

Pro Forma, OATT (3.0.0) A

**VERSANT POWER**  
**OPEN ACCESS TRANSMISSION TARIFF**  
**FOR MAINE PUBLIC DISTRICT**  
[as of June 1, 2023]

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## **I. COMMON SERVICE PROVISIONS**

### Section 1, Definitions (3.0.0) A

#### **1 Definitions**

- 1.01 Affiliate:** With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.
- 1.1 Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.
- 1.2 Annual Transmission Costs:** The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.
- 1.3 Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.3a Business Day:** A Business Day is Monday to Friday, inclusive, excluding statutory holidays for the Transmission Provider.
- 1.4 Commission:** The Federal Energy Regulatory Commission (FERC).
- 1.5 Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

**1.6 Control Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied, also known as a Balancing Authority Area, in order to:

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

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

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

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

**1.10 Direct Assignment Facilities:** Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment

Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

- 1.11 Eligible Customer:** (i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider. (ii) Any retail customer taking unbundled Transmission Service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.
- 1.12 Facilities Study:** An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.
- 1.13 Firm Point-To-Point Transmission Service:** Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.



- 1.14 Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
- 1.15 Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.
- 1.16 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 recalculated each calendar year.
- 1.17 Load Shedding:** The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.
- 1.18 Long-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.
- 1.19 Native Load Customers:** The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute,

franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

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

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

**1.22 Network Load:** The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

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

- 1.24 Network Operating Committee:** A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.
- 1.25 Network Resource:** Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.
- 1.26 Network Upgrades:** Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.
- 1.27 Non-Firm Point-To-Point Transmission Service:** Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.
- 1.27.01 Non-Firm Sale:** An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

- 1.27a Northern Maine ISA:** The Northern Maine Independent System Administrator, Inc. which operates pursuant to a Commission approved tariff.
- 1.28 Open Access Same-Time Information System (OASIS):** Transmission Provider's information system and all individual requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.29 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.
- 1.30 Part II:** Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.31 Part III:** Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.32 Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 1.33 Point(s) of Delivery:** Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service.
- 1.34 Point(s) of Receipt:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the

Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-to-Point Transmission Service.

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

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

**1.36a Pre-Confirmed Application:** An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

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

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

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

- 1.40 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.
- 1.41 Service Commencement Date:** The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.
- 1.42 Short-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.
- 1.42a System Condition:** A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.
- 1.43 System Impact Study:** An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.
- 1.44 Third-Party Sale:** Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

- 1.45 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.
- 1.46 Transmission Provider:** Versant Power (or its Designated Agent) which owns, controls, or operates facilities in the New Brunswick System Operator Balancing Authority Area used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff. All references herein to Transmission Provider shall be understood to refer to its transmission system in the New Brunswick System Operator Balancing Authority Area formerly owned by Maine Public Service Company, also known as Transmission Provider's Maine Public District.
- 1.47 Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.
- 1.48 Transmission Service:** Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.
- 1.49 Transmission System:** The facilities in the New Brunswick System Operator Balancing Authority Area owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

## **2 Initial Allocation and Renewal Procedures**

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

**2.2 Reservation Priority For Existing Firm Service Customers:** Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, 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 June 16, 2008 or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to five year/on year requirement on the first rollover date after June 16, 2008; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of June 16, 2008.

Section 3, Ancillary Services (2.0.0) A

### **3 Ancillary Services**

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

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below), unless such Ancillary Services are to be arranged by the Northern Maine ISA, the following Ancillary Services only to the

Transmission Customer serving load within the Transmission Provider's Transmission System (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Transmission System is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission provider, from a third party, or by self-supply.

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

Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

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

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

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

Service must be offered for the same period to all Eligible Customers on the Transmission Provider's System. Sections 3.1 through 3.7 below list the seven Ancillary Services.

- 3.1 Scheduling, System Control and Dispatch Service:** Schedule 1.
- 3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:** Schedule 2.
- 3.3 Regulation and Frequency Response Service:** Schedule 3.
- 3.4 Energy Imbalance Service:** Schedule 4.
- 3.5 Operating Reserve - Spinning Reserve Service:** Schedule 5.
- 3.6 Operating Reserve - Supplemental Reserve Service:** Schedule 6.
- 3.7 Generator Imbalance Service:** Where applicable the rates and/or methodology are described in Schedule 9.

Section 4, Open Access Same-Time Info System (1.5.0) A

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

- 4.1** 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). In the event available transmission 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.

**4.2** Transmission Provider hereby incorporates by reference the following standards promulgated by the Wholesale Electric Quadrant (“WEQ”) of the North American Energy Standards Board (“NAESB”):

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms (WEQ Version 003.1, September 30, 2015) (including only the definitions of Interconnection Time Monitor, Time Error, and Time Error Correction);
- WEQ-000, Abbreviations, Acronyms, and Definition of Terms (WEQ Version 003.2, Dec. 8, 2017) (with minor correction applied July 23, 2019), and (WEQ Version 003.3, Mar. 30, 2020, but only with respect to those Abbreviations / Acronyms that were added and those Abbreviations / Acronyms that were deleted in order to incorporate the Cybersecurity Standards and the Parallel Flow Visualization Standards);
- WEQ-001, Open Access Same-Time Information System (OASIS), [OASIS] Version 2.2 (WEQ Version 003.2, Dec. 8, 2017), and (The following standards are incorporated by reference from WEQ Version 003.3, Mar. 30, 2020: (1) WEQ-001-13.1.3.3 with respect to the Cybersecurity Standards; and (2) the Abbreviations / Acronyms “CMP – Congestion Management Process” and SDX – System Data Exchange” with respect to the Parallel Flow

Visualization Standards), excluding standards WEQ-001-9 preamble text, WEQ-001-10 preamble text, and WEC-001-101 through WEC-001-107;

- WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), [OASIS] Version 2.2 (WEQ Version 003.2, Dec. 8, 2017), and (The following standards are incorporated by reference from WEQ Version 003.3, Mar. 30, 2020: (1) WEQ-002-2.3; WEQ-002-2.4; WEQ-002-4.2.1.1; WEQ-002-4.2.1.2; WEQ-002-4.2.1.3; WEQ-002-4.2.2; WEQ-002-5; WEQ-002-5.1.1; WEQ-002-5.1.2; WEQ-002-5.1.3; and WEQ-002-5.6 with respect to the Cybersecurity Standards; and (2) those consistency changes that are necessary to incorporate the Parallel Flow Visualization Standards in WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection ), excluding standards WEC-002-101 through WEC-002-107;
- WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary [OASIS] Version 2.2 (WEQ Version 003.2, Dec. 8, 2017) (with minor corrections applied July 23, 2019);
- WEQ-004, Coordinate Interchange (WEQ Version 003.2, Dec. 8, 2017) and (WEQ Version 003.3, Mar. 30, 2020, but only with respect to those consistency changes that are necessary to incorporate the Parallel Flow Visualization Standards in WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection );
- WEQ-005, Area Control Error (ACE) Equation Special Cases (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-006, Manual Time Error Correction (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-007, Inadvertent Interchange Payback (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection (WEQ Version 003.2, Dec. 8, 2017) and (WEQ Version 003.3, Mar. 30, 2020);
- WEQ-011, Gas / Electric Coordination (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-012, Public Key Infrastructure (PKI) (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, [OASIS] Version 2.2 (WEQ Version 003.2, Dec. 8, 2017), (WEQ Version 003.3, Mar. 30, 2020, but only with respect to those consistency changes that are necessary to incorporate the Parallel Flow

Visualization Standards in WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection ) excluding standards WEC-013-101 through WEC-013-106;

- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-021, Measurement and Verification of Energy Efficiency Product (WEQ Version 003.2, Dec. 8, 2017);
- WEQ-022, Electric Industry Registry Business Practice Standards (WEQ Version 003.2, Dec. 8, 2017); and
- WEQ-023, Modeling. The following standards are incorporated by reference: WEQ-023-5; WEQ-023-5.1; WEQ-023-5.1.1; WEQ-023-5.1.2; WEQ-023-5.1.2.1; WEQ-023-5.1.2.2; WEQ-023-5.1.2.3; WEQ-023-5.1.3; WEQ-023-5.2; WEQ-023-6; WEQ-023-6.1; WEQ-023-6.1.1; WEQ-023-6.1.2; and WEQ-023-A Appendix A. (WEQ Version 003.2, Dec. 8, 2017).

Transmission Provider has been granted waiver of the following NAESB WEQ standards:

- WEQ-001-101 through WEQ-001-107;
- WEQ-002-101 through WEQ-002-107;
- WEQ-013-101 through WEQ-013-106; and
- WEQ-001-23.

Section 5, 5 Local Furnishing Bonds (0.0.0) A

## **5 Local Furnishing Bonds**

### **5.1 Transmission Providers That Own Facilities Financed by Local Furnishing**

**Bonds:** This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code (“local furnishing bonds”). Notwithstanding any other provision of this Tariff, the transmission provider shall not be required to provide transmission service to any

Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

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

- (i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.
- (ii) If the Eligible Customer thereafter renews its request for the same transmission service referred to in (i) by tendering an application under Section 211 of the Federal Power Act, the Transmission Provider, within ten (10) days of receiving a copy of the Section 211 application, will waive its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's waiver of its rights to a request for service under Section 213(a) of the Federal Power Act and to the issuance of a proposed order under Section 212(c) of the Federal Power Act, shall issue an order under Section 211 of the Federal Power Act. Upon issuance of the order under Section 211 of the Federal Power Act, the Transmission Provider



shall be required to provide the requested transmission service in accordance with the terms and conditions of this Tariff.

Section 6, 6 Reciprocity (0.0.0) A

## **6 Reciprocity**

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

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the Tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does

not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

Section 7, 7 Billing and Payment (0.0.0) A

## **7 Billing and Payment**

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

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

**7.3 Customer Default:** In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a

default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding 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) days, in accordance with Commission policy.

Section 8, 8 Accounting for the Transmission Provider's Use of the ... (0.0.0) A

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

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

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

**8.2 Study Costs and Revenues:** Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party

Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

Section 9, 9 Regulatory Filings (0.0.0) A

## **9 Regulatory Filings**

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

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

Section 10, 10 Force Majeure and Indemnification (0.0.0) A

## **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.

Section 11, 11 Creditworthiness (0.0.0) A

## **11 Creditworthiness**

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

Section 12, 12 Dispute Resolution Procedures (2.0.0) A

## **12 Dispute Resolution Procedures**

**12.1 Internal Dispute Resolution Procedures:** Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the

Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

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

**12.3 Arbitration Decisions:** Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service

Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

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

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

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

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

**12.6 Provisions Involving MEPCO Transmission:**

**12.6.1** Transmission Provider will allow Customers to utilize its rights to transmission over the Maine Electric Power Company (MEPCO) system.

**12.6.2** Customers taking service over the MEPCO system are responsible for paying all charges billed or assessed by MEPCO associated with that service.

**12.6.3** Transmission Provider will not withhold its consent to entities seeking service

over the entitlements of other MEPCO owners.

**12.6.4** Transmission Provider will not unreasonably withhold its consent to any expansion of MEPCO facilities.

**12.6.5** Consistent with and pursuant to the terms of this tariff governing construction of facilities, Transmission Provider will construct facilities in its service area necessary to accommodate expansion associated with MEPCO transmission.

Part II, II. Point-To-Point Transmission Service (0.0.0) A

## **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.

Section 13, 13 Nature of Firm Point-To-Point Transmission Service (1.0.0) A

### **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:**

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



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

- (iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: 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 and 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.

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

**13.3 Use of Firm Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 9, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

**13.4 Service Agreements:** The Transmission Provider shall offer a standard form 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 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, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-to-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be ranked with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

### **13.7 Classification of Firm Transmission Service:**

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with

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

**13.8 Scheduling of Firm Point-To-Point Transmission Service:** Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. 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.

Section 14, 14 Nature of Non-Firm Point-To-Point Transmission Service (1.0.0) A

## **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 July 9, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.
- 14.4 Service Agreements:** The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. 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 its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and

conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

**14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:** Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. 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 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. 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

Curtailed or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

Section 15, Service Availability (2.0.0) A

## **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) 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 its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service,

consistent with its planning obligations in Attachment R, 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 R, 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 Customer is responsible for replacing losses



associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as follows: 1.64 percent. The Transmission Provider shall post on its website the Real Power Loss Factor.

Section 16, 16 Transmission Customer Responsibilities (0.0.0) A

## **16 Transmission Customer Responsibilities**

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

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

- (a) The Transmission Customer has pending a Completed Application for service;
  - (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
  - (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
  - (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;
  - (e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment R;
- and

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

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

Section 17, Procedures for Arranging Firm Point-to-Point Transm Serv (3.0.0) A

## **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:

Versant Power  
P.O. Box 932  
Bangor, ME 04401

at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of

less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

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

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;

- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and
- (x) Any additional information required by the Transmission Provider's planning process established in Attachment R.

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

**17.3 Deposit:** 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; provided, however, the Transmission Provider shall have the right to waive the requirement of a deposit on a nondiscriminatory basis if the Transmission Provider determines that the Eligible Customer is creditworthy pursuant to Section 11 and is not in default of its obligations as defined in Section 7.3 at the time of the Application. The Transmission Provider will bill the Eligible Customer for any reasonable costs incurred by the Transmission Provider in connection with its review of the Application. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as

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

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

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

**17.6 Execution of Service Agreement:** Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be

provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

**17.7 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 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date.

In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

Section 18, Procedures for Arranging Non-Firm Point-to-Point Trnsm Serv (2.0.0) A

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

**18.1 Application:** Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

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

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.

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



provide the following:

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

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

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

**18.3 Reservation of Non-Firm Point-To-Point Transmission Service:** Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than 8:00 a.m. the Business Day before service is to commence with the exception of the first hour of each day which can be requested as early as, but no earlier than, 8:00 a.m. two Business Days before service is to commence. Requests for service received later than 10:00 a.m. prior to the day service is scheduled to commence will be accommodated if practicable.

**18.4 Determination of Available Transfer Capability:** Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

Section 19, 19 Additional Study Procedures For Firm Point-To-Point ... (0.0.0) A

## **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) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to

which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

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

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 20.

**19.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) 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) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

**19.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be

deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

**19.5 Facilities Study Modifications:** Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good

faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

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

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

**19.8 Expedited Procedures for New Facilities:** In lieu of the procedures set forth

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

**19.9 Penalties for Failure to Meet Study Deadlines:** Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-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-day study completion deadlines. Such notice must be filed within thirty (30) 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-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-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-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-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-day deadline.

