18 in Attach 4c and 4d.

Attachment 5  
Attachment H, Pages 3 and 4, Worksheet  
GridLiance High Plains LLC

Line No.	Month	Transmission O&M Expenses	Account No. 566 (Misc. Trans. Expense)	Account No. 565	A&G Expenses	FERC Annual Fees	EPRI & Reg. Comm. Exp. & Non-safety Ad.	Transmission Related Reg. Comm. Exp.	Transmission Lease Payments	Amortization of Regulatory Asset	Miscellaneous Transmission Expense (less amortization of regulatory asset)	Depreciation Expense - Transmission
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
Attachment H, Page 3, Line No.:		1	2	3	4	5	6	7	9	11	12	16
Form No. 1		321.112.b	321.97.b	321.96.b	323.197.b	(Note E)	(Note E)	(Note E)	Portion of Transmission O&M	Portion of Account 566	Balance of Account 566	336.7.b, d & e
1	January		-	-	-	-	-	-	-	-	-	-
2	February		-	-	-	-	-	-	-	-	-	-
3	March		-	-	-	-	-	-	-	-	-	-
4	April		-	-	-	-	-	-	-	-	-	-
5	May		-	-	-	-	-	-	-	-	-	-
6	June		-	-	-	-	-	-	-	-	-	-
7	July		-	-	-	-	-	-	-	-	-	-
8	August		-	-	-	-	-	-	-	-	-	-
9	September		-	-	-	-	-	-	-	-	-	-
10	October		-	-	-	-	-	-	-	-	-	-
11	November		-	-	-	-	-	-	-	-	-	-
12	December		-	-	-	-	-	-	-	-	-	-
13	Total	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Attachment H, Page 3, Line Number	Depreciation Expense - General & Intangible	Amortization of Abandoned Plant	Payroll Taxes	Highway & Vehicle Taxes	Property Taxes	Gross Receipts Taxes	Other Taxes	Payments in lieu of Taxes	Amortized Investment Tax Credit (266.8f)	(Excess)/Deficient Deferred Income Taxes	Tax Effect of Permanent Differences
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	17	19	23	24	26	27	28	29	37	38	39
Form No. 1	336.10.b, d & e, 336.1.b, d & e	(Note S)	263.i	263.i	263.i	263.i	263.i	263.i	266.8.f	(Note G)	(Note W)

14	January	-	-	-	-	-	-	-	-	-	-	-
15	February	-	-	-	-	-	-	-	-	-	-	-
16	March	-	-	-	-	-	-	-	-	-	-	-
17	April	-	-	-	-	-	-	-	-	-	-	-
18	May	-	-	-	-	-	-	-	-	-	-	-
19	June	-	-	-	-	-	-	-	-	-	-	-
20	July	-	-	-	-	-	-	-	-	-	-	-
21	August	-	-	-	-	-	-	-	-	-	-	-
22	September	-	-	-	-	-	-	-	-	-	-	-
23	October	-	-	-	-	-	-	-	-	-	-	-
24	November	-	-	-	-	-	-	-	-	-	-	-
25	December	-	-	-	-	-	-	-	-	-	-	-
26	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

		Transmission charges associated with Project detailed on the Project Rev Req Schedule Col. 10.		Account No. 457.1 Scheduling	
Bundled Sales for Resale included on page 4 of Attachment H		ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	Transmission charges for all transmission transactions	Attach H, p 1 line 4	
(a)		(b)	(c)	(d)	
Attachment H, Page 4, Line No:		27	29	31	32
(Note L)		(Note M)	Portion of Account 456.1	Portion of Account 456.1	
24	January	-	-	-	-
25	February	-	-	-	-
26	March	-	-	-	-
27	April	-	-	-	-
28	May	-	-	-	-
29	June	-	-	-	-
30	July	-	-	-	-
31	August	-	-	-	-
32	September	-	-	-	-
33	October	-	-	-	-
34	November	-	-	-	-
35	December	-	-	-	-
36	Total	\$ -	\$ -	\$ -	\$ -

37  
38 RETURN (R)

Notes K, Q & R from Attachment H

39	Long Term Interest (117, sum of 62.c through 67.c)	\$ -
40	Preferred Dividends (118.29c) (positive number)	-
41	Proprietary Capital (112.16.c)	-
42	Less Preferred Stock (112.3.c)	-
43	Less Account 216.1 (112.12.c) (enter negative)	-
44	Common Stock (sum lines 41-43)	-

		Cost		Weighted	
		\$	%		
45	Long Term Debt	Note A	-	-	=WCLTD
46	Preferred Stock (112.3.c)	Note B	-	-	
47	Common Stock	Note C	-	9.80%	
48	Total	(Sum of Lines 45-47)	-	-	=R

Note:  
A Long Term Debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c & d to 21.c & d in the Form No. 1, the cost is calculated by dividing line 39 by the Long Term Debt balance in line 45.  
B Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 line 3.c & d in the Form No. 1  
C Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 3.c & d, 12.c & d, and 16.c & d in the Form No. 1 as shown on lines 41-44 above



**Calculation of PBOP Expenses**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
		SCMCN	Affiliate	Affiliate	Affiliate	Affiliate	Total
1							
2	Total PBOP expenses (Note A)	-	-	-	-	-	-
3	Labor dollars (total labor from budget)	-	-	-	-	-	-
4	Cost per labor dollar (line2 / line3)	-	-	-	-	-	-
5	labor expensed (labor not capitalized) by SCMCN in current year, 354.28.b.	-	-	-	-	-	-
6	PBOP Expense for current year	-	-	-	-	-	-
7	Lines 2-3 cannot change absent approval or acceptance by FERC in a separate proceeding.						
8	PBOP amount included in Company's O&M and A&G expenses included in FERC Account Nos. 500-935						-

**Note**

**Letter**

A There will be zero PBOP expenses in the SCMCN rates until SCMCN files for recovery of its PBOP expenses. Line 8 removes all SCMCN or affiliate BPOP expenses in FERC Accounts 500-935.

Attachment 8  
Financing Costs for Long Term Debt using the Internal Rate of Return Methodology  
GridLiance High Plains LLC

To be utilized until a project is placed in service  
Consistent with GAAP, the Origination Fees and Commitments Fees will be amortized using the standard Internal Rate of Return formula below.  
Each year, the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount will be updated on this attachment.

Table 1

<b>Total Loan Amount</b>	<b>\$ 50,000,000</b>
--------------------------	----------------------

Table 2

<b>Internal Rate of Return (Note 1)</b>	<b>4.85%</b>
<b>Based on following Financial Formula (Note 2):</b>	
$NPV = 0 = \sum_{t=1}^N C_t / (1 + IRR)^t$	

Table 3

	Rates/Fees	Amount
<b>Origination Fees</b>		
Underwriting Discount	-	-
Arrangement Fee	0.75	375,000
Upfront Fee	-	750,000
Rating Agency Fee	-	-
Legal Fees	-	-
Total Issuance Expense		<b>1,125,000</b>
<b>Annual Rating Agency Fee</b>	-	-
<b>Annual Bank Agency Fee</b>	-	-
<b>Revolving Credit Commitment Fee</b>	-	-

Table 4

	2015	2016	2017	2018	2019	2020	2021
LIBOR Rate	0.24%	0.56%	1.45%	2.29%	2.76%	3.03%	3.21%
Spread	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Interest Rate	1.99%	2.31%	3.20%	4.04%	4.51%	4.78%	4.96%