**19.10 Clustering of Studies:** The Transmission Provider may cluster System Impact Studies and Facilities Studies if: (i) Eligible Customers request in writing that the studies in connection with their service requests be clustered, and (ii) the Transmission Provider determines that it can reasonably accommodate such clustering request and that clustering will facilitate the performance of studies and the design of upgrades or additions to the Transmission System necessary to accommodate the Eligible Customers' requests for service. If studies are clustered then for purposes of deadlines for performance of studies and responses to the Eligible Customers, all of the service requests for which the studies are clustered shall be deemed to have been submitted when the last of such requests has been submitted.

System Impact Studies that are clustered shall be treated as a single System Impact Study for all purposes, and shall be performed pursuant to a single System Impact Study Agreement entered into among the Transmission Provider and the Eligible Customers that have submitted service requests that have been clustered. Unless otherwise agreed in such agreement, the cost for the completion

of the System Impact Study shall be allocated among the Eligible Customers in equal shares. Facilities Studies that are clustered shall be treated as a single Facilities Study for all purposes, and shall be performed pursuant to a single Facilities Study Agreement entered into among the Transmission Provider and the Eligible Customers that have submitted service requests that have been clustered. Unless otherwise agreed in such agreement, the cost for the completion of the Facilities Study shall be allocated among the Eligible Customers in equal shares.

An Eligible Customer can opt out of a cluster only during the period of time after the completion of the applicable System Impact Study and before the applicable Facilities Study. In the event that an Eligible Customer opts out of a cluster, the costs of the System Impact Study shall be allocated pro rata among the original Eligible Customers in the cluster, and the costs associated with the Facilities Study will be allocated pro rata among the remaining Eligible Customers. The Eligible Customer that opted out of the cluster can elect to enter the study queue by requesting a new individual study or as part of a new cluster.

Unless otherwise agreed, the Transmission Provider shall not be required to undertake any Transmission System upgrades or additions identified by a clustered Facilities Study unless all of the Eligible Customers for which the studies have been clustered execute Service Agreements, under which they are obligated to pay the costs of such upgrades or additions, and provide the required security.

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

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

**20.2 Alternatives to the Original Facility Additions:** When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission

Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12 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.

Section 21, 21 Provisions Relating to Transmission Construction and ... (0.0.0) A

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

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

system pursuant to Good Utility Practice.

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

Section 22, 22 Changes in Service Specifications (0.0.0) A

## **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.

Section 23, 23 Sale or Assignment of Transmission Service (0.0.0) A

## **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.

Section 24, 24 Metering and Power Factor Correction at Receipt and ... (0.0.0) A

## **24 Metering and Power Factor Correction at Receipt and Delivery Points(s)**

**24.1 Transmission Customer Obligations:** Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

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

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

Section 25, 25 Compensation for Transmission Service (0.0.0) A

## **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.

Section 26, 26 Stranded Cost Recovery (0.0.0) A

## **26 Stranded Cost Recovery**

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

Section 27, 27 Compensation for New Facilities and Redispatch Costs (0.0.0) A

## **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.

Part III, III. Network Integration Transmission Service (0.0.0) A

### **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.

Section 28, Nature of Network Integration Transmission Service (2.0.0) A

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

**28.1 Scope of Service:** Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

**28.2 Transmission Provider Responsibilities:** The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligation in Attachment R 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 R, endeavor to construct and place into service sufficient transfer

capacity to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

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

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

**28.5 Real Power Losses:** Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The

applicable Real Power Loss factors are as follows: 1.64 percent. The Transmission Provider shall post on its website the Real Power Loss Factor.

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

Section 29, 29 Initiating Service (0.0.0) A

## **29 Initiating Service**

**29.1 Condition Precedent for Receiving Service:** Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the

Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.

**29.2 Application Procedures:** An Eligible Customer requesting service under Part III of the Tariff must submit 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. The Transmission Provider shall have the right to waive the requirement of a deposit on a nondiscriminatory basis if the Transmission Provider determines that the Transmission Customer is creditworthy pursuant to Section 11 and is not in default of its obligation as defined in Section 7.3 at the time of the Application. The Transmission Provider will bill the Eligible Customer for any reasonable costs incurred by the Transmission Provider in connection with its review of the Application. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of

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

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

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for

such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

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

**29.4 Network Customer Facilities:** The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from

the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

**29.5 Filing of Service Agreement:** The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

Section 30, 30 Network Resources (0.0.0) A

### **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. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

**30.5 Network Customer Redispatch Obligation:** As a condition to receiving

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

**30.6 Transmission Arrangements for Network Resources Not Physically**

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

**30.7 Limitation on Designation of Network Resources:**

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

**30.8 Use of Interface Capacity by the Network Customer:**

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



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

**30.9 Network Customer Owned Transmission Facilities:** The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the [the effective date of a Final Rule in RM05-25-000] , the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

Section 31, 31 Designation of Network Load (0.0.0) A

### **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 R. 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.

Section 32, 32 Additional Study Procedures For Network Integration ... (0.0.0) A

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

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

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

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

**32.3 System Impact Study 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) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

**32.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct

Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

**32.5 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.

**32.6 Clustering of Studies:** The Transmission Provider may cluster System Impact Studies and Facilities Studies if: (i) Eligible Customers request in writing that the studies in connection with their service requests be clustered, and (ii) the Transmission Provider determines that it can reasonably accommodate such clustering request and that clustering will facilitate the performance of studies and the design of upgrades or additions to the Transmission System necessary to accommodate the Eligible Customers' requests for service. If studies are



clustered then for purposes of deadlines for performance of studies and responses to the Eligible Customers, all of the service requests for which the studies are clustered shall be deemed to have been submitted when the last of such requests has been submitted.

System Impact Studies that are clustered shall be treated as a single System Impact Study for all purposes, and shall be performed pursuant to a single System Impact Study Agreement entered into among the Transmission Provider and the Eligible Customers that have submitted service requests that have been clustered. Unless otherwise agreed in such agreement, the cost for the completion of the System Impact Study shall be allocated among the Eligible Customers in equal shares. Facilities Studies that are clustered shall be treated as a single Facilities Study for all purposes, and shall be performed pursuant to a single Facilities Study Agreement entered into among the Transmission Provider and the Eligible Customers that have submitted service requests that have been clustered. Unless otherwise agreed in such agreement, the cost for the completion of the Facilities Study shall be allocated among the Eligible Customers in equal shares.

An Eligible Customer can opt out of a cluster only during the period of time after the completion of the applicable System Impact Study and before the applicable Facilities Study. In the event that an Eligible Customer opts out of a cluster, the costs of the System Impact Study shall be allocated pro rata among the original Eligible Customers in the cluster, and the costs associated with the Facilities Study will be allocated pro rata among the remaining Eligible Customers. The Eligible Customer that opted out of the cluster can elect to enter

the study queue by requesting a new individual study or as part of a new cluster.

Unless otherwise agreed, the Transmission Provider shall not be required to undertake any Transmission System upgrades or additions identified by a clustered Facilities Study unless all of the Eligible Customers for which the studies have been clustered execute Service Agreements, under which they are obligated to pay the costs of such upgrades or additions, and provide the required security.

Section 33, 33 Load Shedding and Curtailments (0.0.0) A

### **33 Load Shedding and Curtailments**

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

**33.2 Transmission Constraints:** During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by

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

**33.3 Cost Responsibility for Relieving Transmission Constraints:** Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

**33.4 Curtailments of Scheduled Deliveries:** If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.

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

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

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

**33.7 System Reliability:** Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice

as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

Section 34, 34 Rates and Charges (0.0.0) A

### **34 Rates and Charges**

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

**34.1 Monthly Demand Charge:** The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H. The Load Ratio Share shall be computed once each calendar year, using twelve consecutive months of actual data, compiled as indicated in Sections 34.2 and 34.3 below.

**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 FERC Order No. 888. However, the Transmission Provider must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

Section 35, 35 Operating Arrangements (0.0.0) A

## **35 Operating Arrangements**

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

**35.2 Network Operating Agreement:** The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be

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

Ancillary Services. The Network Operating Agreement is included in Attachment G.

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



**SCHEDULE 1****Scheduling, System Control and Dispatch Service**

This service is required to schedule the movement of power through, out of, within, or into the Transmission Provider's Transmission System. This service will be provided by the Transmission Provider together with the Northern Maine ISA. The Transmission Customer must purchase this service from the Transmission Provider and pay the applicable charge set forth in Attachment J, Exhibit 1a, Line 5. To the extent the Control Area operator or the Northern Maine ISA performs this service without the Transmission Provider incurring expenses recorded in Account No. 561, in whole or in part, for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider.

## **SCHEDULE 2**

### **Reactive Supply and Voltage Control from Generation or Other Sources Service**

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

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider unless it is provided by the Northern Maine ISA. The Transmission Customer must purchase this service from the Transmission Provider unless the service is provided by the Northern Maine ISA. To the extent the Control Area operator, the Northern Maine ISA, and/or some other entity performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass through of the costs charged to the Transmission Provider. Transmission Provider shall allocate to the Transmission Customers the passed through charges on a load ratio basis as specified in Attachment J, Exhibit 12.

## **SCHEDULE 3**

### **Regulation and Frequency Response Service (Load Following)**

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider or the Northern Maine ISA). The Transmission Provider must offer this service when the transmission service is used to serve load within its service area unless this service is provided by the Northern Maine ISA. The Transmission Customer must either purchase this service from the Transmission Provider or the Northern Maine ISA, whichever is applicable, or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area

operator or the Northern Maine ISA, and/or some other entity performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass through of the costs charged to the Transmission Provider.

**SCHEDULE 4****Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within the Transmission System over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Transmission System unless this service is to be provided by the Northern Maine ISA. The Transmission Customer must either purchase this service from the Transmission Provider or the Northern Maine ISA, whichever is applicable, or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator, the Northern Maine ISA, and/or some other entity performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both, unless the imbalances aggravate rather than offset each other.

## **SCHEDULE 5**

### **Operating Reserve - Spinning Reserve Service**

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

## **SCHEDULE 6**

### **Operating Reserve - Supplemental Reserve Service**

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

## SCHEDULE 7

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

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

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$[Attachment J, Exhibit 1a, Line 20, Column (b)] /KW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$[Attachment J, Exhibit 1a, Line 20, Column (c)] /KW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$[Attachment J, Exhibit 1a, Line 20, Column (d)] /KW of Reserved Capacity per week.
- 4) **Daily delivery:** \$[Attachment J, Exhibit 1a, Line 20, Column (e)] /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) **Opportunity Costs:** Where a Facility Study performed by Transmission Provider identifies capacity constraints that may produce Opportunity Costs in connection with the provision of Firm Point-to-Point Transmission Service, and Transmission Provider determines not to undertake a Network Upgrade to eliminate such constraints, the Transmission Customer shall be charged in addition to any charges for Direct Assignment Facilities and losses, as applicable, a rate that does not exceed the higher of:  
(a) the base charge for Transmission Service set forth above, or (b) Opportunity Costs determined in accordance with FERC rules and policies governing recovery of such costs



in effect at the time of execution of the Service Agreement.

Any Opportunity Costs charged to a Transmission Customer will be subject to a cap equal to the projected costs of Network Upgrade that otherwise would have been required to alleviate the capacity constraints that give rise to the Opportunity Costs. Transmission Provider shall have the right to request the FERC eliminate or modify the cap for specific transactions provided that Transmission Provider shows extraordinary circumstances warranting waiver of or modification of the cap. The Service Agreement shall include an estimate of such Opportunity Costs and an explanation of how they were estimated. The Methodology for deriving Opportunity Costs is set forth in Attachment K.

- 6) **Direct Assignment Costs:** Where a Facility Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Transmission Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule. Losses on Direct Assignment Facilities shall be the responsibility of the Transmission Customer.
- 7) **Network Upgrades:** Where a Facility Study identifies the need for Network Upgrade to relieve a capacity constraint and Transmission Provider undertakes such Network Upgrades, in addition to any charges for Direct Assignment Facilities and losses, as applicable, the Transmission Customer shall be required to pay the higher of the following two charges:
  - a) The base charge for Transmission Service set forth in this Schedule, modified to include the cost of required Network Upgrades on a rolled-in basis; or
  - b) A charge based on the incremental cost of any Network Upgrade that would not

have been needed but for the Service requested by the Transmission Customer. Such incremental cost charge shall be based upon the Transmission Customer's appropriate share of the cost of such Network Upgrades up to one hundred percent of such cost.

If the requested Firm Point-to-Point Service requires use of Network Upgrades previously determined to have been necessary to provide Transmission Service for another Transmission Customer and if the costs of such Network Upgrades already are reflected in the rate for Transmission Service paid by such other Customer and are not reflected in the base rate for Firm Transmission Service, the subsequent Transmission Customer receiving Transmission Service shall pay a contribution to cover a portion of the cost of such Network Upgrades. The amount of the contribution shall be based on the subsequent Transmission Customer's pro-rata use of the Network Upgrades, as determined by FERC, and on the period of time over which the use occurs. The rate of the Transmission Customer(s) for whom the Network Upgrades originally were made shall be reduced by an amount equivalent to the contribution(s) made by other Transmission Customers pursuant to this section.

- 8) **Local Distribution System:** Any Customer requiring transmission over facilities not included in the base transmission charge (i.e. facilities below 34.5 kV) shall pay a separate charge for service over these facilities. These charges shall be pursuant to Maine Public Utilities Commission rates, where applicable, and specified in a Service Agreement filed with the Commission.
- 9) **Taxes:** There shall be added to any amount calculated pursuant to any of the foregoing

provisions of this Tariff an amount in dollars sufficient to reimburse Transmission Provider for any amounts paid or payable by them as sales, excise or similar taxes in respect of the total amount payable to Transmission Provider pursuant to this Tariff, in order to allow Transmission Provider, after provision for such taxes, to realize the net amount payable to them under this Tariff. The amount of these taxes shall be detailed in the Service Agreement. If the taxes or tax rates change, then Transmission Provider shall have the right to revise the Service Agreement and file it with FERC to reflect any such changes.