Table 5

(A)	(B)	(C) Quarterly Construction Expenditures (\$000's)	(D) Principle Drawn In Quarter (\$000's)	(E) Principle Drawn To Date (\$000's)	(F) Interest & Principal Payments (\$000's)	(G) Origination Fees (\$000's)	(H) Commitment, Utilization & Ratings Fees (\$000's)	(I) Net Cash Flows (\$000's)
Year		Estimated	Estimated	Cumulative Col. D	Interest Rate from Line 25 (Note 3)	Input in first Qtr of Loan	Lines 17 - 21x	(D-F-G-H)
1/1/2015		-	-	-	-	-	-	-
3/31/2015	Q1	-	-	-	-	-	-	-
6/30/2015	Q2	-	-	-	-	-	-	-
9/30/2015	Q3	-	-	-	-	-	-	-
12/31/2015	Q4	-	-	-	-	-	-	-
3/31/2016	Q1	25,000	10,000	10,000	-	1,125	-	8,875
6/30/2016	Q2	-	-	10,000	57	-	-	(57)
9/30/2016	Q3	25,000	10,000	20,000	58	-	-	9,942
12/31/2016	Q4	-	-	20,000	116	-	-	(116)
3/31/2017	Q1	-	-	20,000	114	-	-	(114)
6/30/2017	Q2	25,000	10,000	30,000	160	-	-	9,840
9/30/2017	Q3	-	-	30,000	242	-	-	(242)
12/31/2017	Q4	-	-	30,000	242	-	-	(242)
3/31/2018	Q1	25,000	10,000	40,000	237	-	-	9,763
6/30/2018	Q2	-	-	40,000	403	-	-	(403)
9/30/2018	Q3	25,000	10,000	50,000	408	-	-	9,592
12/31/2018	Q4	-	-	50,000	510	-	-	(510)
3/31/2019	Q1	-	-	50,000	499	-	-	(499)
6/30/2019	Q2	-	-	50,000	562	-	-	(562)
9/30/2019	Q3	-	-	50,000	568	-	-	(568)
12/31/2019	Q4	-	-	50,000	568	-	-	(568)
1/1/2020	Q1	-	-	50,000	50,006	-	-	(50,006)

## Notes

- The IRR is the input to Debt Cost shown on Attachment H, Page 4, Line 20 during the construction period, after obtaining project financing, in accordance with Note Q of Attachment H.
- The IRR is a discount rate that makes the net present value of a series of cash flows equal to zero. The IRR equation is shown on line 6.  
N is the last quarter the loan would be outstanding  
t is each quarter  
Ct is the cash flow (Table 5, Col. I in each quarter)  
Alternatively the equation can be written as  $0 = C_0 + C_1/(1+IRR) + C_2/(1+IRR)^2 + C_3/(1+IRR)^3 + \dots + C_N/(1+IRR)^N$  and solved for IRR  
The Excel™ formula on line 2 is :  $\text{round}(XIRR(\text{first quarter of loan Col A of Table 5, last quarter of loan Col I of Table 5, first quarter of loan Col I of Table 5, 8\%}), 4)$   
The 8% in the above formula is a seed number to ensure the formula produces a positive number.
- Line 1 reflects the loan amount, the maximum amount that can be drawn on
- Lines 11-21a include the fees associated with the loan. They are estimated based on current bank condition and are updated with the actual fees once the actual fees are known.
- The estimate of the average 3 month Libor forward rate for the year on line 23 is that published by Bloomberg Finance L.P. during August of the prior year and is true-up to actual average 3 month Libor rate for the year under the loan.
- Table 5, Col. C reflect the capital expenditures in each quarter
- Table 5, Col. D reflect the amount of the loan that is drawn down in the quarter
- Table 5, Col. E is the amount of principle drawn down
- Table 5, Col F calculates the interest on the principle drawn down to date based on the applicable interest on line 25
- Table 5, Col. G is the total origination fees in line 16 and is input in the first quarter that a portion of the loan in drawn
- Table 5, Col. H is calculated as follows:  
 $A \times (\text{line 21, Col. (b)/4}) + \text{sum of line 17, Col. (c) through line 21x, Col. (c)}$   
Where A = Loan amount in line 1 less the amount drawn down (Table 5, Col. (E)) in the prior quarter
- The inputs shall be estimated based on the current market conditions and is subject to true up for all inputs , e.g., fees, interest rates, spread, and Table 3 once the amounts are known
- Prior to obtaining long term debt, the cost of debt, will be 1.99%. If SCMCN obtains project financing, the long term debt rate will be determined using the methodology in Attachment 8 and Attachment 8 contains a hypothetical example of the internal rate of return methodology; the methodology will be applied to actual amounts for use in Attachment H. Once SCMCN has long term debt, SCMCN will use its actual cost of long term debt determined in Attachment 5. The capital structure will be 60% equity and 40% debt during the construction period, after any asset is placed in service, it will be based on the actual capital structure.



SUMMARY							
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
YEAR	Cost of Debt Used in Determining the Actual Net Revenue Requirement in Attachment H, page 4, line 20	Cost of Debt for the Construction Loan Calculated on Attachment 8 Once the Loan is Paid Off:	Actual Net Revenue Requirement in Attachment 3, col. (G) for the year	Actual Net Revenue Requirement if the Cost of Debt in Col. (c) had been Used	Over (Under) Recovery (d) less Col. (e)	Refund/Surcharge Interest Rate Calculated on Attachment 6 for the Rate Year	Total Amount of Construction Loan Related True-Up with Interest (Refund)/Owed (Total Amount of True-Up Adjustment below for the Rate Year)
2015	7.18%	6.50%	\$ 2,500,000	\$ 2,400,000	\$100,000.00	0.550%	\$ (148,288)
2016	6.8%	6.50%	\$ 5,000,000	\$ 5,150,000	(\$150,000.00)	0.560%	\$ 209,670
2017	7.2%	6.50%	\$ 8,300,000	\$ 8,200,000	\$100,000.00	0.540%	\$ (131,109)
2018	7.3%	6.50%	\$ 12,300,000	\$ 12,000,000	\$300,000.00	0.580%	\$ (368,657)
2019	*	6.50%	\$ 18,000,000	\$ 17,900,000	\$100,000.00	0.570%	\$ (114,946)
2020	**	6.50%	\$ 25,000,000	\$ 25,000,000	\$-		\$ (553,330)
<b>The Hypothetical Example:</b>							
<b>* Assumes that the construction loan is retired on Sept 1, 2020</b>							
<b>** Assumes permanent debt structure is put in place on Sept 1, 2020 with effective rate of 6.5%</b>							

16 applicable Interest Expense for each ATRR period

Interest Rate on Amount of Refunds or Surcharges from 35.19a		Over (Under) Recovery	Hypothetical Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		Column (f) above Divided by the Number of Months the Rate was in Effect	From Column (g) Above for the Rate Year	Weighting	Col (c) x Col (d) x Col (e) x -1		
<b>Calculation of Interest for 2015 True-Up Period</b>							
<b>Monthly</b>							
January	Year 2015	-	0.5500%	12.00	-	-	-
February	Year 2015	-	0.5500%	11.00	-	-	-
March	Year 2015	10,000	0.5500%	10.00	(550)		(10,550)
April	Year 2015	10,000	0.5500%	9.00	(495)		(10,495)
May	Year 2015	10,000	0.5500%	8.00	(440)		(10,440)
June	Year 2015	10,000	0.5500%	7.00	(385)		(10,385)
July	Year 2015	10,000	0.5500%	6.00	(330)		(10,330)
August	Year 2015	10,000	0.5500%	5.00	(275)		(10,275)
September	Year 2015	10,000	0.5500%	4.00	(220)		(10,220)
October	Year 2015	10,000	0.5500%	3.00	(165)		(10,165)
November	Year 2015	10,000	0.5500%	2.00	(110)		(10,110)
December	Year 2015	10,000	0.5500%	1.00	(55)		(10,055)
					(3,025)		(103,025)
<b>Annual</b>							
January through December	Year 2016	(103,025)	0.5600%	12.00	(6,923)		(109,948)
January through December	Year 2017	(109,948)	0.5400%	12.00	(7,125)		(117,073)
January through December	Year 2018	(117,073)	0.5800%	12.00	(8,148)		(125,221)
January through December	Year 2019	(125,221)	0.5700%	12.00	(8,565)		(133,786)
January through December	Year 2020	(133,786)	0.5700%	12.00	(9,151)		(142,937)
<b>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</b>							
<b>Monthly</b>							
January	Year 2021	142,937	0.5700%		(815)	(12,357)	(131,395)

49	February	Year 2021	131,395	0.5700%	(749)	(12,357)	(119,786)
50	March	Year 2021	119,786	0.5700%	(683)	(12,357)	(108,112)
51	April	Year 2021	108,112	0.5700%	(616)	(12,357)	(96,371)
52	May	Year 2021	96,371	0.5700%	(549)	(12,357)	(84,563)
53	June	Year 2021	84,563	0.5700%	(482)	(12,357)	(72,687)
54	July	Year 2021	72,687	0.5700%	(414)	(12,357)	(60,744)
55	August	Year 2021	60,744	0.5700%	(346)	(12,357)	(48,733)
56	September	Year 2021	48,733	0.5700%	(278)	(12,357)	(36,653)
57	October	Year 2021	36,653	0.5700%	(209)	(12,357)	(24,505)
58	November	Year 2021	24,505	0.5700%	(140)	(12,357)	(12,287)
59	December	Year 2021	12,287	0.5700%	(70)	(12,357)	-
60					(5,351)		
61							
62	Total Amount of True-Up Adjustment for 2015 ATRR		(Sum lines 48-59, column f)		\$	(148,288)	
63	Less Over (Under) Recovery		(Line 1, Column f)		\$	100,000	
64	Total Interest		(Line 62 + line 63)		\$	(48,288)	

Page 2 of 3

**1 True-Up of Interest Rates and Interest Calculations for the Construction Loan  
South Central MCN LLC**

**Calculation of Interest for 2016 True-Up Period**

72					<b>Monthly</b>		
73							
74	January	Year 2016	(12,500)	0.5600%	12.00	840	13,340
75	February	Year 2016	(12,500)	0.5600%	11.00	770	13,270
76	March	Year 2016	(12,500)	0.5600%	10.00	700	13,200
77	April	Year 2016	(12,500)	0.5600%	9.00	630	13,130
78	May	Year 2016	(12,500)	0.5600%	8.00	560	13,060
79	June	Year 2016	(12,500)	0.5600%	7.00	490	12,990
80	July	Year 2016	(12,500)	0.5600%	6.00	420	12,920
81	August	Year 2016	(12,500)	0.5600%	5.00	350	12,850
82	September	Year 2016	(12,500)	0.5600%	4.00	280	12,780
83	October	Year 2016	(12,500)	0.5600%	3.00	210	12,710
84	November	Year 2016	(12,500)	0.5600%	2.00	140	12,640
85	December	Year 2016	(12,500)	0.5600%	1.00	70	12,570
86						5,460	<b>155,460</b>
87							
88					<b>Annual</b>		
89							
90	January through December	Year 2017	155,460	0.5400%	12.00	10,074	<b>165,534</b>
91	January through December	Year 2018	165,534	0.5800%	12.00	11,521	<b>177,055</b>
92	January through December	Year 2019	177,055	0.5700%	12.00	12,111	<b>189,166</b>
93	January through December	Year 2020	189,166	0.5700%	12.00	12,939	<b>202,104</b>
94							
95							
96	<b><u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u></b>				<b>Monthly</b>		
97	January	Year 2021	(202,104)	0.5700%		1,152	185,784
98	February	Year 2021	(185,784)	0.5700%		1,059	169,370
99	March	Year 2021	(169,370)	0.5700%		965	152,863
100	April	Year 2021	(152,863)	0.5700%		871	136,262
101	May	Year 2021	(136,262)	0.5700%		777	119,566
102	June	Year 2021	(119,566)	0.5700%		682	102,775
103	July	Year 2021	(102,775)	0.5700%		586	85,888
104	August	Year 2021	(85,888)	0.5700%		490	68,905
105	September	Year 2021	(68,905)	0.5700%		393	51,826
106	October	Year 2021	(51,826)	0.5700%		295	34,649
107	November	Year 2021	(34,649)	0.5700%		197	17,374
108	December	Year 2021	(17,374)	0.5700%		99	-
109						7,566	
110							
111	Total Amount of True-Up Adjustment for 2016 ATRR		(Sum lines 97-108, column f)		\$	209,670	
112	Less Over (Under) Recovery		(Line 2, Column f)		\$	(150,000)	
113	Total Interest		(Line 111 + line 112)		\$	59,670	

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<u>Calculation of Interest for 2017 True-Up Period</u>						Monthly		
January	Year 2017	8,333	0.5400%	12.00	(540)			(8,873)
February	Year 2017	8,333	0.5400%	11.00	(495)			(8,828)
March	Year 2017	8,333	0.5400%	10.00	(450)			(8,783)
April	Year 2017	8,333	0.5400%	9.00	(405)			(8,738)
May	Year 2017	8,333	0.5400%	8.00	(360)			(8,693)
June	Year 2017	8,333	0.5400%	7.00	(315)			(8,648)
July	Year 2017	8,333	0.5400%	6.00	(270)			(8,603)
August	Year 2017	8,333	0.5400%	5.00	(225)			(8,558)
September	Year 2017	8,333	0.5400%	4.00	(180)			(8,513)
October	Year 2017	8,333	0.5400%	3.00	(135)			(8,468)
November	Year 2017	8,333	0.5400%	2.00	(90)			(8,423)
December	Year 2017	8,333	0.5400%	1.00	(45)			(8,378)
					(3,510)			(103,510)
						Annual		
January through December	Year 2018	(103,510)	0.5800%	12.00	(7,204)			(110,714)
January through December	Year 2019	(110,714)	0.5700%	12.00	(7,573)			(118,287)
January through December	Year 2020	(118,287)	0.5700%	12.00	(8,091)			(126,378)
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>						Monthly		
January	Year 2021	126,378	0.5700%		(720)	(10,926)		(116,173)
February	Year 2021	116,173	0.5700%		(662)	(10,926)		(105,909)
March	Year 2021	105,909	0.5700%		(604)	(10,926)		(95,587)
April	Year 2021	95,587	0.5700%		(545)	(10,926)		(85,206)
May	Year 2021	85,206	0.5700%		(486)	(10,926)		(74,766)
June	Year 2021	74,766	0.5700%		(426)	(10,926)		(64,266)
July	Year 2021	64,266	0.5700%		(366)	(10,926)		(53,707)
August	Year 2021	53,707	0.5700%		(306)	(10,926)		(43,087)
September	Year 2021	43,087	0.5700%		(246)	(10,926)		(32,407)
October	Year 2021	32,407	0.5700%		(185)	(10,926)		(21,666)
November	Year 2021	21,666	0.5700%		(123)	(10,926)		(10,864)
December	Year 2021	10,864	0.5700%		(62)	(10,926)		-
					(4,731)			
Total Amount of True-Up Adjustment for 2017 ATRR		(Sum lines 141 - 152, column f)			\$	(131,109)		
Less Over (Under) Recovery		(Line 3, Column f)			\$	100,000		
Total Interest		(Line 155 + line 156)			\$	(31,109)		

**True-Up of Interest Rates and Interest Calculations for the Construction Loan**  
**South Central MCN LLC**

<u>Calculation of Interest for 2018 True-Up Period</u>						Monthly		
January	Year 2018	25,000	0.5800%	12.00	(1,740)			(26,740)
February	Year 2018	25,000	0.5800%	11.00	(1,595)			(26,595)
March	Year 2018	25,000	0.5800%	10.00	(1,450)			(26,450)
April	Year 2018	25,000	0.5800%	9.00	(1,305)			(26,305)
May	Year 2018	25,000	0.5800%	8.00	(1,160)			(26,160)
June	Year 2018	25,000	0.5800%	7.00	(1,015)			(26,015)
July	Year 2018	25,000	0.5800%	6.00	(870)			(25,870)
August	Year 2018	25,000	0.5800%	5.00	(725)			(25,725)
September	Year 2018	25,000	0.5800%	4.00	(580)			(25,580)
October	Year 2018	25,000	0.5800%	3.00	(435)			(25,435)
November	Year 2018	25,000	0.5800%	2.00	(290)			(25,290)
December	Year 2018	25,000	0.5800%	1.00	(145)			(25,145)
					(11,310)			(311,310)
						Annual		

182							
183	January through December	Year 2019	(311,310)	0.5700%	12.00	(21,294)	(332,604)
184	January through December	Year 2020	(332,604)	0.5700%	12.00	(22,750)	(355,354)
185							
186							
187	<b>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</b>					<b>Monthly</b>	
188	January	Year 2021	355,354	0.5700%		(2,026)	(326,658)
189	February	Year 2021	326,658	0.5700%		(1,862)	(297,798)
190	March	Year 2021	297,798	0.5700%		(1,697)	(268,774)
191	April	Year 2021	268,774	0.5700%		(1,532)	(239,585)
192	May	Year 2021	239,585	0.5700%		(1,366)	(210,229)
193	June	Year 2021	210,229	0.5700%		(1,198)	(180,706)
194	July	Year 2021	180,706	0.5700%		(1,030)	(151,015)
195	August	Year 2021	151,015	0.5700%		(861)	(121,154)
196	September	Year 2021	121,154	0.5700%		(691)	(91,123)
197	October	Year 2021	91,123	0.5700%		(519)	(60,921)
198	November	Year 2021	60,921	0.5700%		(347)	(30,547)
199	December	Year 2021	30,547	0.5700%		(174)	-
200						(13,303)	
201							
202	Total Amount of True-Up Adjustment for 2018 ATRR			(Sum lines 188 - 199 column f)		\$	(368,657)
203	Less Over (Under) Recovery			(Line 4, Column f)		\$	300,000
204	Total Interest			(Line 202 + line 203)		\$	(68,657)