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

- 1) **Monthly delivery:** \$[Attachment J, Exhibit 1a, Line 25, Column (c)] /KW of Reserved Capacity per month.
- 2) **Weekly delivery:** \$[Attachment J, Exhibit 1a, Line 25, Column (d)] /KW of Reserved Capacity per week.
- 3) **Daily delivery:** \$[Attachment J, Exhibit 1a, Line 25, Column (e)] /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 \$ [Attachment J, Exhibit 1a, Line 25, Column (f)] /KWH. 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) **Opportunity Costs:** Where a Facility Study performed by Transmission Provider identifies capacity constraints that may produce Opportunity Costs in connection with the

provision of Firm Point-to-Point Transmission Service, and Transmission Provider determines not to undertake a Network Upgrade to eliminate such constraints, the Transmission Customer shall be charged in addition to any charges for Direct Assignment Facilities and losses, as applicable, a rate that does not exceed the higher of: (a) the base charge for Transmission Service set forth above, or (b) Opportunity Costs determined in accordance with FERC rules and policies governing recovery of such costs in effect at the time of execution of the Service Agreement.

Any Opportunity Costs charged to a Transmission Customer will be subject to a cap equal to the projected costs of Network Upgrades that otherwise would have been required to alleviate the capacity constraints that give rise to the Opportunity Costs. Transmission Provider shall have the right to request the FERC eliminate or modify the cap for specific transactions provided that Transmission Provider shows extraordinary circumstances warranting waiver of or modification of the cap. The Service Agreement shall include an estimate of such Opportunity Costs and an explanation of how they were estimated. The Methodology for deriving Opportunity Costs is set forth in Attachment K.

- 6) **Direct Assignment Costs:** Where a Facility Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Transmission Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule. Losses on Direct Assignment Facilities shall be the responsibility of the Transmission Customer.
- 7) **Network Upgrades:** Where a Facility Study identifies the need for Network Upgrades to relieve a capacity constraint and Transmission Provider undertakes such Network

Upgrades, in addition to any charges for Direct Assignment Facilities and losses, as applicable, the Transmission Customer shall be required to pay the higher of the following two charges:

- a) The base charge for Transmission Service set forth in this Schedule, modified to include the cost of required Network Upgrades on a rolled-in basis; or
- b) A charge based on the incremental cost of any Network Upgrade that would not have been needed but for the Service requested by the Transmission Customer. Such incremental cost charge shall be based upon the Transmission Customer's appropriate share of the cost of such Network Upgrades up to one hundred percent of such cost.

If the requested Firm Point-to-Point Service requires use of Network Upgrades previously determined to have been necessary to provide Transmission Service for another Transmission Customer and if the costs of such Network Upgrades already are reflected in the rate for Transmission Service paid by such other Customer and are not reflected in the base rate for Firm Transmission Service, the subsequent Transmission Customer receiving Transmission Service shall pay a contribution to cover a portion of the cost of such Network Upgrades. The amount of the contribution shall be based on the subsequent Transmission Customer's pro-rata use of the Network Upgrades, as determined by FERC, and on the period of time over which the use occurs. The rate of the Transmission Customer(s) for whom the Network Upgrades originally were made shall be reduced by an amount equivalent to the contributions(s) made by other Transmission Customers pursuant to this section.

- 8) **Local Distribution System:** Any Customer requiring transmission over facilities not included in the base transmission charge (i.e. facilities below 34.5 kV) shall pay a separate charge for service over these facilities. These charges shall be pursuant to Maine Public Utilities Commission rates, where applicable, and specified in a Service Agreement filed with the Commission.
- 9) **Taxes:** There shall be added to any amount calculated pursuant to any of the foregoing provisions of this Tariff an amount in dollars sufficient to reimburse Transmission Provider for any amounts paid or payable by them as sales, excise or similar taxes in respect of the total amount payable to Transmission Provider pursuant to this Tariff, in order to allow Transmission Provider, after provision for such taxes, to realize the net amount payable to them under this Tariff. The amount of these taxes shall be detailed in the Service Agreement. If the taxes or tax rates change, then Transmission Provider shall have the right to revise the Service Agreement and file it with FERC to reflect any such changes.
- 10) [Reserved].
- 11) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service

rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

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



**SCHEDULE 9****Generator Imbalance Service**

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Transmission System and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Transmission System over a single hour. The Transmission Provider must offer this service, to the extent physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Transmission System unless this service is to be provided by the Northern Maine ISA. The Transmission Customer must either purchase this service from the Transmission Provider of the Northern Maine ISA, whichever is applicable, or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator, the Northern Maine ISA, and/or some other entity performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same imbalance hour, but not both unless the imbalances aggravate rather than offset each other.

## SCHEDULE 10

### Retail Firm Point-To-Point Transmission Service

The rates, terms and conditions of Retail Firm Point-To-Point Transmission Service shall be as stated in Parts I and II of the Tariff for Firm Point-To-Point Transmission Service, except as stated below. In the event that there are differences between this Schedule 10 and the Tariff, this Schedule 10 shall control in all cases.

A. The rates for Retail Firm Point-To-Point Transmission Service are as follows:

- 1) **Yearly delivery:** See Attachment J, Exhibit 1b.
- 2) **Monthly delivery:** See Attachment J, Exhibit 1b.
- 3) **Weekly delivery:** See Attachment J, Exhibit 1b.
- 4) **Daily delivery:** See Attachment J, Exhibit 1b.

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) **Opportunity Costs:** Where a Facility Study performed by Transmission Provider identifies capacity constraints that may produce Opportunity Costs in connection with the provision of Retail Firm Point-to-Point Transmission Service, and Transmission Provider determines not to undertake a Network Upgrade to eliminate such constraints, the Transmission Customer shall be charged in addition to any charges for Direct Assignment Facilities and losses, as applicable, a rate that does not exceed the higher of:  
(a) the base charge for Transmission Service set forth above, or (b) Opportunity Costs determined in accordance with FERC rules and policies governing recovery of such costs in effect at the time of execution of the Service Agreement.

Any Opportunity Costs charged to a Transmission Customer will be subject to a cap equal to the projected costs of Network Upgrade that otherwise would have been required to alleviate the capacity constraints that give rise to the Opportunity Costs. Transmission Provider shall have the right to request the FERC eliminate or modify the cap for specific transactions provided that Transmission Provider shows extraordinary circumstances warranting waiver of or modification of the cap. The Service Agreement shall include an estimate of such Opportunity Costs and an explanation of how they were estimated. The Methodology for deriving Opportunity Costs is set forth in Attachment K.

6) **Direct Assignment Costs:** Where a Facility Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Transmission Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule. Losses on Direct Assignment Facilities shall be the responsibility of the Transmission Customer.

7) **Network Upgrades:** Where a Facility Study identifies the need for Network Upgrades to relieve a capacity constraint and Transmission Provider undertakes such Network Upgrades, in addition to any charges for Direct Assignment Facilities and losses, as applicable, the Transmission Customer shall be required to pay the higher of the following two charges:

- a) the base charge for Transmission Service set forth in this schedule, modified to include the cost of required Network Upgrades on a rolled-in basis; or
- b) a charge based on the incremental cost of any Network Upgrades that would not have been needed for the Service requested by the Transmission

Customer. Such incremental cost charge shall be based upon the Transmission Customer's appropriate share of the cost of such Network Upgrade up to one hundred percent of such cost.

If the requested Retail Firm Point-to-Point Service requires use of Network Upgrades previously determined to have been necessary to provide Transmission Service for another Transmission Customer and if the costs of such Network Upgrades already are reflected in the rate for Transmission Service paid by such other Customer and are not reflected in the base rate for Retail Firm Transmission Service, the subsequent Transmission Customer receiving Transmission Service shall pay a contribution to cover a portion of the cost of such Network Upgrades. The amount of the contribution shall be based on the subsequent Transmission Customer's pro-rata use of the Network Upgrades, as determined by FERC, and in the period of time over which the use occurs. The rate of the Transmission Customer(s) for whom the Network Upgrades originally were made shall be reduced by an amount equivalent to the contribution(s) made by other Transmission Customers pursuant to this section.

**8) Local Distribution Costs:** Any customer requiring transmission over facilities not included in the base transmission charge shall pay a separate charge for service over those facilities. These charges shall be pursuant to Maine Public Utilities Commission rates, where applicable, and specified in a service agreement filed with the Commission.

**9) Taxes:** There shall be added to any amount calculated pursuant to any of the foregoing provisions of this Tariff an amount in dollars sufficient to reimburse Transmission Provider for any amounts paid or payable by them as sales, excise, or similar taxes in respect of the total amount payable to Transmission Provider pursuant to

this Tariff, in order to allow Transmission Provider, after provision for such taxes, to realize the net amount payable to them under this Tariff. The amount of these taxes shall be detailed in the Service Agreement. If the taxes or tax rates change, then Transmission Provider shall have the right to revise the Service Agreement and file it with FERC to reflect any such changes.

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

- B. The following sections of the Tariff are modified for a Transmission Customer taking Retail Firm Point-To-Point Transmission Service pursuant to Schedule 10 and under a Service Agreement for Retail Firm Point-To-Point Transmission Service.
- a. Section 2.2: The reservation priority for existing firm service customers section is modified to change the first sentence to the following: Existing firm service customers (wholesale requirements and transmission only with a contract term of one-year or more, and retail customers, irrespective of term) have the right to continue to take transmission service from the Transmission Provider when the

contract expires, rolls over or is renewed.

- b. Section 7: The billing, payment, and default section of the Tariff is applicable to a Designated Agent taking transmission service on behalf of its retail customers and any retail customer taking service directly from the Transmission Provider. If the Transmission Customer is a Designated Agent, the Transmission Provider shall bill directly and receive payment from the Designated Agent's retail customers for applicable transmission and ancillary charges unless other mutually agreeable provisions for payment are made. For the direct billing of retail customers taking transmission service through a Designated Agent, the billing, payment, and default provisions shall be pursuant to Transmission Provider's retail Terms and Conditions.
- c. Section 13.4: The service agreements section is modified to add the following: If the Eligible Customer submits a Completed Application for Retail Firm Point-To-Point Transmission for service to retail load, the Transmission Provider shall offer a standard form Retail Firm Point-To-Point Transmission Service Agreement (Attachment L) or Retail Non-Firm Point-To-Point Transmission Service Agreement (Attachment M), as applicable, to Eligible Customer.

## SCHEDULE 11

### Retail Non-Firm Point-To-Point Transmission Service

The rates, terms and conditions of Retail Non-Firm Point-To-Point Transmission Service shall be as stated in Parts I and II of the Tariff for Non-Firm Point-To-Point Transmission Service, except as stated below. In the event that there are differences between this Schedule 11 and the Tariff, this Schedule 11 shall control in all cases.

A. The rates for Retail Non-Firm Point-To-Point Transmission Service are as follows:

- 1) **Monthly delivery:** See Attachment J, Exhibit 1b.
- 2) **Weekly delivery:** See Attachment J, Exhibit 1b.
- 3) **Daily delivery:** See Attachment J, Exhibit 1b.

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 [Attachment J, Exhibit 1b]. 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) **Opportunity Costs:** Where a Facility Study performed by Transmission Provider

identifies capacity constraints that may produce Opportunity Costs in connection with the provision of Retail Non-Firm Point-to-Point Transmission Service, and Transmission Provider determines not to undertake a Network Upgrade to eliminate such constraints, the Transmission Customer shall be charged in addition to any charges for Direct Assignment Facilities and losses, as applicable, a rate that does not exceed the higher of: (a) the base charge for Transmission Service set forth above, or (b) Opportunity Costs determined in accordance with FERC rules and policies governing recovery of such costs in effect at the time of execution of the Service Agreement.

Any Opportunity Costs charged to a Transmission Customer will be subject to a cap equal to the projected costs of Network Upgrades that otherwise would have been required to alleviate the capacity constraints that give rise to the Opportunity Costs. Transmission Provider shall have the right to request the FERC eliminate or modify the cap for specific transactions provided that Transmission Provider shows extraordinary circumstances warranting waiver of or modification of the cap. The Service Agreement shall include an estimate of such Opportunity Costs and an explanation of how they were estimated. The Methodology for deriving Opportunity Costs is set forth in Attachment K.

**6) Direct Assignment Costs:** Where a Facility Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Transmission Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule. Losses on Direct Assignment Facilities shall be the responsibility of the Transmission Customer.

**7) Network Upgrades:** Where a Facility Study identifies the need for Network



Upgrades to relieve a capacity constraint and Transmission Provider undertakes such Network Upgrades, in addition to any charges for Direct Assignment Facilities and losses, as applicable, the Transmission Customer shall be required to pay the higher of the following two charges:

- a) the base charge for Transmission Service set forth in this Schedule, modified to include the cost of required Network Upgrades on a rolled-in basis; or
- b) a charge based on the incremental cost of any Network Upgrades that would not have been needed but for the Service requested by the Transmission Customer. Such incremental cost charge shall be based upon the Transmission Customer's appropriate share of the cost of such Network Upgrade up to one hundred percent of such cost.

If the requested Retail Non-Firm Point-to-Point Service requires use of Network Upgrades previously determined to have been necessary to provide Transmission Service for another Transmission Customer and if the costs of such Network Upgrades already are reflected in the rate for Transmission Service paid by such other Customer and are not reflected in the base rate for Retail Non-Firm Transmission Service, the subsequent Transmission Customer receiving Transmission Service shall pay a contribution to cover a portion of the cost of such Network Upgrades. The amount of the contribution shall be based on the subsequent Transmission Customer's pro-rata use of the Network Upgrades, as determined by FERC, and in the period of time over which the use occurs. The rate of the Transmission Customer(s) for whom the Network Upgrades originally were made shall be reduced by an amount equivalent to the contribution(s) made by other

Transmission Customers pursuant to this section.

**8) Local Distribution Costs:** Any Customer requiring transmission over facilities not included in the base transmission charge shall pay a separate charge for service over those facilities. These charges shall be pursuant to Maine Public Utilities Commission rates, where applicable, and specified in a service agreement filed with the Commission.

**9) Taxes:** There shall be added to any amount calculated pursuant to any of the foregoing provisions of this Tariff an amount in dollars sufficient to reimburse Transmission Provider for any amounts paid or payable by them as sales, excise or similar taxes in respect of the total amount payable to Transmission Provider pursuant to this Tariff, in order to allow Transmission Provider, after provision for such taxes, to realize the net amount payable to them under this Tariff. The amount of these taxes shall be detailed in the Service Agreement. If the taxes or tax rates change, then Transmission Provider shall have the right to revise the Service Agreement and file it with FERC to reflect any such changes.

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

paths that go to the same point(s) of delivery on the Transmission System.