206							
207	<b>Calculation of Interest for 2019 True-Up Period</b>						
208						<b>Monthly</b>	
209							
210	January	Year 2019	8,333	0.5700%	12.00	(570)	(8,903)
211	February	Year 2019	8,333	0.5700%	11.00	(523)	(8,856)
212	March	Year 2019	8,333	0.5700%	10.00	(475)	(8,808)
213	April	Year 2019	8,333	0.5700%	9.00	(428)	(8,761)
214	May	Year 2019	8,333	0.5700%	8.00	(380)	(8,713)
215	June	Year 2019	8,333	0.5700%	7.00	(333)	(8,666)
216	July	Year 2019	8,333	0.5700%	6.00	(285)	(8,618)
217	August	Year 2019	8,333	0.5700%	5.00	(238)	(8,571)
218	September	Year 2019	8,333	0.5700%	4.00	(190)	(8,523)
219	October	Year 2019	8,333	0.5700%	3.00	(143)	(8,476)
220	November	Year 2019	8,333	0.5700%	2.00	(95)	(8,428)
221	December	Year 2019	8,333	0.5700%	1.00	(48)	(8,381)
222						(3,705)	(103,705)
223							
224						<b>Annual</b>	
225							
226	January through December	Year 2020	(103,705)	0.5700%	12.00	(7,093)	(110,798)
227							
228							
229	<b>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</b>					<b>Monthly</b>	
230	January	Year 2021	110,798	0.5700%		(632)	(101,851)
231	February	Year 2021	101,851	0.5700%		(581)	(92,853)
232	March	Year 2021	92,853	0.5700%		(529)	(83,803)
233	April	Year 2021	83,803	0.5700%		(478)	(74,702)
234	May	Year 2021	74,702	0.5700%		(426)	(65,549)
235	June	Year 2021	65,549	0.5700%		(374)	(56,344)
236	July	Year 2021	56,344	0.5700%		(321)	(47,086)
237	August	Year 2021	47,086	0.5700%		(268)	(37,776)
238	September	Year 2021	37,776	0.5700%		(215)	(28,412)
239	October	Year 2021	28,412	0.5700%		(162)	(18,995)
240	November	Year 2021	18,995	0.5700%		(108)	(9,525)
241	December	Year 2021	9,525	0.5700%		(54)	-
242						(4,148)	
243							
244	Total Amount of True-Up Adjustment for 2019 ATRR			(Sum lines 230 - 241, column f)		\$	(114,946)
245	Less Over (Under) Recovery			(Line 5, Column f)		\$	100,000
246	Total Interest			(Line 244 + line 245)		\$	(14,946)

Attachment 10  
Depreciation Rates  
GridLiance High Plains LLC

Page 1 of 1

<u>FERC ACCOUNT</u>	<u>DESCRIPTION</u>	<u>RATE PERCENT</u>
<u>TRANSMISSION</u>		
350	Land Rights	N/A
352	Structures and Improvements	1.5397%
353	Station Equipment	2.0285%
354	Towers and Fixtures	1.8847%
355	Poles and Fixtures	2.1496%
356	Overhead Conductors & Devices	2.0973%
357	Underground Conduit	1.3665%
358	Underground Conductors & Devices	1.8416%
359	Roads and Trails	0.0000%
<u>GENERAL AND INTANGIBLE</u>		
302	Franchises and Consents (Note 1)	N/A
303	Intangible Plant - 5 Year	20.0000%
390	Structures and Improvements	2.1194%
391	Office Furniture and Equipment	5.0671%
391	Network Equipment	25.0000%
392	Transportation Equipment - Auto	10.9667%
392	Transportation Equipment - Light Truck	8.4139%
392	Transportation Equipment - Trailers	6.9486%
392	Transportation Equipment - Heavy Trucks	7.2364%
393	Stores Equipment	5.0000%
394	Tools, Shop and Garage Equipment	6.6672%
395	Laboratory Equipment	10.0000%
396	Power Operated Equipment	8.4139%
397	Communication Equipment	11.1110%
398	Miscellaneous Equipment	6.6672%

Note 1:

Electric Intangible Franchises and Transmission Land Rights are amortized  
over the life of the franchise agreement or land right.

Note 2:

South Central's depreciation and amortization rates may not be changed absent a section  
205 or 206 filing

Notes A-H refer to the notes at the bottom of page 2 of 6 of this Attachment

Line No.	(1)	(2)	(3)	(4)
		Attachment H Page, Line, Col. Notes are on Page 2	Transmission	Allocator
1	Gross Transmission Plant - Total	Attach H, p 2, line 2 col 5 plus line 27 col 5 (Note A)	-	
2	Net Transmission Plant - Total	Attach H, p 2, line 16 col 5 plus line 27 & 29 col 5	-	
	O&M EXPENSE			
3	Total O&M Allocated to Transmission	Attach H, p 3, line 14 col 5	-	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	-	
	GENERAL, INTANGIBLE AND COMMON (G&C) DEPRECIATION EXPENSE			
5	Total G, I & C Depreciation Expense	Attach H, p 3, lines 17 & 18, col 5 (Note H)	-	
6	Annual Allocation Factor for G, I & C Depreciation Expense	(line 5 divided by line 1 col 3)	-	
	TAXES OTHER THAN INCOME TAXES			
7	Total Other Taxes	Attach H, p 3, line 30 col 5	-	
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1 col 3)	-	
9	Less Revenue Credits	Attach H, p 1, line 7 col 5	-	
10	Annual Allocation Factor Revenue Credits	(line 9 divided by line 1 col 3)	-	
<b>11</b>	<b>Annual Allocation Factor for Expense</b>	<b>Sum of line 4, 6, 8, and 10</b>		
	INCOME TAXES			
12	Total Income Taxes	Attach H, p 3, line 44 col 5	-	
13	Annual Allocation Factor for Income Taxes	(line 12 divided by line 2 col 3)	-	
	RETURN			
14	Return on Rate Base	Attach H, p 3, line 46 col 5	-	
15	Annual Allocation Factor for Return on Rate Base	(line 14 divided by line 2 col 3)	-	
<b>16</b>	<b>Annual Allocation Factor for Return</b>	<b>Sum of line 13 and 15</b>	-	

[illegible]

[illegible]

16 Annual Totals

Note  
Letter

A	Gross Transmission Plant is that identified on page 2 line 2 of Attachment H
B	Inclusive of any CWIP or unamortized abandoned plant included in rate base when authorized by FERC order less any prefunded AFUDC, if applicable.
C	Project Gross Plant is the total capital investment for the project calculated in the same method as the gross plant value in line 1. This value includes subsequent capital investments required to maintain the facilities to their original capabilities. Gross plant does not include Unamortized Abandoned Plant.
D	Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation. Net Plant includes CWIP and Unamortized Abandoned Plant and excludes any regulatory asset, which are to entered as a separate line item.
E	Project Depreciation Expense is the actual value booked for the project and included in the Depreciation Expense in Attachment H, page 3, line 16. Project Depreciation Expense includes the amortization of Abandoned Plant
F	The Total General, Intangible and Common Depreciation Expense excludes any depreciation expense directly associated with a project and thereby included in page 2 column 9.
G	The Unamortized Abandoned Plant balance is included in Net Plant, and Amortization of Abandoned Plant is included in Depreciation/Amortization Expense.
H	The Use % is the customers NCP load divided by all of the NCP loads on the facilities
I	If a portion of the projects revenue requirement is assessed to more than one customer, the project will be entered in a row for each customer separately, such that the total of the revenue requirements for each customer equals the revenue requirement for that project.

Attachment 11  
Wholesale Distribution Service  
GridLiance High Plains LLC

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
Line No.	Wholesale Distribution Service	Project Gross Plant	Annual Allocation Factor for Expense, Page 6 line 18	Annual Expense Charge	Project Net Plant	Annual Allocation Factor for Return, Page 6 line 19	Annual Return Charge	Project Depreciation/Amortization Expense	Annual Revenue Requirement (Col. 4, 7 & 8)	Use % (Note A)	Total Annual Revenue Requirement (Col. 9 + 10)
a	Example 1	-	-	-	-	-	-	-	-	-	-
b		-	-	-	-	-	-	-	-	-	
c		-	-	-	-	-	-	-	-	-	
d		-	-	-	-	-	-	-	-	-	
...		-	-	-	-	-	-	-	-	-	
z	Total										-

Note A The Use % is the customers NCP load divided by all of the NCP loads on the facilities

Attachment 11  
Wholesale Distribution Service  
South Central MCN LLC

Line No.	(1)	(2)	(3)	(4)	(5)
		Source	Company Total	Allocator	Distribution
				The allocators are shown on Pages 4 and 6 (DA equals 1)	(Col 3 times Col 4)
	<b>RATE BASE:</b>				
	<b>GROSS PLANT IN SERVICE</b>				
1	Production	Attachment H, Page 2, Line 1	-	NA	-
2	Transmission	Attachment H, Page 2, Line 2	-	NA	-
3	Distribution	(Page 6, Line 33, Col. (b))	-	DA	1.00
4	General & Intangible	Attachment H, Page 2, Line 4	-	W/S	-
5	Common	Attachment H, Page 2, Line 5	-	CE	-
6	TOTAL GROSS PLANT	(Sum of Lines 1 through 5)	-	GP=	-
	<b>ACCUMULATED DEPRECIATION</b>				
7	Production	Attachment H, Page 2, Line 8	-	NA	-
8	Transmission	Attachment H, Page 2, Line 9	-	NA	-
9	Distribution	(Page 6, Line 33, Col. (c))	-	DA	1.00
10	General & Intangible	Attachment H, Page 2, Line 11	-	W/S	-
11	Common	Attachment H, Page 2, Line 12	-	CE	-
12	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 8 through 12)	-		-
	<b>NET PLANT IN SERVICE</b>				
13	Production	(line 1 - line 8)	-		-
14	Transmission	(Line 2 minus Line 9)	-		-
15	Distribution	(line 3 - line 10)	-		-
16	General & Intangible	(Line 4 minus Line 11)	-		-
17	Common	(line 5 - line 12)	-		-
18	TOTAL NET PLANT	(Sum of Lines 15 through 19)	-	NP=	-
	<b>ADJUSTMENTS TO RATE BASE</b>				
19	Account No. 281 (enter negative)	Attachment H, Page 2, Line 22	-	NA	zero
20	Account No. 282 (enter negative)	Attachment H, Page 2, Line 23	-	DA	1.00000
21	Account No. 283 (enter negative)	Attachment H, Page 2, Line 24	-	DA	1.00000
22	Account No. 190	Attachment H, Page 2, Line 25	-	DA	1.00000
23	Account No. 255 (enter negative)	Attachment H, Page 2, Line 26	-	NP	-
24	Unfunded Reserves (enter negative)	(Page 6, Line 36, Col. (h))	-	DA	1.00000
25	CWIP	Attachment H, Page 2, Line 27	-	NA	-
26	Unamortized Regulatory Asset	Attachment H, Page 2, Line 28	-	DA	1.00000
27	Unamortized Abandoned Plant	Attachment H, Page 2, Line 29	-	DA	1.00000
28	TOTAL ADJUSTMENTS	(Sum of Lines 22 through 29)	-		-
29	DISTRIBUTION LAND HELD FOR FUTURE USE	(Page 6, Line 33, Col. (d))	-	DA	1.00
30	WORKING CAPITAL				
31	CWC	1/8*(Page 5, Line 8)	-		-
32	Distribution Materials & Supplies	(Page 6, Line 33, Col. (e))	-	DA	1.00
33	Prepayments (Account 165)	Attachment H, Page 2, Line 35	-	GP	-
34	TOTAL WORKING CAPITAL	(Sum of Lines 33 through 35)	-		-
35	RATE BASE	(Sum of Lines 20, 30, 31 & 36)	-		-

Formula Rate - Non-Levelized

Attachment 11  
Wholesale Distribution Service  
South Central MCN LLC

Line No.	(1)	(2)	(3)	(4)	(5)
		Source	Company Total	Allocator	Distribution
					(Col 3 times Col 4)
	<b>O&amp;M</b>				
1	Distribution	322.156.b	-	DA	1.00
2	A&G	Attachment H, Page 3, Line 4	-	W/S	-
3	Less FERC Annual Fees	Attachment H, Page 3, Line 5	-	W/S	-
4	Less EPRI & Reg. Comm. Exp. & Non-safety Adj.	Attachment H, Page 3, Line 6	-	W/S	-
5	Less PBOP Expense in Year	Attachment H, Page 3, Line 6a	-	W/S	-
6	Plus PBOP Expense Allowed Amount	Attachment H, Page 3, Line 7a	-	W/S	-
7	Common	Attachment H, Page 3, Line 8	-	CE	-
8	TOTAL O&M	(Sum of Lines 1, 2, 6, 7, less Lines 3, 4, 5)	-		-
	<b>DEPRECIATION EXPENSE</b>				
9	Distribution	336.8.b, d & e	-	DP	1.00
10	General & Intangible	Attachment H, Page 3, Line 17	-	W/S	-
11	Common	Attachment H, Page 3, Line 18	-	CE	-
12	TOTAL DEPRECIATION	(Sum of Lines 10 through 12)	-		-
13	TAXES OTHER THAN INCOME TAXES				
14	LABOR RELATED				
15	Payroll	Attachment H, Page 3, Line 23	-	W/S	-



17	Highway and vehicle	Attachment H, Page 3, Line 24	-	W/S	-	-
18	PLANT RELATED					
19	Property	Attachment H, Page 3, Line 26	-	GP	-	-
20	Gross Receipts	Attachment H, Page 3, Line 27	-	NA	zero	-
21	Other	Attachment H, Page 3, Line 28	-	GP	-	-
22	Payments in lieu of taxes	Attachment H, Page 3, Line 29	-	GP	-	-
23	TOTAL OTHER TAXES	(Sum of Lines 16 through 22)	-		-	-
24	INCOME TAXES					
25	$T = 1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)$	Attachment H, Page 3, Line 32	0.3879			
26	$CTI = (T / (1 - T)) * (1 - (WCLTD/R))$	Attachment H, Page 3, Line 33	-			
27	FIT & SIT & P	Attachment H, Page 3, Line 34				
28	% Ownership that has Actual or Potential Income Tax Liability	Attachment H, Page 4, Line 34	0.6682			
29	$1 / (1 - T) =$ (T from line 25)					
30	Amortized Investment Tax Credit	Attachment H, Page 3, Line 37	-			
31	(Excess)/Deficient Deferred Income Taxes	Attachment H, Page 3, Line 38	-			
32	Tax Effect of Permanent Differences	Attachment H, Page 3, Line 39	-			
33	Income Tax Calculation	(Line 26 times Line 28 times Line 39)	-	NA	-	-
34	ITC adjustment	(Line 29 times Line 30)	-	NP	-	-
35	(Excess)/Deficient Deferred Income Tax Adjustment	(Line 29 times Line 31)	-	NP	-	-
36	Permanent Differences Tax Adjustment	(Line 29 times Line 32)	-	NP	-	-
37	Total Income Taxes	(Sum of Lines 33 through 36)	-		-	-
38	RETURN					
39	Rate Base times Return	(Page 4, Line 37 times Page 6, Line 17, Col.	-	NA	-	-
40	REV. REQUIREMENT	(Sum of Lines 8, 13, 23, 37 & 39)	-		-	-

Page 6 of 6

Formula Rate - Non-Levelized

Attachment 11  
Wholesale Distribution Service  
South Central MCN LLC

(1) (2) (3) (4) (5)