B. The following sections of the Tariff are modified for a Transmission Customer taking Retail Non-Firm Point-To-Point Transmission Service pursuant to Schedule 11 and under a Service Agreement for Retail Non-Firm Point-To-Point Transmission Service.

a. Section 2.2: The reservation priority for existing firm service customers section is modified to change the first sentence to the following: Existing firm service customers (wholesale requirements and transmission only with a contract term of one-year or more, and retail customers, irrespective of term) have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed.

b. Section 7: The billing, payment, and default section of the Tariff is applicable to a Designated Agent taking transmission service on behalf of its retail customers and any retail customer taking service directly from the Transmission Provider. If the Transmission Customer is a Designated Agent, the Transmission Provider shall bill directly and receive payment from the Designated Agent's retail customers for applicable transmission and ancillary charges unless other mutually agreeable provisions for payment are made.

For the direct billing of retail customers taking transmission service through a Designated Agent, the billing, payment, and default provisions shall be pursuant to Transmission Provider's retail Terms and Conditions.

c. Section 14.4: The service agreements section is modified to add the following. If the Eligible Customer submits a Completed Application for Retail Non-Firm Point-To-Point Transmission for service to retail load, the Transmission Provider

shall offer a standard form Retail Non-Firm Point-To-Point Transmission Service Agreement (Attachment M) to Eligible Customer.

## **SCHEDULE 12**

### **Retail Network Integration Transmission Service**

The rates, terms and conditions of Retail Network Integration Transmission Service shall be as stated in Parts I and III of the Tariff, for Network Integration Transmission Service, except as stated below. In the event that there are differences between this Schedule 12 and the Tariff, this Schedule 12 shall control in all cases.

- A. The rate for Monthly Retail Network Integration Transmission Service shall be determined in accordance with the formula in Attachment J, Exhibit 1b.
- B. The following sections of the Tariff are modified for a Transmission Customer taking Retail Network Integration Transmission Service pursuant to this Schedule 12 and under a Service Agreement for Retail Network Integration Transmission Service.
  - a. Section 2.2: The reservation priority for existing firm service customers section is modified to change the first sentence to the following: Existing firm service customers (wholesale requirements and transmission only with a contract term of one-year or more, and retail customers, irrespective of term) have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed.
  - b. Section 7: The billing, payment, and default section of the Tariff is applicable to a Designated Agent taking transmission service on behalf of its retail customers and any retail customer taking service directly from the Transmission Provider. If the Transmission Customer is a Designated Agent, the Transmission Provider shall bill directly and receive payment from the Designated Agent's retail

customers for applicable transmission and ancillary charges unless other mutually agreeable provisions for payment are made. For the direct billing of retail customers taking transmission service through a Designated Agent, the billing, payment, and default provisions shall be pursuant to Transmission Provider's retail Terms and Conditions.

- c. Section 29.1: The condition precedent for receiving service section is modified to add the following provision: Unless retail Transmission Customers elect otherwise as provided in this Tariff, retail Transmission Customers shall take service from the Transmission Provider as their Designated Agent pursuant to an Umbrella Service Agreement for Retail Network Integration Transmission Service pursuant to Attachment N; these retail Transmission Customers are not required to execute the service agreement which will be filed with FERC. Such retail Transmission Customers shall be obligated to comply with the applicable terms and conditions of the Tariff including paying for service notwithstanding the absence of a customer signature on a Service Agreement. If a retail Transmission Customer elects to take Retail Network Integration Transmission Service directly from the Transmission Provider or through a Designated Agent other than the Transmission Provider, the Eligible Customer shall execute a Service Agreement for Retail Network Integration Transmission Service pursuant to Attachment N for service under Part III of the Tariff or request in writing that the Transmission Provider file a proposed unexecuted Service Agreement for Retail Network Integration Transmission Service with the Commission and the Eligible Customer shall execute a Network Operating Agreement for Retail Network Integration

Transmission Service with the Transmission Provider pursuant to Attachment O. The following additional requirement applies to a retail Transmission Customer that takes at least 500 KW of transmission service in any one hour in the calendar year from the Transmission Provider and takes Retail Network Integration Transmission Service from the Transmission Provider as its Designated Agent: it shall execute a Service Agreement for Retail Network Integration Transmission Service pursuant to Attachment N for service under Part III of the Tariff or request in writing that the Transmission Provider file a proposed unexecuted Service Agreement for Retail Network Integration Transmission Service with the Commission, if the Transmission Provider must construct either Direct Assignment Facilities or Network Upgrades in order to provide Transmission Service to the retail Transmission Customer.

- d. Sections 29.2, 29.3, 29.4: A retail Transmission Customer taking Retail Network Integration Transmission Service from the Transmission Provider as its Designated Agent shall not be required to satisfy the application procedures and technical arrangements in sections 29.2, 29.3 and 29.4, except that a retail Transmission Customer that takes at least 500 KW of transmission service in any one hour in the calendar year from the Transmission Provider and takes Retail Network Integration Transmission Service from the Transmission Provider as its Designated Agent shall be required to comply with sections 29.3 and 29.4 to the extent the Transmission Provider deems it necessary to provide service.
- e. Section 29.2(vii): The minimum term application procedures section is modified, to change the last sentence to the following: The minimum term for Network

Integration Transmission Service is one year, except that for service provided with respect to a state required retail access program, the minimum term is the Transmission Provider's typical monthly billing cycle for retail customers taking Retail Network Integration Transmission Service directly from the Transmission Provider as its Designated Agent that are not required to execute a Service Agreement for Retail Network Integration Transmission Service or provide notice that an unexecuted Service Agreement for Retail Network Integration Transmission Service should be filed.

- f. Section 31: The designation of network load sections are modified to allow load distribution profiles of customer classes to be used for determining retail customer peak loads.
- g. Sections 34.1 through 34.3: The sections are superseded by the charges set out in this Schedule 12.
- h. Section 35: The operating arrangements sections are not applicable for a retail Transmission Customer that takes Retail Network Integration Transmission Service from the Transmission Provider as its Designated Agent. The operating arrangements for a Transmission Customer taking Retail Network Integration Transmission Service directly from the Transmission Provider, or through a Designated Agent other than the Transmission Provider shall be set forth in the Operating Agreement for Retail Network Integration Transmission Service entered into between the Transmission Customer and Transmission Provider.



**SCHEDULE 13**

**CANCELED**

**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 \_\_\_\_\_ (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 parties.
- 5.0 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 Part 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.

Transmission Provider:

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

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.

Transmission Provider:

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):

\_\_\_\_\_

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

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**ATTACHMENT A-1**

**Form Of Service Agreement For The Resale, Reassignment Or Transfer Of Point-To-Point**

**Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between \_\_\_\_\_ (the Transmission Provider), and \_\_\_\_\_ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

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

Assignee:

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

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.

Transmission Provider:

By: _____	_____	_____
Name	Title	Date

Assignee:

By: _____	_____	_____
Name	Title	Date

Specifications For The Resale, Reassignment Or Transfer of  
Long-Term Firm Point-To-Point Transmission Service

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 \_\_\_\_\_ (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 Part 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.

Transmission Provider:

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

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.

Transmission Provider:

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

Name

Title

Date

Transmission Customer:

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

Name

Title

Date

## **ATTACHMENT C**

### **Methodology To Assess Available Transfer Capability**

Transmission Provider will assess its available transfer capability (ATC) to determine if sufficient capability exists to accommodate firm transmission service in accordance with Sections 15, 19, and 32 of the Tariff to the extent the Northern Maine ISA does not do so pursuant to the Northern Maine ISA Tariff.

The available transfer capability will be assessed considering Transmission Provider's existing and projected native load requirements, existing firm transactions, existing non-firm transaction, and all other requests for firm transmission service on a priority basis as per Sections 13.2 and 29.2 of the Tariff. Transmission Provider uses a contract path methodology for assessing available transfer capability for the Transmission System.

The Transmission Provider's assessment of available transfer capability involves calculating, using Transmission Reliability Margins (TRM), Existing Transmission Commitments (ETC), Capacity Benefit Margin (CBM), and Total Transfer Capability (TTC) of the interface between the Transmission System and New Brunswick Power Corporation (NBP) and specific path availabilities when they are requested by potential transmission customers. Pursuant to the North American Electric Reliability Corporation (NERC) definition of ATC, ATC is the measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above previously committed uses.

The assessment of available transmission capability uses the basic NERC transfer capability measures.

Additionally, the assessment will comply with acceptable adjacent operating system standards (NBP) and utilize the Northeast Power Coordinating Council (NPCC) criteria and

guidelines. The assessment of available transfer capability will be performed using system models and load flow analysis.

**(1) Detailed Description of Calculation of Firm and Non-Firm ATC for the Scheduling Horizon (same day and real-time), Operating Horizon (day ahead and pre-schedule), and Planning Horizon (beyond the operating horizon).**

Generally, mathematically, ATC is calculated as follows:

$$ATC = TTC - TRM - (ETC + CBM)$$

ATC is the Available Transfer Capability

TTC is the Total Transfer Capability

TRM is the Transmission Reliability Margin

ETC is the Existing Transmission Commitments (which includes retail customer service)

CBM is the Capacity Benefit Margin

The detailed description of the determination of each of the components (TTC, TRM, ETC, and CBM) is described in section (3) below.

The actual mathematical algorithms used in the daily ATC calculation can be viewed on Transmission Provider's internet website at:

<http://www.emeramaine.com/media/33567/ATC-Mathematic-Algorithm.pdf>

**Scheduling, Operating, and Planning Horizon Calculations**

**ATC-in:** ATC-in is calculated using the general formula to calculate ATC ( $ATC = TTC - TRM - (ETC + CBM)$ ). Because all internal load is Network Load served by Network Resources, and there is no point-to-point load using the OASIS reservation system to make hourly, daily, weekly, monthly, or yearly reservations, real-time calculation of ATC is not necessary for economic transactions in the Northern Maine Market. Transmission Provider will revise and post daily ATC-in calculations based on Northern Maine ISA forecasted inflows into Northern Maine which are the deemed network reservations in support of Network Load.

**ATC-out:** ATC-out is calculated using the general formula to calculate ATC ( $ATC = TTC - TRM - (ETC + CBM)$ ). Export generation reserves a combination of firm and non-firm point-to-point transmission. Transmission Provider will revise and post daily current reservations and ATC-out calculations based on the current reservations and the Northern Maine ISA schedules.

### **Firm ATC Calculation**

The firm ATC value for a given interface, in a specified direction, is calculated as follows and is updated on a daily basis. The same equation is used for the scheduling, operating, and planning horizons.

1. The amount of total firm transmission reservations (including both posted point-to-point and deemed network reservations in support of Network Load) is calculated from a list of all firm transmission reservations on the given interface. This amount is equal to the total firm existing transmission commitments (ETC).
2. The TTC value for the interface is determined taking into consideration load flows and generation dispatch.
3. The TRM and CBM values are determined for the interface.
4. Firm ATC = TTC - TRM - CBM - Total Firm Transmission Reservations (all of the terms of the Firm ATC equation are directional).

### **Non-Firm ATC Calculation**

The non-firm ATC value for a given interface, in a specified direction, is calculated as follows and is updated on a daily basis. The same equation is used for the scheduling, operating and planning horizons.

1. The amount of total firm transmission reservations (including both posted point-to-point and deemed network reservations in support of Network Load) is calculated from a list of all firm transmission reservations on the given interface.
2. The amount of total non-firm transmission reservation on a given interface is calculated from a list of all non-firm transmission reservations on the given interface. The amount of the total non-firm and firm transmission reservations is the ETC.
2. The TTC value for the interface is determined taking into consideration load flows and generation dispatch.
3. The TRM and CBM values are determined for the interface. For the Non-Firm ATC, the TRM is set at zero.
4. Non-Firm ATC = TTC - TRM - CBM - ETC (the Total Firm and Non-Firm Transmission Reservations) (all of the terms of the Firm ATC equation are directional).

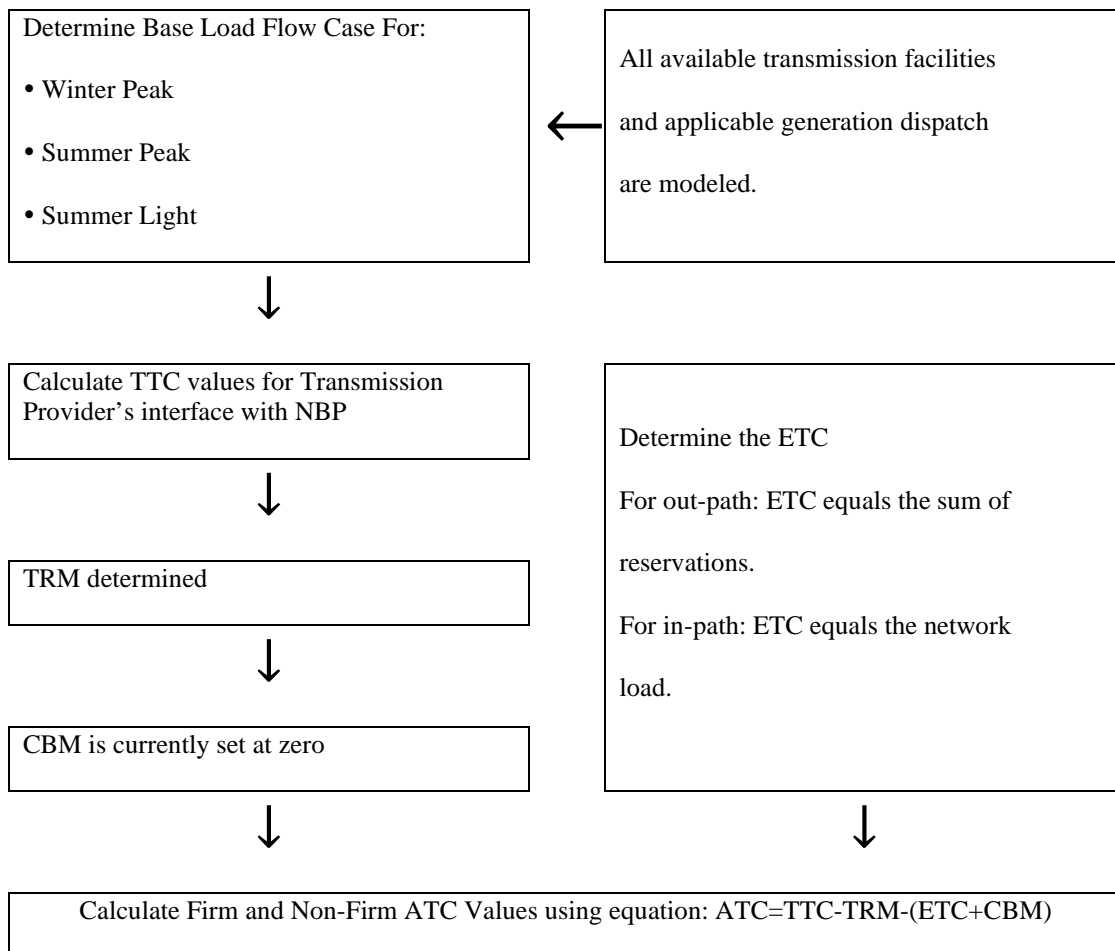
### **Coordination of ATC Calculation with Neighboring Systems**

NBP is the only adjacent system to the Transmission System. Transmission Provider and NBP calculate the ATC on their respective sides of the international border. ATC

calculations on the Transmission Provider-side of the border and the NBP side of the border do not match. The NBP calculation is more constrained, and therefore is the limiting factor at present.

**(2) Process Flow Diagram Illustrating the Various Steps Through Which ATC is Calculated:**

The diagram below describes the steps Transmission Provider uses to calculate ATC for the Transmission System.



**(3) Detailed Explanation of Calculation of ATC Components for Both the Operating and Planning Horizons**

The calculations for TTC and ETC are the same for both the operating and planning horizons.

**(a) TTC**

- (i) **Definition.** TTC is the total transmission capability at the Transmission System boundary with NBP before consideration of reliability margins and existing load.
- (ii) **Methodology.** A TTC study, at a minimum, will be conducted annually. Additional calculations may be made to the extent there are material changes to the Transmission System within the year.

TTC for the import direction will be conducted for the winter peak load, low dispatch condition and the summer peak load, low dispatch condition.

TTC for the export direction will be based on a spring light load, high dispatch condition.

Based on load flow and stability studies, normal and first contingency scenarios are analyzed to determine the TTC of the interface. A combination of steady state power flow and dynamic stability studies will be conducted. Thermal limits and voltage violations will be checked in the power flow runs while stability limits will be tested in the stability runs. TTCs will be based on the minimum of thermal, voltage or stability limits:

***Thermal Limit:*** This is based on the most restrictive element in the transfer path (including internal Transmission System transmission) under normal and first contingency scenarios. Normal thermal ratings are used under non-contingency scenarios. Emergency ratings are used for single contingency scenarios.

***Voltage Limit:*** Voltage constraints of the network will be kept in the range from 0.95 to 1.05 per unit.

***Stability Limit:*** This limit is reached when further increase of a particular TTC results in system instability.

- (iii) **Databases used in TTC assessments.** There are three databases used in the TTC assessments: (i) Transmission Line Constants; (ii) Generator models; and (iii) Thermal limits.
- (iv) **Assumptions regarding load levels, generation dispatch, and modeling of planned and contingency outages.**

*Assumptions for load levels and generation dispatch*

The TTC-in of the Transmission System/NBP interface, for a given load case (winter peak or summer peak), is found by incrementally reducing the in-region generation dispatch until either voltage or thermal violations occur in the applicable power flow analysis. The import flow immediately prior to the point at which violations occur determines the



TTC-in of the interface. A stability run is then made to test the TTC for stability.

The TTC-out of the interface, for the spring light load case, is determined in a similar fashion. In this case, the TTC-out is found by increasing the in-region generation dispatch until either voltage or thermal violations occur. The export flow immediately prior to the point at which violations occur determine the TTC-out of the interface.

A stability run is then made to test the TTC for stability.

Assumptions for contingency outages

Assumptions relating to the modeling of contingency outages are as follows: Various single contingency (N-1) conditions: Line 3855, the 138 kV line connecting the Transmission Provider's Flo's Inn substation to the NBP Beechwood substation represents the largest and most restrictive contingency on the Transmission System and consequently an outage of this line typically establishes the N-1 conditions that sets the TTC in both the import and export directions. However, various other single contingency cases also will be examined to test for more limiting transfer conditions.

Although the loss of the Flo's Inn bus or Line 3855 represents the largest contingency on the Transmission System, the loss of other line elements and equipment and the resulting TTC levels are also tested in the contingency analysis.

**(b) ETC**

- (i) Definition.** ETC is the amount of all Network Load and current reservations for Firm and Non-Firm Point-To-Point Transmission Service.
- (ii) Calculation methodology for determining the transmission capacity to be set aside for native load (including network load) and non-OATT customers.** The transmission capacity to be set aside for native load in the In direction is equal to the Northern Maine ISA forecasted inflows into Northern Maine, which are the deemed network reservations in support of native load. All native load is Network Load. Transmission Provider does not have any non-OATT customers for use of the Transmission System.
- (iii) Incorporation of Point-to-Point Transmission Service Requests.** Because of the radial nature of the Transmission System's connection with NBP, Point-To-Point Transmission Service requests only occur for service out of the Transmission System. The requests that result in reservations are included in the ETC calculation. Point-To-Point Transmission Service requests are only used in the ATC-out calculation. ATC-in

calculations only include Network Load.

- (iv) **Accounting for Rollover Rights.** A reservation subject to a potential rollover right shall be included in the amount of transmission service reserved as if the customer has exercised its rollover right. If the deadline for a customer to exercise its rollover right for a given reservation has passed, and the customer did not exercise its roll over right, the amount associated with the unexercised roll-over right shall no longer be included in the amount of reservations.
- (v) **Process for ensuring that non-firm capacity is released properly.** Transmission Provider reviews the daily reservations and Northern Maine ISA schedules in determining ETC in its calculation of ATC-out. As part of this review, non-firm capacity is automatically released when there is insufficient capacity available for a firm reservation.

(c) **TRM**

- (i) **Definition.** TRM is the transmission reliability margin, which includes uncertainties in system topology.
- (ii) **TRM calculation methodology.** TRM values are determined per guidelines in the NPCC C-44 document. Because the Transmission System is radial to the NBP system and because ATC is only calculated at the NBP interface, the calculation of TRM and TTC is not highly sensitive to system conditions.

Therefore, the TRMs for the Transmission System interface with NBP are usually determined on the basis of maintaining adequate operating margin per agreement with NBP on the common interface in order to arrive at TRM values that produce commercially viable and reliable ATCs. Nevertheless, Transmission Provider will evaluate the uncertainty of system conditions on TRM and TTC.

For Non-firm ATC, Transmission Provider assigns TRM a zero value.

- (iii) **Databases used in TRM assessments.** The databases used in the TTC assessments may be used in the TRM assessments.
- (iv) **Conditions under which Transmission Provider uses TRM.** The TRM set-aside may be for operating reserve actions.

(d) **CBM**

- (i) **Narrative explanation of CBM practice.** Transmission Provider's practice for the Transmission System is to not set aside transfer capability for CBM. Transmission Provider assigns a zero value for CBM for the purposes of calculating ATC for the Transmission System. The value of

the CBM component will be re-evaluated if the capacity planning methods for the Transmission System and the Northern Maine ISA change in the future.

- (ii) **Definition.** CBM is defined as zero for purposes of ATC calculations.
- (iii) **Databases used in the Transmission Provider CBM calculation.** There are no databases used in the CBM calculation.
- (iv) **No double-counting of contingency outages in CBM, TTC, and TRM calculations.** The calculations of CBM and TRM do not include contingency outages. Therefore, there is no double-counting of contingency outages that are used in the calculation of TTC.
- (v) **CBM during emergencies.** Transmission Provider's practice for the Transmission System is to not set aside transfer capability for CBM. Because Transmission Provider sets CBM at zero for purposes of calculating ATC for the Transmission System, there is no use of CBM during emergencies.

## **ATTACHMENT D**

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

The Company will respond to executed System Impact Study Agreement as per time outlined in 19.3 and 32.1 of the Tariff. The Company System Impact Study shall identify any system constraints and redispatch options, additional required Direct Assignment facilities, or network upgrades to provide the requested service.

The transmission capability will be calculated in accordance with both the NERC definitions for “First Contingency Incremental Transfer Capability” and “First Contingency Total Transfer Capability.”

**First Contingency Incremental Transfer Capability (FCITC)** -is the amount of electric power, incremental above normal base power transfers, that can be transferred over the interconnected transmission system in a reliable manner based on all of the following conditions:

1. For the existing or planned system configuration, and with normal (pre-contingency) operating procedures in effect, all facility loadings are within normal ratings and all voltages are within normal limits,
2. The electric systems are capable of absorbing the dynamic power swings, and remaining stable, following a disturbance that results in the loss of any single electric system element, such as a transmission line, transformer, or generating unit, and
3. After the dynamic power swings subside following a disturbance that results in the loss of any single electric system element as described in 2 above, and after the operation of any automatic operating systems, but before any post-contingency operator-initiated system adjustments are implemented, all transmission facility loadings are within emergency ratings and all voltages are within emergency limits.

With reference to condition 1 above, in the case where pre-contingency facility loadings reach normal thermal ratings at a transfer level below that at which any first contingency transfer limits are reached, the transfer capability is defined as that transfer level at which such normal ratings are reached. Such a transfer capability is referred to as a normal incremental transfer capability (NTC).

**First Contingency Total Transfer Capability (FCTTC)** - is the total amount of electric power (net of normal base power transfers plus first contingency incremental transfers) that can be transferred between two areas of the interconnected transmission systems in a reliable manner based on conditions 1, 2, and 3 in the FCITC definition above.

The capability evaluation will utilize load flow analysis based on the Transmission Provider system load flow data base. The Company will generally use Transmission 2000 Power Flow Program for software to conduct the study, but may also use other software such as Power Technologies Inc.'s PSS/E. In conducting the studies, the Company will adhere to good utility practice including the NPCC documents, relating to design and operation of interconnected power systems, and information submitted in the FERC Form No. 715.

The Transmission Provider database will be modified to include the resources and the load information to be provided by the Customer as well as additional detail on the Company's transmission system.

The Company will perform the same types of studies related to transmission service requests as it performs transmission studies for its own use of the system. However, as a practical matter, it must be noted that planning studies must gauge the performance of the system based on a limited number of simulations. In actual daily operations of the system, the limits as determined in the transfer capability study may vary due to system conditions.

The transfer capability studies will analyze the impact of the proposed transmission request on the thermal capability, voltage profile, and stability of the transmission system. The transfer capability available will be the remaining capacity after accounting for Company import requirements to service its Native Load Customers reliably and prior contractual commitments, including any network transmission service or firm transmission service contract(s) previously filed and submitted Applications for network transmission or firm transmission service. In addition, the Company will take into account non-firm transmission service when evaluating the transfer capability available for non- firm transmission service.

Transmission Provider will 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. A copy of the completed System Impact Study and related work papers will be made available to the Eligible Customer.

**ATTACHMENT E**

**Index Of Point-To-Point Transmission Service Customers**

[See Electric Quarterly Reports]

**ATTACHMENT F**

**Service Agreement For Network Integration Transmission Service**

This Agreement is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between \_\_\_\_\_ (“Customer”) and Versant Power (“Company”). In consideration of the mutual covenants and agreements herein, it is agreed as follows:

**Article 1. Transmission Service**

- 1.1** Company agrees, during the term of this Agreement, to provide Network Transmission Service for Customer in accordance with Company’s Transmission service Tariff (“Tariff”) filed with the Federal Energy Regulatory Commission.
- 1.2** The terms and conditions of such Transmission Service shall be governed by the Tariff, as it exists at the time of this Agreement, or as hereafter amended. The Tariff as it currently exists or as hereafter amended is incorporated into this Agreement by reference. In the case of any conflict between this Agreement and the Tariff, the Tariff shall control.
- 1.3** The Request for Transmission Service pursuant to section 6 of the Tariff is hereby incorporated by this reference and made a part of this Service Agreement as Exhibit A.

**Article 2. Designation of Network Resources.**

**2.2** Main Point of Delivery under this Agreement shall be:  
\_\_\_\_\_  
\_\_\_\_\_

**2.1** Main Point of Receipt under this Agreement shall be:  
\_\_\_\_\_  
\_\_\_\_\_

**2.3** Network Resources: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**2.4** Estimated Network Demand or Load in megawatts: \_\_\_\_\_

**Article 3. Compensation.**



3.1 Customer shall pay to Company monthly for Transmission Service. The rates and charges applicable to such service are established by the Tariff. The following are the initial base rates for Transmission Service:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

3.2 Taxes shall be \_\_\_\_\_.

3.3 Any rates or charges which this Tariff allows to be negotiated up to a cap shall be agreed to in writing by the Company and the Customer but need not be filed with FERC. Such negotiated rates or charges must comply with the Tariff.

**Article 4. Losses.**

4.1 The loss percentage applicable to Transmission Service under this Agreement shall be \_\_\_\_%. The loss percentage consists of \_\_\_\_% applicable to losses on the Transmission System and \_\_\_\_% attributable to losses on Direct Assignment Facilities.

4.2 The percentage value of losses may be redetermined not earlier than the first anniversary of the effective date of this Agreement, and each subsequent anniversary during the term of this Agreement, based on load flow studies or other appropriate methods.

**Article 5. Election of Ancillary Services.**

5.1 Customer elects not to have the Company supply Load Following Services, and will sufficiently meet the spinning operating reserve requirement of \_\_\_\_ percent from the following sources:

\_\_\_\_\_  
\_\_\_\_\_.

5.2 Customer elects not to have the Company supply Supplemental Operating Reserves, and will sufficiently meet the total non-spinning operating reserve requirement of \_\_\_\_ percent from the following sources:

\_\_\_\_\_  
\_\_\_\_\_.

5.3 The Customer agrees that Unscheduled Energy Service charges will be assessed according to this Tariff \_\_\_\_\_.

**Article 6. Direct Assignment Facilities.**

**6.1** The Customer shall reimburse the Company for the following existing Direct Assignment Facilities at the following cost:

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**6.2** Company has determined that it is necessary to construct the following described Direct Assignment Facilities in order to provide Transmission Service under this Agreement:

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**6.3** Company shall construct or cause to be constructed such Direct Assignment Facilities, and shall assume ownership and control thereof. Customer shall reimburse Company or Company's agent for all costs including materials, labor, and overhead for construction of such Direct Assignment Facilities in a manner provided for in the Tariff.