#### SUPPORTING CALCULATIONS AND NOTES

Line No.							
1	WAGES & SALARY ALLOCATOR (W&S)						
		Form 1 Reference	\$	Alloc	Allocation		
2	Production	Attachment H, Page 4, Line 7	-	-	-		
3	Transmission	Attachment H, Page 4, Line 8	-	-	-		
4	Distribution	Attachment H, Page 4, Line 9	-	1.00	-	W&S Allocator (\$ / Allocation)	
5	Other	Attachment H, Page 4, Line 10	-	-	-		
6	Total (W&S Allocator is 1 if lines 7-10 are zero)	(Sum of Lines 2 through 5)	-	-	-	=	WS
	COMMON PLANT ALLOCATOR (CE)		\$		% Electric (line 7 / line 10)	W&S Allocator (line 6)	
7	Electric	Attachment H, Page 4, Line 13	-		-	-	CE
8	Gas	Attachment H, Page 4, Line 14	-		-	*	
9	Water	Attachment H, Page 4, Line 15	-		-		
10	Total	(Sum of Lines 7 through 9)	-		-		
11							
12	RETURN (R)					\$	
13			\$		%	Cost	Weighted
14	Long Term Debt	Attachment H, Page 4, Line 20	-	-	-	-	=WCLTD
15	Preferred Stock (112.3.c)	Attachment H, Page 4, Line 21	-	-	-	-	
16	Common Stock	Attachment H, Page 4, Line 22	-	-	9.80%	-	
17	Total	(Sum of Lines 14 through 16)	-	-	-	-	=R
					Amount	Gross Plant	Allocation Factor
18	Annual Allocation Factor for Expense				Page 5 lines 8 and 23, col 5	Distribution	Amount / Gross Plant
					Amount	Net Plant	Allocation Factor
19	Annual Allocation Factor for Return				Page 5 lines 37 and 39, col 5	Distribution	Amount / Gross Plant

Line No	Month (a)	Gross Plant In Service Distribution (b)	Accumulated Depreciation Distribution (c)	LIFU Held for Future Use (d)	Working Capital Materials & Supplies (e)
		207.75.g for end of year, records for other months	219.26.b for end of year, records for other months	214.x.d for end of year, records for other months	227.9.c for end of year, records for other months
20	December Prior Year	-	-	-	-
21	January	-	-	-	-
22	February	-	-	-	-
23	March	-	-	-	-
24	April	-	-	-	-
25	May	-	-	-	-
26	June	-	-	-	-
27	July	-	-	-	-
28	August	-	-	-	-
29	September	-	-	-	-
30	October	-	-	-	-
31	November	-	-	-	-
32	December	-	-	-	-
33	Average of the 13 Monthly Balances	-	-	-	-

Unfunded Reserves (Notes A & B)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
					Enter 1 if the accrual account is included in the formula rate, enter (0) if NOT included in a trust or reserved account	Enter the percentage paid for by customers, 1 less the percent associated with an offsetting liability on the balance sheet	Allocation (Plant or Labor Allocator)	Amount Allocated, col. c x col. d x col. e x col. f x col. g
34	List of all reserves:		Amount					

35a	Reserve 1	-	-	-
35b	Reserve 2	-	-	-
35c	Reserve 3	-	-	-
...				
...				
...				
36	Total	-	-	-

- A    The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet account). Each unfunded reserve will be included on lines 30 above. The allocator in Col. (g) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.
- B    Calculate using 13 month average balance, except ADIT which is calculated based on the average of the beginning balance and a prorated end of year balance as required by Section 1.167(i)-1(h)(6)(ii) of the IRS regulations for purposes of rate projections. An annual true-up is calculated based on an average of the actual beginning of the year and end of the year balances.

4	Total Annual Revenue Requirements (Note A)	-	-	-	-	-	-
---	--	---	---	---	---	---	---

Monthly Interest Rate	-
Interest Income (Expense)	-

1) From Attachment 11, page 2, line 15, col. 11 and Attachment 11a, page 3, col. 11 for the projection for the Rate Year.

2) From Attachment 11, page 2, line 15, col. 11 and Attachment 11a, page 3, col. 11 for that project based on the actual costs for the Rate Year.

3) The "Revenue Received" on line 2, Col. (E), is the total amount of revenue distributed to company for Wholesale Distribution service. The Revenue Received is input on line 2, Col. E excludes any True-Up revenues.

Column E, lines 3 are the dollar amounts of Revenue Received reflecting the % in Column D. This assigns to each project a percentage of the revenue received based on the percentage of the Projected Net Revenue Requirement in Column C.

4) Interest from Attachment 6.

5) Prior Period Adjustment from line 5 is pro rata to each project, unless the error was project specific.

(a)	(b)	(c)	(d)
Prior Period Adjustment (Note B)	Amount In Dollars	Interest Note B	Total Col. (b) + Col. (c)
-	-	-	-

A	<p>For each project or Attachment 11 or 11a, the utility will populate the formula rate with the inputs for the True-Up Year. The revenue requirements, based on actual operating results for the True-Up Year, associated with the projects and Attachment H will then be entered in Col. (F) above. Column (E) above contains the actual revenues received associated with Attachment 11 and 11a and any Wholesale Distribution service paid by SPP to the utility during the True-Up Year. Then in Col. (G), Col. (E) is subtracted from Col. (F) to calculate the True-up Adjustment. The Prior Period Adjustment from Line 5 below is input in Col. (H). Column (I) is the applicable interest rate from Attachment 6. Column (J) adds the interest on the sum of Col.(G) and (H).</p>
B	<p>Prior Period Adjustment is the amount of an adjustment to correct an error in a prior period. The FERC Refund interest rate specified in CFR 35.19(a) for the period up to the date the projected rates that are subject to True Up here went into effect.</p>

**GridLiance High Plains LLC (GHP)**

**Attachment A – GHP**

**ANNUAL TRUE-UP, INFORMATION EXCHANGE,  
AND CHALLENGE PROCEDURES**

**Section I. Applicability**

The following procedures shall apply to GHP's calculation of its actual net revenue requirement, True-Up Adjustment, and projected net revenue requirement for Transmission Service.

**Section II. Annual True-Up and Projected Net Revenue Requirement**

- A. Beginning on or before June 1, of the year following FERC's acceptance of these protocols, and on or before each subsequent June 1, GHP shall determine the Annual True-Up under this Attachment H - GHP and Section VII of these protocols, to derive a True-Up Adjustment to be included in GHP's projected net revenue requirement for the subsequent calendar year (the "Rate Year").
- B. On or before June 1, of the year following FERC's acceptance of these protocols, and on or before each subsequent June 1, GHP shall provide the Annual True-Up, actual net revenue requirement, and True-Up Adjustment to the Transmission Customer and cause such information to be posted on OASIS and the GHP website.
- C. On or before October 1, of the year following FERC's acceptance of these protocols, and on or before each subsequent October 1, GHP shall provide the projected net revenue requirement to the Transmission Customer and cause such information to be posted on OASIS and the GHP website.

- D. If the date for posting the Annual True-Up or the projected net revenue requirement falls on a weekend or a holiday recognized by FERC, then the posting shall be due on the next business day. The date on which posting of the Annual True-Up occurs shall be that year's "Publication Date." Any delay in the Publication Date or in the posting of the projected net revenue requirement will result in an equivalent extension of time for the submission of Information Requests discussed in Section III of these protocols.
- E. The Annual True-Up shall:
1. Include a workable populated Formula Rate Template and underlying workpapers in native format with fully functional spreadsheets showing the calculation of the net revenue requirement;
  2. Be based on GHP's FERC Form No. 1 reports for the prior calendar year;
  3. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the Annual True-Up that are not otherwise available in the FERC Form No. 1 reports;<sup>1</sup>
  4. Provide sufficient information to enable Interested Parties (as that term is defined in Section II.G of these protocols) to replicate the calculation of the Annual True-Up results from the FERC Form No. 1 reports;

---

<sup>1</sup> It is the intent of the formula rate, including the supporting explanations and allocations described therein, that each input to the formula rate will be either taken directly from FERC Form No. 1 or reconcilable to FERC Form No. 1 by the application of clearly identified and supported information. If the referenced form is superseded, the successor form(s) shall be utilized and supplemented as necessary to provide equivalent information as that provided in the superseded form. If the referenced form(s) is (are) discontinued, equivalent information as that provided in the discontinued form(s) shall be utilized.