**Article 7. Network Upgrades and Opportunity Costs.**

Company has determined that the Network Upgrades described below are necessary to provide Transmission Service under this Agreement:

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The rates or charges shall include compensation for Network Upgrades, and/or Opportunity Costs, in the manner described below:

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**Article 8. Effective Date and Term of Agreement.**

**8.1** This Agreement shall become effective and shall become a binding obligation of the parties on the date on which the last of the following events shall have occurred (effective date):

- (a) Company and Customer each shall have caused this Agreement to be executed by their duly authorized representatives and each shall have furnished to the other satisfactory evidence thereof; or
- (b) This Agreement has been accepted for filing and made effective by order of the FERC under the Federal Power Act, in which case the effective date of this Agreement shall be as specified in the said Commission order.

Each party will use its best efforts to take or cause to taken all action requisite to the end that foregoing events shall occur and that this Agreement shall become effective as provided herein at the earliest practicable date.

**8.2** This Agreement shall continue for a term of \_\_\_\_ years.

**8.3** The parties agree to request an effective date of \_\_\_\_\_.

**Article 9. Notice.**

**9.1** Any notice given pursuant to this Agreement shall be in writing as follows:

If to Company:

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If to Customer:

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**9.2** The above names and addresses of any party may be changed at any time by notice to the other parties.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed.

Customer

Company

\_\_\_\_\_

\_\_\_\_\_

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

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

## ATTACHMENT G

### Network Operating Agreement

- 1.0 This Network Operating Agreement, dated as of \_\_\_\_\_, is entered into, by and between Versant Power (“Transmission Provider”) and \_\_\_\_\_ (“Network Customer”) (hereinafter referred to individually as “Party” or collectively as “Parties”).
- 2.0 The Network Customer has been determined by the Transmission Provider to have a completed application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff (“Tariff”).
- 3.0 The Parties have entered into a Service Agreement for Network Integration Transmission Service under Transmission Provider’s Tariff.
- 4.0 All terms used in this Operating Agreement shall have the meaning defined in the Transmission Provider’s Tariff unless a different definition is specifically provided for herein.
- 5.0 The Transmission Provider and the Network Customer agree that the provisions of this Operating Agreement and the Service Agreement for Network Integration Transmission Service govern the Transmission Provider’s provision of Network Integration Transmission Service to the Network Customer in accordance with Parts I and III of the Tariff, as it may be amended from time to time.
- 6.0 Power and energy transmitted by the Transmission Provider for the Network Customer shall be delivered as three-phase alternating current at a frequency of approximately 60 Hertz, and at the nominal voltages at the delivery and receipt points. When multiple delivery points are provided to a specific Network Load, they shall not be operated in parallel by the Network Customer without the approval of the Transmission Provider. The Transmission Provider and the Network Customer shall also establish and monitor standards and operating rules and procedures to assure that transmission system integrity and the safety of customer, the public and employees are maintained or enhanced when such parallel operation is 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.
- 7.0 The Transmission Provider reserves the right to inspect the facilities and operating records of a Network Customer upon mutually agreeable terms and conditions.
- 8.0 The Network Customer shall be required at all times to maintain, consistent with North American Electric Reliability Council (“NERC”) and Northeast Power Coordinating Council (“NPCC”) guidelines, a balance between its owned or purchased generation resources and load. The provision of Transmission Service under the Tariff is not an offer to provide generation sufficient to meet the Network Customer’s load requirements. The

Network Customer must meet its load reliability either through the construction and ownership of generation facilities and/or the purchase of power from a third party and the purchase of such Ancillary Services from the Transmission Provider or a third party.

- 9.0 The Network Customer shall purchase in appropriate amounts all of the required Ancillary Services and abide by the relevant tariff provisions.
- 10.0 Transmission Provider reserves the right to take whatever actions it deems necessary to preserve the reliability and integrity of its electric 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. If the Transmission Service is causing harmful physical effects to Transmission Provider's Transmission System facilities or to its customers (e.g., harmonics, undervoltage overvoltage, flicker, voltage variations, etc.), the Transmission Provider shall promptly notify the Network Customer and if the Network Customer does not take the appropriate corrective actions immediately, the Transmission Provider shall have the right to interrupt Transmission Service in order to alleviate the situation and to suspend all or any portion of the Transmission Service until appropriate corrective action is taken.
- 11.0 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.
- 12.0 It is recognized by the Parties that the Transmission Provider's transmission system is, and will be, directly or indirectly interconnected with transmission systems owned or operated by others, that the flow of power and energy between such systems will be controlled by the physical and electrical characteristics of the facilities involved and the manner in which they are operated, and that part of the power and energy being delivered under this Operating Agreement may flow through such other systems rather than through the facilities of the Transmission Provider. Each Party will at all times cooperate with other interconnected systems in establishment of arrangements that may be necessary to relieve any hardship in such other systems and in the systems of the other entities caused by energy flows of scheduled deliveries hereunder.
- 13.0 No later than December 15 of each year, the Network Customer shall provide the Transmission Provider the following information unless agreed otherwise:
  - a) a three (3) year projection of monthly 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, provide the monthly peak demands and energy requirements at each delivery point for the normal operating configuration;
  - b) a three (3) year projection by month 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 three (3) year projection by month 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;
- d) a projection for each of the next three (3) years of transmission 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 Provider's transmission system.

Information exchanged by the Parties under Section 13 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.

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

- a) A statement regarding the ability of the Transmission Provider's transmission system to meet the forecast deliveries at each of the delivery points;
- b) A detailed description of any constraints on the Transmission Provider's system within the three (3) year horizon that will restrict forecast deliveries.
- 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, the Transmission Provider and Network Customer shall identify appropriate remedies for such constraints including but not limited to: construction of new transmission facilities, upgrade or other improvements to existing transmission facilities or temporary modification to operation procedures designed to relieve identified constraints. The Transmission Provider will, consistent with Good Utility Practice, endeavor to construct and place into service sufficient transmission 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 FERC 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 FERC for approval consistent with the Tariff.

14.0 Prior to service commencing under this Operating Agreement and the Service Agreement for Network Integration Transmission Service and prior to the beginning of each month thereafter, the Network Customer shall provide to the Transmission Provider, the Network Customer's daily peak load expressed in terms of tenths of a megawatt and shall include all losses within the Transmission Provider's transmission system.

- 15.0 Prior to the beginning of service under this Operating Agreement and Service Agreement for Network Integration Transmission Service, the Network Customer and Transmission Provider shall mutually agree to scheduling provisions.
- 16.0 The procedures by which a Network Customer will determine the peak and hourly loads reported to the Transmission Provider pursuant to this Operating Agreement may be set forth in a separate schedule to this Operating Agreement. Load distribution profiles of customer classes may be used to determine peak and hourly loads.
- 17.0 Prior to service commencing under this Operating Agreement and the Service Agreement for Network Integration Transmission Service, the Network Customer shall designate its Network Resources consistent the Tariff. Consistent with the Tariff, changes in the designation of Network Resources will be treated as an application for modification of service.
- 18.0 In accordance with Section 33 of the Tariff, the Transmission Provider may require redispatching of generation resources or curtailment of loads to relieve existing or potential transmission system constraints.
- 19.0 The Network Customer and the Transmission Provider shall implement load-shedding procedures to maintain the reliability and integrity of the Transmission System as provided in Section 33.1 of the Tariff and in accordance with applicable NERC and NPCC requirements and Good Utility Practice. Load shedding may include (1) automatic load shedding, (2) mutual load shedding, and (3) rotating interruption of customer load. When manual load shedding or rotating interruptions are necessary, the Transmission Provider shall notify the Network Customer of the required action and the Network Customer shall comply immediately.
- 20.0 This Operating Agreement shall become effective, and remain in effect, for the same term as the term of the Network Integration Transmission Service Agreement entered into by the Transmission Provider and Network Customer pursuant to which the Transmission Provider will provide Network Integration Transmission Service under the Tariff.
- 21.0 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.
- 22.0 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 others. Such written consent shall not be unreasonably withheld.
- 23.0 The interpretation, enforcement, and performance of this Operating Agreement shall be governed by the laws of the State of Maine, except laws and precedent of such jurisdiction concerning choice of law shall not be applied.
- 24.0 The Tariff and Network Integration Transmission 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.

- 25.0 Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the Transmission Provider's right unilaterally to file with FERC, or make application to FERC, or other regulatory body for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205 of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder, or under other applicable statutes or regulations, or to the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.
- 26.0 Except as otherwise provided, any notice that may be given to or made upon any Party by the other Party under any of the provisions of the Operating Agreement shall be in writing unless otherwise specifically provided herein and shall be considered delivered when the notice is either personally delivered or deposited in the United States mail, certified or registered postage prepaid, to the following:

Transmission Provider

[name]

[title]

[address]

[phone]

[fax]

Network Customer

[name]

[title]

[address]

[phone]

[fax]

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

27.0 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:

TRANSMISSION PROVIDER:

Date:

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

\_\_\_\_\_

TRANSMISSION CUSTOMER:

Date:

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

\_\_\_\_\_

## **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 the amount set forth in Attachment J, Exhibit 1a, Line 13.
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**

[See Electric Quarterly Reports]

Attachment J, Formula Rates (15.0.0) A

Information:-This section contains PDF format.

## **ATTACHMENT J**

### **Rate Formulas, Rate Schedules and Statements**

(Rates adjusted June 1 of each year per the formula.)

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
ATTACHMENT J FORMULA RATES  
RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
EXHIBIT 1a

Summary of Charges for Wholesale Customers

Line	Description	a	b	c	d	e	f	Reference(s)
		Value	Yearly \$/kW/Yr (Note 3)	Monthly \$/kW/Mo (Note 3)	Weekly \$/kW/Wk (Note 3)	Daily \$/kW/Day (Note 4)	Hourly \$/kW/Hr (Note 5)	
1	<b>Schedule 1 - Scheduling, System Control and Dispatch Service</b>							
2	Annual Cost	\$ -						Exhibit 10 at 4a
3	Applicable 12-CP Demand kW Value	#DIV/0!						Exhibit 8 at 14a * 1000
4	Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	4b = 2a / 3a
5								
6	<b>Schedule 2 - Reactive Supply and Voltage Control</b>							
7	Annual VAR Charges (\$)							Note 1
8	Applicable 12-CP Demand kW Value	#DIV/0!						Exhibit 8 at 14a * 1000
9	Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	9b = 7a / 8a
10								
11	<b>Attachment H - Network Integration Transmission Service (NITS)</b>							
12	Annual Transmission Revenue Requirement	#DIV/0!						Exhibit 2 at 33a
13	Applicable 12-CP Demand kW Value	#DIV/0!						Exhibit 8 at 14a * 1000
14	Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	14b = 12a / 13a
15								
16	<b>Schedule 7 - Long Term or Short Term Firm Point to Point (PTP)</b>							
17	Annual Transmission Revenue Requirement	#DIV/0!						Exhibit 2 at 33a
18	Applicable 12-CP Demand kW Value	#DIV/0!						Exhibit 8 at 14a * 1000
19	Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	19b = 17a / 18a
20								
21	<b>Schedule 8 - Non-Firm Point to Point (PTP)</b>							
22	Annual Transmission Revenue Requirement	#DIV/0!						Exhibit 2 at 33a
23	Applicable 12-CP Demand kW Value	#DIV/0!						Exhibit 8 at 14a * 1000
24	Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	24b = 22a / 23a, Note 2, Note 6

Notes

- VAR Charges per Docket No. ER03-689.
- For off-peak non-firm PTP transmission service (9 p.m. to 7 a.m. Monday - Friday and all day Saturday and Sunday) the daily rate cap shall be calculated by dividing the annual rate by 365 and the hourly rate shall be calculated by dividing the annual rate by 8760).
- Value rounded to nearest \$0.01.
- Value rounded to nearest \$0.001.
- Value rounded to nearest \$0.0001.
- Yearly non-firm point-to-point service not offered. Value shown in 24b only for purposes of calculating charges in 24c and 24d.

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ATTACHMENT J  
 EXHIBIT 1b

Summary of Charges for Retail Customers

Line	Description	a	Value	Reference(s)
1	<b>Basic Transmission Service Charges for Retail Customers - Schedules 10,11,12</b>			
2	Total Wholesale Transmission Revenue Requirement		#DIV/0!	Exhibit 2 at 33a
3	Retail Load Ratio Share (rounded to 2 decimal places)		#DIV/0!	Exhibit 8 at 16f
4	Subtotal		#DIV/0!	2a * 3a
5.1				
5.2	Customer Information System Net Plant		#DIV/0!	Exhibit 4 at [7.4r + 15.3r]
5.3	Cost of Capital Rate (rounded to 2 decimal places)		#DIV/0!	Exhibit 3 at 4d
5.4	Investment Return on Customer Information System Plant		#DIV/0!	5.2a * 5.3a
5.5				
5.6	Customer Information System Depreciation and Amortization		#DIV/0!	Exhibit 5 at 4.3e
5.7				
6	Customer Accounting Costs Allocated to Retail		#DIV/0!	WP Customer Costs at 7a
7	Schedule 1 Charges		#DIV/0!	Exhibit 10 at 4a * 3a
8	Schedule 2 Charges		#DIV/0!	Exhibit 10 at 3a (neg.) * 3a
9	NMISA Operational Costs		\$ -	Exhibit 10 at 2a (neg.)
10	Adjustments		\$ -	WP Retail Adjustments [11d + 11e]
11	<b>Actual Retail Transmission Revenue Requirement</b>		#DIV/0!	Sum [4a, 5.4a:10a]
12				
13	Deferred \$ Associated with Prior Year Adjustments		\$ -	WP Retail June True-Up at 30d
14	<b>Retail Revenue Requirement to Be Used for Charges</b>		#DIV/0!	11a + 13a

Calculation of Retail Charges by Customer Class

Line	MPD Rate Class Designation	a	b	c	d	e	f	Reference(s)
					= 14a * c	= d / a	= d / b	
					Revenue Req.	Class Rate	Class Rate	
		Billing Units (Notes 1 & 2)	Class 12-CP %	Revenue Req.	(Note 4)	(Notes 5, 6)		
		kWh	kW	\$	\$/kWh	\$/kW-mo		
15.01				#DIV/0!	#DIV/0!			FF1 at 304, Company Records
15.02				#DIV/0!	#DIV/0!			FF1 at 304, Company Records
15.03				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
15.04				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
15.05				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
15.06				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
15.07				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
15.08				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
15.[]*				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
16	<b>Retail Revenue Requirement to Be Used for Charges</b>	-		0.0%	#DIV/0!			Sum [15.01:15.[]]

\* Additional rows to be added as necessary.