5. Identify any changes in the formula references (page and line numbers) to the FERC Form No. 1 reports;
6. Identify all material adjustments made to the FERC Form No. 1 report data in determining formula inputs, including relevant footnotes to the FERC Form No. 1 reports and any adjustments not shown in the FERC Form No. 1 reports;
7. Provide underlying data for formula rate inputs that provide greater granularity than is required for the FERC Form No. 1 reports;
8. With respect to any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”):
  - a. Identify any Accounting Changes, including:
    - i. the initial implementation of an accounting standard or policy;
    - ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
    - iii. correction of errors and prior period adjustments that impact the True-Up Adjustment calculation;
    - iv. the implementation of new estimation methods or policies that change prior estimates; and
    - v. changes to income tax elections;
  - b. Identify items included in the Annual True-Up at an amount other than on a historic cost basis (e.g., fair value adjustments);

- c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the Annual True-Up;
- d. Provide, for each item identified pursuant to items II.E.8.a - II.E.8.c of these protocols, a narrative explanation of the individual impact of such changes on the True-Up Adjustment.

F. The projected net revenue requirement shall:

- 1. Include a workable populated Formula Rate Template and underlying workpapers in native format with fully functional spreadsheets showing the calculation of the net revenue requirement;
- 2. Provide the formula rate calculations and all inputs thereto, as well as supporting documentation and workpapers for data that are used in the projected net revenue requirement;
- 3. Provide sufficient information to enable Interested Parties (as that term is defined in Section II.G of these protocols) to replicate the calculation of the projected net revenue requirement;
- 4. With respect to any change in accounting that affects inputs to the formula rate or the resulting charges billed under the formula rate (“Accounting Change”):
  - a. Identify any Accounting Changes, including:
    - i. the initial implementation of an accounting standard or policy;

- ii. the initial implementation of accounting practices for unusual or unconventional items where FERC has not provided specific accounting direction;
  - iii. correction of errors and prior period adjustments that impact the projected net revenue requirement calculation;
  - iv. the implementation of new estimation methods or policies that change prior estimates; and
  - v. changes to income tax elections;
- b. Identify items included in the projected net revenue requirement at an amount other than on a historic cost basis (e.g., fair value adjustments);
- c. Identify any reorganization or merger transaction during the previous year and explain the effect of the accounting for such transaction(s) on inputs to the projected net revenue requirement;
- d. Provide, for each item identified pursuant to items II.F.4.a - II.F.4.c of these protocols, a narrative explanation of the individual impact of such changes on the projected net revenue requirement.

G. GHP shall hold an open meeting among Interested Parties (“Annual True-Up Meeting”) with remote access between the Publication Date and September 1. No less than seven (7) days prior to such Annual True-Up Meeting, GHP shall cause notice to be provided on OASIS and GHP’s internet website of the time, date, and location of the Annual True-Up Meeting and GHP shall provide notice of such meeting to the email exploder list. For purposes of these procedures, the term Interested Party includes, but is not limited to, customers taking Transmission Service, state utility regulatory commissions, consumer



advocacy agencies, and state attorneys general. The Annual True-Up Meeting shall (i) permit GHP to explain and clarify its Annual True-Up and True-Up Adjustment and (ii) provide Interested Parties an opportunity to seek information and clarifications from GHP about the Annual True-Up and True-Up Adjustment.

- H. GHP shall hold an open meeting among Interested Parties (“Annual Projected Rate Meeting”) with remote access between the date that the projected net revenue requirement is posted to OASIS and the GHP website (as described in Section II.C of these protocols) and October 31. No less than seven (7) days prior to such Annual Projected Rate Meeting, GHP shall cause notice to be provided on OASIS and GHP’s internet website of the time, date, and location of the Annual Projected Rate Meeting. The Annual Projected Rate Meeting shall (i) permit GHP to explain and clarify their projected net revenue requirement and (ii) provide Interested Parties an opportunity to seek information and clarifications from GHP about the projected net revenue requirement.

### **Section III. Information Exchange Procedures**

Each Annual True-Up and projected net revenue requirement shall be subject to the following information exchange procedures (“Information Exchange Procedures”):

- A. Interested Parties shall have until December 1 following the Publication Date (unless such period is extended with the written consent of GHP or by FERC order) to serve reasonable information and document requests on GHP (“Information Exchange Period”). If December 1 falls on a weekend or a holiday recognized by FERC, the deadline for submitting all information and document requests shall be extended to the

next business day. Such information and document requests shall be limited to what is necessary to determine:

- (1) the extent or effect of an Accounting Change;
- (2) whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
- (3) the proper application of the formula rate and procedures in these protocols;
- (4) the accuracy of data and consistency with the formula rate of the calculations shown in the Annual True-Up or projected net revenue requirement;
- (5) the prudence of actual costs and expenditures;
- (6) the effect of any change to the underlying Uniform System of Accounts or the FERC Form No. 1 reports; or
- (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

The information and document requests shall not otherwise be directed to ascertaining whether the formula rate is just and reasonable.

- B. GHP shall make a good faith effort to respond to information and document requests within fifteen (15) business days of receipt of such requests. GHP shall respond to all information and document requests by no later than January 10 following the Publication Date, unless the Information Exchange Period is extended by GHP or FERC.
- C. GHP will cause to be posted on OASIS and the GHP website all information requests from Interested Parties and GHP's response(s) to such requests; except, however, if

responses to information and document requests include material deemed by GHP to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by GHP and the requesting party.

- D. GHP shall not claim that responses to information and document requests provided pursuant to these protocols are subject to any settlement privilege, in any subsequent FERC proceeding addressing GHP's Annual True-Up or projected net revenue requirement.

#### **Section IV. Challenge Procedures**

- A. Interested Parties shall have until January 31 following the Publication Date (unless such period is extended with the written consent of GHP or by FERC order) to review the inputs, supporting explanations, allocations and calculations and to notify GHP in writing, which may be made electronically, of any specific Informal Challenges to the Annual True-Up or projected net revenue requirement. The period of time from the Publication Date until January 31 shall be referred to as the Review Period. If January 31 falls on a weekend or a holiday recognized by FERC, the deadline for submitting all Informal Challenges shall be extended to the next business day. Failure to pursue an issue through an Informal Challenge or to lodge a Formal Challenge regarding any issue as to a given Annual True-Up or projected net revenue requirement shall bar pursuit of such issue with respect to that Annual True-Up or projected net revenue requirement, but shall not bar pursuit of such issue or the lodging of a Formal Challenge as to such issue as it relates to a subsequent Annual True-Up or projected net revenue requirement.

- B. A party submitting an Informal Challenge to GHP must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents to support its challenge. GHP shall make a good faith effort to respond to any Informal Challenge within twenty (20) business days of notification of such challenge. GHP shall appoint a senior representative to work with the party that submitted the Informal Challenge (or its representative) toward a resolution of the challenge. If GHP disagrees with such challenge, GHP will provide the Interested Party(ies) with an explanation supporting the inputs, supporting explanations, allocations, calculations, or other information. No Informal Challenge may be submitted after January 31, and GHP must respond to all Informal Challenges by no later than February 28, unless the Review Period is extended by GHP or FERC.
- C. Informal Challenges shall be subject to the resolution procedures and limitations in this Section IV. Formal Challenges shall be filed pursuant to these protocols and shall satisfy all of the following requirements.
- (1) A Formal Challenge shall:
    - (a) Clearly identify the action or inaction which is alleged to violate the filed rate formula or protocols;
    - (b) Explain how the action or inaction violates the filed rate formula or protocols;
    - (c) Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Formal Challenge, including:

- (i) the extent or effect of an Accounting Change;
  - (ii) whether the Annual True-Up projected net revenue requirement fails to include data properly recorded in accordance with these protocols;
  - (iii) the proper application of the formula rate and procedures in these protocols;
  - (iv) the accuracy of data and consistency with the formula rate of the charges shown in the Annual True-Up or projected net revenue requirement;
  - (v) the prudence of actual costs and expenditures;
  - (vi) the effect of any change to the underlying Uniform System of Accounts or FERC Form 1; or
  - (vii) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.
- (d) Make a good faith effort to quantify the financial impact or burden (if any) created for the party filing the Formal Challenge as a result of the action or inaction;
- (e) State whether the issues presented are pending in an existing Commission proceeding or a proceeding in any other forum in which the filing party is a party, and if so, provide an explanation why timely resolution cannot be achieved in that forum;
- (f) State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief;

- (g) Include all documents that support the facts in the Formal Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; and
    - (h) State whether the filing party utilized the Informal Challenge procedures described in these protocols to dispute the action or inaction raised by the Formal Challenge, and, if not, describe why not.
  - (2) Service. Any person filing a Formal Challenge must serve a copy of the Formal Challenge on GHP. Service to GHP must be simultaneous with filing at the Commission. Simultaneous service can be accomplished by electronic mail in accordance with § 385.2010(f)(3), facsimile, express delivery, or messenger. The party filing the Formal Challenge shall serve the individual listed as the contact person on GHP's Informational Filing required under Section VI of these protocols.
- D. Informal and Formal Challenges shall be limited to all issues that may be necessary to determine: (1) the extent or effect of an Accounting Change; (2) whether the Annual True-Up or projected net revenue requirement fails to include data properly recorded in accordance with these protocols; (3) the proper application of the formula rate and procedures in these protocols; (4) the accuracy of data and consistency with the formula rate of the calculations shown in the Annual True-Up and projected net revenue requirement; (5) the prudence of actual costs and expenditures; (6) the effect of any change to the underlying Uniform System of Accounts or the FERC Form No. 1 reports; or (7) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula.