Notes

- Billing units corresponding to the most recent calendar year will be used.
- kWh and kW are annual values. Annual kW = kW-month \* 12.
- Retail 12 CPs will be updated to the most current available calendar year.
- Value rounded to nearest \$0.000001.
- Value rounded to nearest \$0.01.
- For Coincident Peak rate classes, the associated rate will be calculated by Total Retail Revenue Requirement divided by Maine Public District Monthly Retail Peak Loads used in Exhibit 1b when the class's 12-CP is zero.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
ATTACHMENT J FORMULA RATES  
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ATTACHMENT J  
EXHIBIT 2

Summary of Calculations for Transmission Revenue Requirement

a

Line	Description	Value	Reference(s)
1	<b>WHOLESALE TRANSMISSION INVESTMENT BASE</b>		
2	<u>Plant</u>		
3	Transmission Plant	#DIV/0!	Exhibit 4 at 1r
4	General Plant	#DIV/0!	Exhibit 4 at 3r
5	Intangible Plant	#DIV/0!	Exhibit 4 at 5r
6.1	Plant Held for Future Use	#DIV/0!	Exhibit 4 at 7.1r
6.2	Customer Information System Plant (neg.)	#DIV/0!	Exhibit 4 at 7.3r
7	<u>Total Plant Excluding Customer Information System</u>	#DIV/0!	Sum [3a:6.2a]
8			
9	<u>Accumulated Plant Depreciation and Amortization</u>		
10	Transmission Plant	#DIV/0!	Exhibit 4 at 13r
11	General Plant	#DIV/0!	Exhibit 4 at 14r
12.1	Other Plant	#DIV/0!	Exhibit 4 at 15.1r
12.2	Customer Information System (pos.)	#DIV/0!	Exhibit 4 at 15.2r
13	<u>Total Depreciaton and Amortization Excluding Customer Information System</u>	#DIV/0!	Sum [10a:12.2a]
14			
15	Accumulated Deferred Taxes	#DIV/0!	Exhibit 4 at 21r
16	Deferred Director Fees	#DIV/0!	Exhibit 4 at 10r
17	Other Assets/Liabilities	#DIV/0!	Exhibit 4 at 27r
18	Cash Working Capital	#DIV/0!	Exhibit 4 at 39r
19	Materials and Supplies	#DIV/0!	Exhibit 4 at 34r
20	Prepayments	#DIV/0!	Exhibit 4 at 29r
21	<u>Total Investment Base</u>	#DIV/0!	7a + Sum [13a:20a]
22	Cost of Capital Rate (rounded to 2 decimal places)	#DIV/0!	Exhibit 3 at 4d
23			
24	Investment Return and Associated Income Taxes	#DIV/0!	21a * 22a
25	Depreciation and Amortization Expense Excluding Customer Information System	#DIV/0!	Sum Exhibit 5 [2e:4.2e]
26.1	Amortization of Deficient/(Excess) Deferred Income Tax Assets/(Liabilities)	\$ -	Exhibit 5 at 6.5e
26.2	Amortization of Related Investment Tax Credits	#DIV/0!	Exhibit 5 at 7e
27	Property Tax Expense	#DIV/0!	Exhibit 5 at 9e
28	Payroll Tax Expense	#DIV/0!	Exhibit 5 at 11e
29	Operation and Maintenance Expense	\$ -	Exhibit 5 at 16e
30	Administrative and General Expense	#DIV/0!	Exhibit 5 at 29e
31	Transmission Related Revenues (neg.)	\$ -	Exhibit 7 at 21a
32	Adjustments	\$ -	WP Wholesale Adjustments [11d + 11e]
33	<b><u>ACTUAL WHOLESALE TRANSMISSION REVENUE REQUIREMENT</u></b>	<b>#DIV/0!</b>	Sum [24a:32a]



Determination of Cost of Capital Rate

Line Description	a Beginning of Year	b End of/ Full Year	c Average	d	Reference(s)
1 Weighted Cost of Capital				#DIV/0!	Sum [21d, 29d, 42d]
2 Federal Income Tax				#DIV/0!	52d
3 State Income Tax				#DIV/0!	63d
4 <b>COST OF CAPITAL RATE</b>				#DIV/0!	Sum [1d:3d]
5					
6 <u>Long-Term Debt Component</u>					
7 Long-Term Debt			#DIV/0!		FF1 at 112:24d; FF1 at 112:24c; Avg [7a:7b]
8 Unamortized Gain on Reacquired Debt					FF1 at 113:61d; FF1 at 113:61c
9 Unamortized Loss on Reacquired Debt (neg.)					FF1 at 111:81d; FF1 at 111:81c
10 Unamortized Debt Expenses (neg.)					FF1 at 111:69d; FF1 at 111:69c
11 Long-Term Debt Net Proceeds	\$ -	\$ -	\$ -		Sum [7a:10a]; Sum [7b:10b]; Avg [11a:11b]
12					
13 Net Interest Charges					FF1 at 117:70c
14 AFUDC on Borrowed Funds					FF1 at 117:69c
15 Other Interest (neg.)					FF1 at 117:68c
16 Annual Debt Cost		\$ -			Sum [13b:15b]
17					
18 Transmission Provider Total Capital			#DIV/0!		Sum [7c, 24c, 37c]
19 Long-Term Debt Capitalization Ratio				#DIV/0!	7c / 18c
20 Long-Term Debt Cost Rate				#DIV/0!	16b / 11c
21 <u>Long-Term Debt Component</u>				#DIV/0!	19d * 20d
22					
23 <u>Preferred Stock Component</u>					
24 Preferred Stock			#DIV/0!		FF1 at 112:3d; FF1 at 112:3c; Avg [24a:24b]
25 Preferred Dividends (neg.) (Note 3)					FF1 at 118:29c
26 Transmission Provider Total Capital			#DIV/0!		Sum [7c, 24c, 37c]
27 Preferred Stock Capitalization Ratio				#DIV/0!	24c / 26c
28 Preferred Stock Cost Rate				#DIV/0!	25b / 24c
29 <u>Preferred Stock Component</u>				#DIV/0!	27d * 28d
30					
31 <u>Return on Equity Component</u>					
32 Total Proprietary Capital					FF1 at 112:16d; FF1 at 112:16c
33 Goodwill Docket Nos. EC01-13, EC10-67 (neg.)					Company Records, Note 2
34 Account No. 216.1 (neg.)					FF1 at 112:12d; FF1 at 112:12c
35 Account No. 204 (neg.)					FF1 at 112:3d; FF1 at 112:3c
36 Account No. 219 (neg.)					FF1 at 112:15d; FF1 at 112:15c
37 Transmission Provider Common Equity Adjusted	\$ -	\$ -	\$ -		Sum [32a:36a]; Sum [32b:36b]; Avg [37a:37b]
38					
39 Transmission Provider Total Capital			#DIV/0!		Sum [7c, 24c, 37c]
40 Common Equity Capitalization Ratio				#DIV/0!	37c / 39c
41 Return on Equity Rate				9.6000%	Note 1
42 <u>Return on Equity Component</u>				#DIV/0!	40d * 41d
43					
44 <u>Federal Income Tax</u>					
45					
46 where: $\frac{(A+(B+C)/D) \times FT}{1-FT}$					
47 FT = Transmission Provider federal income tax rate					Company Records
48 A = Equity portion of weighted cost of capital				#DIV/0!	29d + 42d
49 B = MPD Transmission-Related Amortization of Investment Tax Credits					Company Records
50 C = MPD Equity AFUDC component of transmission depreciation expense					Company Records
51 D = MPD Transmission Investment Base			#DIV/0!		Exhibit 4 at 41r
52 <u>Federal Income Tax</u>				#DIV/0!	Per Formula at 45-46
53					
54 <u>State Income Tax</u>					
55					
56 where: $\frac{((A+(B+C)/D)+E) \times ST}{1-ST}$					
57 ST = Transmission Provider state income tax rate					Company Records
58 A = Equity portion of weighted cost of capital				#DIV/0!	29d + 42d
59 B = MPD Transmission-Related Amortization of Investment Tax Credits					Company Records
60 C = MPD Equity AFUDC component of transmission depreciation expense					Company Records
61 D = MPD Transmission Investment Base			#DIV/0!		Exhibit 4 at 41r
62 E = Federal Income Tax				#DIV/0!	52d
63 <u>State Income Tax</u>				#DIV/0!	Per Formula at 55-56

Notes

- Return on Equity Rate will not be changed absent a proceeding under Federal Power Act Section 205 or Section 206.
- Goodwill (Acquisition Premium) is excluded from ROE calculation.
- Insofar as Preferred Dividends are recorded to Account 437 as a negative value, the value input in Line 25, Column b will be a positive value.

Development of Transmission-Related Rate Base Components

Line	Development of Transmission-Related Rate Base Components												n = avg. [a:m]	o	p = n * o		q	r = p * q		Reference(s)		
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov			Dec	Input Value (Note 1)		Company Allocator (Exhibit 6)	MPD		MPD Allocator/Adj. Factor (Exhibit 6)	MPD Transmission
1	MPD Total Transmission Plant												#DIV/0!	MPD	100.00%	#DIV/0!	All Trans.	100.00%	#DIV/0!	FF1 at 206:58b, 207:58g, Company Records		
2																						
3	Transmission Related General Plant												#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 206:99b, 207:99g, Company Records		
4																						
5	Transmission Related Intangible Plant												#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 204:5b, 205:5g, Company Records		
6																						
7.1	Transmission Plant Held for Future Use												#DIV/0!	MPD	100.00%	#DIV/0!	All Trans.	100.00%	#DIV/0!	FF1 at 214, Company Records		
7.2																						
7.3	Transmission Related Customer Information System (neg.)												#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 204:5b, 205:5g, 206:99b, 207:99g, Company Records		
7.4	Transmission Related Customer Information System (pos.)												#DIV/0!	MPD	100.00%	#DIV/0!	MPD Revenue (Trans.)	#DIV/0!	#DIV/0!	FF1 at 204:5b, 205:5g, 206:99b, 207:99g, Company Records		
8	TOTAL												#DIV/0!	MPD	100.00%	#DIV/0!			#DIV/0!	Sum [1r:7.4r]		
9																						
10	Deferred Director Fees												#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 269:f, Company Records		
11																						
12	Transmission Accumulated Depreciation and Amortization																					
13	Transmission Plant Accumulated Depreciation (neg.)												#DIV/0!	MPD	100.00%	#DIV/0!	All Trans.	100.00%	#DIV/0!	FF1 at 219:25b, Company Records		
14	General Plant Accumulated Depreciation (neg.)												#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 219:25b, Company Records		
15.1	Accum. Provision for Amortization of Other Utility Plant (neg.)												#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 200:21b, Company Records		
15.2	CIS Accumulated Depreciation and Amortization (pos.)												#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 200:21b, 219:25b, Company Records		
15.3	CIS Accumulated Depreciation and Amortization (neg.)												#DIV/0!	MPD	100.00%	#DIV/0!	MPD Revenue (Trans.)	#DIV/0!	#DIV/0!	FF1 at 200:21b, 219:25b, Company Records		
16	TOTAL												#DIV/0!	MPD	100.00%	#DIV/0!			#DIV/0!	Sum [13r:15.3r]		
17																						
18	Transmission Accumulated Deferred Taxes																					
19	Accumulated Deferred Taxes (neg.) Acct. Nos. 282 and 283																		#DIV/0!	WP ADIT at 75p + WP ADIT at 113p		
20	Accumulated Deferred Taxes (pos.) Acct. No. 190																		#DIV/0!	WP ADIT at 37p		
21	TOTAL																		#DIV/0!	19r + 20r		
22																						
23	Other Transmission-Related Assets/Liabilities																					
24	Other Regulatory Assets												#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 232:f, Company Records		
25	Accumulated Provision for Pensions and Benefits (neg.)												#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 112:29, Company Records		
26.1	Deficient/Excess Deferred Income Tax Assets/(Liabilities)												\$ -	MPD	100.00%	\$ -	All Trans.	100.00%	\$ -	WP DTA/(L) Amortization Expense and Balance, 13b;25b		
26.2	Other Regulatory Liabilities (neg.)												#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 278:f, Company Records		
27	TOTAL												#DIV/0!	MPD	100.00%	#DIV/0!			#DIV/0!	Sum [24r:26.2r]		
28																						
29	Transmission Prepayments (Acct. No. 165)												#DIV/0!	Total Plant	#DIV/0!	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 111:57c		
30																						
31	Transmission Materials and Supplies																					
32	Transmission Plant												#DIV/0!	Total Plant	#DIV/0!	#DIV/0!	All Trans.	100.00%	#DIV/0!	FF1 at 227:8b; FF1 at 227:8c		
33	Stores Expense Undistributed												#DIV/0!	Total Plant	#DIV/0!	#DIV/0!	Plant	#DIV/0!	#DIV/0!	FF1 at 227:16b; FF1 at 227:16c		
34	TOTAL												#DIV/0!	Total Plant	#DIV/0!	#DIV/0!			#DIV/0!	32r + 33r		
35																						
36	Cash Working Capital																					
37	Operation and Maintenance Expense												\$ -	MPD	100.00%	\$ -	Fixed Multiplier	12.50%	\$ -	Exhibit 5 at 16e		
38	Administrative and General Expense												#DIV/0!	MPD	100.00%	#DIV/0!	Fixed Multiplier	12.50%	#DIV/0!	Exhibit 5 at 29e		
39	TOTAL												#DIV/0!	MPD	100.00%	#DIV/0!			#DIV/0!	37r + 38r		
40																						
41	TOTAL TRANSMISSION INVESTMENT BASE (MPD)																		#DIV/0!	Sum [8r, 10r, 16r, 21r, 27r, 29r, 34r, 39r]		

Notes  
 1 Values exclude transaction-related costs for which recovery has not been authorized by the Commission.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