- E. GHP will cause to be posted on OASIS and the GHP website all Informal Challenges from Interested Parties and GHP's response(s) to such Informal Challenges; except, however, if Informal Challenges or responses to Informal Challenges include material deemed by GHP to be confidential information, such information will not be publicly posted but will be made available to requesting parties pursuant to a confidentiality agreement to be executed by GHP and the requesting party.
- F. Any changes or adjustments to the True-Up Adjustment or projected net revenue requirement resulting from the Information Exchange and Informal Challenge processes that are agreed to by GHP will be reported in the Informational Filing required pursuant to Section VI of these protocols. Any such changes or adjustments agreed to by GHP on or before December 1 will be reflected in the projected net revenue requirement for the upcoming Rate Year. Any changes or adjustments agreed to by GHP after December 1 will be reflected in the following year's Annual True-Up, as discussed in Section V of these protocols.
- G. An Interested Party shall have until April 15 following the Review Period (unless such date is extended with the written consent of GHP to continue efforts to resolve the Informal Challenge) to make a Formal Challenge with FERC, which shall be served on GHP on the date of such filing as specified in Section IV.C(2) above. A Formal Challenge shall be filed in the same docket as GHP's Informational Filing discussed in Section VI of these protocols. GHP shall respond to the Formal Challenge by the deadline established by FERC. A party may not pursue a Formal Challenge if that party did not submit an Informal Challenge on any issue during the applicable Review Period.

- H. In any proceeding initiated by FERC concerning the Annual True-Up or projected net revenue requirement or in response to a Formal Challenge, GHP shall bear the burden, consistent with section 205 of the Federal Power Act, of proving that it has correctly applied the terms of the formula rate consistent with these protocols, and that it followed the applicable requirements and procedures in this Attachment H - GHP. Nothing herein is intended to alter the burdens applied by FERC with respect to prudence challenges.
- I. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of GHP to file unilaterally, pursuant to Federal Power Act section 205 and the regulations thereunder, to change the formula rate or any of its inputs (including, but not limited to, rate of return), or to replace the formula rate with a stated rate, or the right of any other party to request such changes pursuant to section 206 of the Federal Power Act and the regulations thereunder.
- J. No party shall seek to modify the formula rate under the Challenge Procedures set forth in these protocols and the Annual True-Up or projected net revenue requirement shall not be subject to challenge by anyone for the purpose of modifying the formula rate. Any modifications to the formula rate will require, as applicable, a Federal Power Act section limited filing pursuant to Section 205 to modify stated values in the Formula Rate for (i) amortization and depreciation rates, (ii) Post-Employment Benefits Other Than Pensions rates, or (iii) the weighting of the ADIT balance in rate base to ensure GHP's compliance with the IRS regulations for normalization under IRS Section 1.167(l)-1(h)(6). The sole issue in any such limited Section 205 proceeding shall be whether such proposed change(s) is just and reasonable, and it shall not address other aspects of the Formula Rate.



- K. Any Interested Party seeking changes to the application of the formula rate due to a change in the Uniform System of Accounts or FERC Form No. 1, shall first raise the matter with GHP in accordance with this Section IV before pursuing a Formal Challenge.

#### **Section V. Changes to True-Up Adjustment or Projected Net Revenue Requirement**

Except as provided in Section IV.F of these protocols, any changes to the data inputs, including but not limited to revisions to GHP's FERC Form No. 1 reports, or as the result of any FERC proceeding to consider the Annual True-Up or projected net revenue requirement, or as a result of the procedures set forth herein, shall be incorporated into the formula rate and the charges produced by the formula rate in the projected net revenue requirement for the next Rate Year. Interest on any refund or surcharge shall be calculated in accordance with the procedures outlined in Section VII of these protocols.

#### **Section VI. Informational Filings**

- A. By March 15 of each year, GHP shall submit to FERC an informational filing ("Informational Filing") of their projected net revenue requirement for the Rate Year, including their Annual True-Up and True-Up Adjustment. This Informational Filing must include the information that is reasonably necessary to determine: (1) that input data under the formula rate are properly recorded in any underlying workpapers; (2) that GHP has properly applied the formula rate and these procedures; (3) the accuracy of data and the consistency with the formula rate of the Revenue Requirement under review; (4) the extent of accounting changes that affect formula rate inputs; and (5) the reasonableness of projected costs. The Informational Filing must also describe any corrections or adjustments made during that period, and must describe all aspects of the formula rate or its inputs that are the subject of an ongoing dispute under the Informal or Formal

Challenge procedures. Within five (5) days of such Informational Filing, GHP shall provide notice of the Informational Filing and shall post the docket number assigned to GHP's Informational Filing on OASIS and the GHP website.

- B. Any challenges to the implementation of the Attachment H - GHP formula rate must be made through the Challenge Procedures described in Section IV of these protocols or in a separate complaint proceeding, and not in response to the Informational Filing.

## **Section VII. Calculation of True-Up Adjustment**

The True-Up Adjustment is developed on Attachment 3 and will be determined in the following manner:

- (1) Actual revenues for the previous year will be compared to Net Revenue Requirement not including any prior year True-Up Adjustment calculated in accordance with GHP's Attachment H of this Tariff for the previous year using GHP's FERC Form No. 1 for that same year to determine any over or under recovery ("True-Up Adjustment"). GHP shall cause the True-Up Adjustment and related calculations to be posted to OASIS and the GHP website no later than June 1 (or if that day falls on a weekend or a holiday recognized by FERC, then the posting shall be due on the next business day) following the issuance of the FERC Form No. 1 for the previous year, as set forth in Section II of these protocols.
- (2) Interest on any over recovery of the net revenue requirement shall be determined on Attachment 9 of the formula rate. Interest on any under recovery of the net revenue requirement or any under recovery due to volume changes, shall be determined using the interest rate equal to GHP's actual short-term debt costs capped at the applicable FERC refund interest rate. The interest rate to be applied to the over or

under recovery amounts will be determined using the average interest rate for the twenty- one (21) months preceding October of the current year. In either case, the interest payable shall be calculated by applying the average interest rate to the over or under recovery in the revenue requirement or volume changes for the twenty- four (24) month period. The interest amount will be included in the projected costs made available on October 1 in accordance with Section II.C above.

- (3) The Net Revenue Requirement for service for the following Year shall be the sum of the projected revenue requirement for the following year, plus or minus the True-Up Adjustment from the previous year, if any, including interest, as explained above.
- (4) The GHP may accelerate the refund of any over recovery amounts by one year. The interest calculation will be adjusted to reflect the period the over recovery exists.

### **Section VIII - Cost Allocation Methodology**

GHP is allocated costs from its parent companies both for expenses directly attributable to GHP's operations and its respective share of corporate overhead. GHP does not directly employ any individuals. GridLiance Management, LLC ("ManageCo") is the legal entity that employs all employees assigned to GHP and pays all employee related costs. GridLiance HoldCo, L.P. ("Holdco") currently pays all non-employee related costs for GHP and its affiliated entities. Both employee and non-employee costs incurred by ManageCo and Holdco related to GHP's operations are directly assigned. Costs that relate to the negotiation of template agreements and other start-up legal and regulatory expenses are allocated 50% to GHP and 50% to its affiliate GridLiance Heartland LLC. Any remaining costs that are not either directly assigned or related to start-up expenses in the two initial RTO regions ("Overhead Costs") will

be allocated on the basis of directly assigned labor ratios for the first two years following GHP's initial placement of assets into service. After such time, Overhead Costs will be allocated among GHP and its affiliates based on the average of the ratios of direct labor, plant in service and revenue.