Development of Transmission-Related Expenses		a	b		c = a * b	d		e = c * d	
Line		Input Value (Note 1)	Company Allocator (Exhibit 6)	MPD	MPD	MPD Allocator/Adj. Factor (Exhibit 6)	MPD Transmission	Reference(s)	
1	<u>Transmission-Related Depreciation and Amortization Expense</u>								
2	Transmission Plant Depreciation		MPD	100.00%	\$ -	All Trans.	100.00%	\$ -	FF1 at 336:7f, Company Records
3	General Plant Depreciation and Amortization		MPD	100.00%	\$ -	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 336:10f, Company Records
4.1	Intangible Plant Amortization		MPD	100.00%	\$ -	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 336:1f, Company Records
4.2	Customer Information System Depreciation and Amortization (neg.)		MPD	100.00%	\$ -	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 336:1f, 336:10f, Company Records
4.3	Customer Information System Depreciation and Amortization (pos.)		MPD	100.00%	\$ -	MPD Revenue (Trans.)	#DIV/0!	#DIV/0!	FF1 at 336:1f, 336:10f, Company Records
5	TOTAL						#DIV/0!		Sum [2e:4.3e]
6.1									
6.2	<u>Amortization of Deficient/(Excess) Deferred Income Tax Assets/(Liabilities)</u>								
6.3	Amortized Amount	\$ -	MPD	100.00%	\$ -	All Trans.	100.00%	\$ -	WP DTA/(L) Amortization Expense and Balance, 8b
6.4	Blended Federal & State Statutory Tax Rate							0.00%	1 - [(1 - Exhibit 3 at 47d) * (1 - Exhibit 3 at 57d)]
6.5	Grossed Up Amortized Amount							\$ -	6.3e / (1 - 6.4e)
6.6									
7	<u>Transmission-Related Amortization of Investment Tax Credits</u>		MPD	100.00%	\$ -	Plant	#DIV/0!	#DIV/0!	FF1 at 266:8f, Company Records
8									
9	<u>Transmission-Related Property Tax Expense</u>		Total Plant	#DIV/0!	#DIV/0!	Plant	#DIV/0!	#DIV/0!	FF1 at 263:i, Company Records
10									
11	<u>Transmission-Related Payroll Tax Expense</u>		Cust/Load/Sales	#DIV/0!	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 263:i, Company Records
12									
13	<u>Transmission Operation and Maintenance</u>								
14	Account Nos. 560-564, 566-573		MPD	100.00%	\$ -	All Trans.	100.00%	\$ -	FF1 at 321:83b-95b, 321:97b-98b, 321:111b, Company Records
15	Account No. 561 (neg.)	\$ -	MPD	100.00%	\$ -	All Trans.	100.00%	\$ -	Exhibit 10 at 1a
16	TOTAL							\$ -	14e + 15e
17									
18	<u>Transmission-Related Administrative and General Expense</u>								
19	Account Nos. 920-935		Cust./Sales	#DIV/0!	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 323:197b
20	Account Nos. 924, 928, 930.1 (all neg.)		Cust./Sales	#DIV/0!	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 323:185b, 323:189b, 323:191b
21	Account No. 923 Regulatory Proceedings (neg.)		Cust./Sales	#DIV/0!	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 323:184b, Company Records
22	Account No. 926 MPD PBOP (neg.)		MPD	100.00%	\$ -	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 323:187b, Company Records
23	Account No. 924 Property Insurance		Total Plant	#DIV/0!	#DIV/0!	Plant	#DIV/0!	#DIV/0!	FF1 at 323:185b
24	Account No. 928 Commission Annual Charges		MPD	100.00%	\$ -	All Trans.	100.00%	\$ -	FF1 at 323:189b, Company Records
25	Account No. 928 Transmission-Related (other than Annual Charges)		MPD	100.00%	\$ -	All Trans.	100.00%	\$ -	FF1 at 323:189b, Company Records
26	Account No. 923 MPD Regulatory Proceedings		MPD	100.00%	\$ -	All Trans.	100.00%	\$ -	FF1 at 323:184b, Company Records
27	Account No. 926 MPD PBOP Fixed Amount	\$ (20,669)	MPD	100.00%	\$ (20,669)	Salaries & Wages	#DIV/0!	#DIV/0!	Note 2
28	Account No. 407.3 Amortization of Pension and PBOP Regulatory Asset		MPD	100.00%	\$ -	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 114:12c, Company Records
29	TOTAL							#DIV/0!	Sum [19e:28e]

Notes  
 1 Values exclude transaction-related costs for which recovery has not been authorized by the Commission.  
 2 PBOP will not be changed absent a proceeding under Federal Power Act Section 205 or Section 206.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
ATTACHMENT J FORMULA RATES  
RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
EXHIBIT 6

Allocation Factors		a	
Line	Description	Value	Reference(s)
<b>Company Allocators</b>			
1	Bangor Hydro District Customer Count		FF1 at 304:d
2	Maine Public District Customer Count		FF1 at 304:d
3	Company Customer Count (subtotal)	-	1a + 2a
4	Company Customer Count Allocator (BHD)	#DIV/0!	1a / 3a
5	<b>Company Customer Count Allocator (MPD)</b>	#DIV/0!	2a / 3a
6			
7	Company Customer/Load/Sales Allocator (BHD)	#DIV/0!	4a / 3 + 16a / 3 + 22a / 3
8	<b>Company Customer/Load/Sales Allocator (MPD)</b>	#DIV/0!	5a / 3 + 17a / 3 + 23a / 3
9			
10	Company Customer/Sales Allocator (BHD)	#DIV/0!	4a / 2 + 16a / 2
11	<b>Company Customer/Sales Allocator (MPD)</b>	#DIV/0!	5a / 2 + 17a / 2
12			
13	Bangor Hydro District Energy Sales (MWh)		FF1 at 304:b
14	Maine Public District Energy Sales (MWh)		FF1 at 304:b
15	Company Energy Sales (subtotal)	-	13a + 14a
16	Company Energy Sales Allocator (BHD)	#DIV/0!	13a / 15a
17	<b>Company Energy Sales Allocator (MPD)</b>	#DIV/0!	14a / 15a
18			
19	Bangor Hydro District Monthly Peak Loads (MW)		FF1 at 400 Sum [1b:16b]
20	Maine Public District Monthly Peak Loads (MW)		FF1 at 400 Sum [1b:16b]
21	Company Monthly Peak Loads (Subtotal)	-	19a + 20a
22	Company Monthly Peak Loads Allocator (BHD)	#DIV/0!	19a / 21a
23	<b>Company Monthly Peak Loads Allocator (MPD)</b>	#DIV/0!	20a / 21a
24			
25	Bangor Hydro District Revenue		FF1 at 304:c
26	Maine Public District Revenue		FF1 at 304:c
27	Company Revenues (Subtotal)	\$ -	25a + 26a
28	Company Revenue Allocator (BHD)	#DIV/0!	25a / 27a
29	<b>Company Revenue Allocator (MPD)</b>	#DIV/0!	26a / 27a
30			
31	Bangor Hydro District Total Electric Plant In Service (13-mo. avg.)		Company Records
32	Maine Public District Total Electric Plant In Service (13-mo. avg.)		Company Records
33	Company Total Electric Plant In Service (subtotal)	\$ -	31a + 32a
34	Company Total Plant Allocator (BHD)	#DIV/0!	31a / 33a
35	<b>Company Total Plant Allocator (MPD)</b>	#DIV/0!	32a / 33a
<b>MPD Allocators</b>			
36	<b>MPD Average Total Transmission Plant (13-mo. avg.)</b>	#DIV/0!	Exhibit 4 at 1r
37	MPD Transmission-Related General and Intangible Plant (13-mo. avg.)	#DIV/0!	Sum Exhibit 4 [3r, 5r, 7.3r, 7.4r]
38	MPD Electric Plant in Service (13-mo. avg.)	\$ -	32a
39	<b>MPD Plant Allocator (Transmission)</b>	#DIV/0!	(36a + 37a) / 38a
40			
41	Maine Public District Transmission Revenue		Company Records
42	Maine Public District Total Revenue	\$ -	26a
43	<b>MPD Revenue Allocator (Transmission)</b>	#DIV/0!	41a / 42a
<b>Salaries and Wages Allocator</b>			
44	Transmission Salaries and Wages		FF1 at 354:21b
45	Total Operations and Maintenance Salaries and Wages		FF1 at 354:28b
46	Administrative and General Salaries and Wages		FF1 at 354:27b
47	<b>Company Salaries and Wages Allocator (Transmission)</b>	#DIV/0!	44a / (45a - 46a)

Notes

1 Excludes transmission investments for which Transmission Provider received up-front customer contributions that it does not have to repay.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 EXHIBIT 7

Transmission-Related Revenues

a

Line Description	Input Value	Reference(s)
1 <u>Point-to-Point &amp; Settled Transaction Revenues</u>		Notes 1 and 2
2		
3		
4		
5		
6		
7		
8		
9 <u>TOTAL</u>	\$ -	Sum [2a:8a]
10		
11 <u>Transmission Plant-Related Rents and General Plant-Related Rents</u>		Note 3
12		
13		
14 <u>TOTAL</u>	\$ -	12a + 13a
15		
16 <u>Other Transmission-Related Revenues</u>		
17		
18		
19 <u>TOTAL</u>	\$ -	17a + 18a
20		
21 <b><u>TOTAL TRANSMISSION-RELATED REVENUES</u></b>	<b>\$ -</b>	Sum [9a, 14a, 19a]

- Notes
- 1 Includes all transmission-related revenues recorded in Account 456 associated with the rolled-in base transmission rates for point-to-point or ancillary services on FF1 at 330:k and 330:m attributable to MPD, net of all of the principal and one-half of the associated interest of any refunds for point-to-point transmission and associated ancillary services recorded in Account 449.1.
  - 2 Include all transmission-related revenues recorded in Account 456 except: (1) non-penalty revenues associated with the rolled-in base transmission rates for point-to-point or network transmission service or ancillary services; (2) revenues associated with O&M performed on other utilities' facilities that will be separately tracked and excluded from Transmission O&M, A&G, and Payroll Tax Expenses factored into Exhibit 5, Column (a).
  - 3 Transmission Plant-Related Rent is defined as the rents properly booked to Account 454 that are for the use of plant booked to transmission; and General Plant-Related Rent is defined as the rents properly booked to Account 454 that are for the use of plant booked to general on FF1 at 300:19b.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

Monthly Peak Loads - MW

a

b

c

d

e

f

= a - sum [b:e]

MPD NITS Customers

Line Description	Total	MPD NITS Customers				MPD Retail	Reference(s)
1 January						0.000	FF1 at 401b:29d, Company Records
2 February						0.000	FF1 at 401b:30d, Company Records
3 March						0.000	FF1 at 401b:31d, Company Records
4 April						0.000	FF1 at 401b:32d, Company Records
5 May						0.000	FF1 at 401b:33d, Company Records
6 June						0.000	FF1 at 401b:34d, Company Records
7 July						0.000	FF1 at 401b:35d, Company Records
8 August						0.000	FF1 at 401b:36d, Company Records
9 September						0.000	FF1 at 401b:37d, Company Records
10 October						0.000	FF1 at 401b:38d, Company Records
11 November						0.000	FF1 at 401b:39d, Company Records
12 December						0.000	FF1 at 401b:40d, Company Records
13							
14 12-CP	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0.000	Average [1:12]
15							
16 Load Ratio Share		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	14[b, c, d, e, or f] / 14a

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
ATTACHMENT J FORMULA RATES  
RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
EXHIBIT 9

Depreciation Rates

Line Depreciable Group

Annual  
Depreciation  
Rates %

Line	Depreciable Group	Annual Depreciation Rates %
1	<b>Transmission Plant</b>	
2	350.2 Land Rights and Rights-of-Way	1.23
3	352 Structures & Improvements	1.91
4	353 Station Equipment	1.74
5	355.1 Poles and Fixtures	2.34
6	355.2 Clearing ROW & Environmental Permits	1.20
7	356 Overhead Conductors & Devices	2.25
8	<b>General Plant</b>	
9	390 Structures and Improvements	1.60
10	391.1 Office Furniture & Equipment	4.65
11	391.12 Computer Equipment	17.50
12	392 Transportation Equipment	2.77
13	393 Stores Equipment	5.82
14	394 Tools, Shop, & Garage Equipment	5.20
15	395 Laboratory Equipment	6.26
16	396 Power Operated Equipment	0.61
17	397 Communication Equipment	3.21
18	398 Miscellaneous Equipment	6.76

Notes

- 1 Depreciation rates will not be changed absent a proceeding under Federal Power Act Section 205 or Section 206.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 EXHIBIT 10

Scheduling, System Control and Dispatch Service

a

Line	Description	Total	Reference(s)
1	Account No. 561		FF1 at 321:85b to 92b, Company Records
2	NMISA Expenses (neg.)		Company Records, Note 1
3	VAR Charges (neg.)	\$ -	Exhibit 1a at 7a
4	<b>SCHEDULING, SYSTEM CONTROL &amp; DISPATCHING SERVICE COSTS</b>	<b>\$ -</b>	Sum [1a:3a]

Notes

- 1 Account 561.4 costs Transmission Provider pays to the Northern Maine ISA (NMISA) on behalf of the MPD load. From Company Records.



VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
ATTACHMENT J FORMULA RATES  
RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
WP FF1 RECONCILLIATION

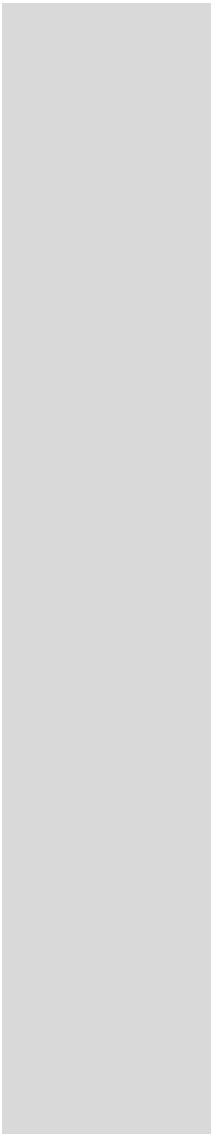
Workpaper - FERC Form 1 Reconciliation

Line	Description	a BHD Value	b MPD Value	c = a + b Total	Used In	d FF1 Value	FF1 Value Reference(s)
1	<u>Plant in Service (EOY)</u>						
2	Total Electric Plant in Service		\$ -	-	[n/a]		FF1 at 207:104g
3	Total Transmission Plant		\$ -	-	Exhibit 4		FF1 at 207:58g
4	Transmission Plant Held for other Use		\$ -	-	Exhibit 4		FF1 at 214
5	General Plant		\$ -	-	Exhibit 4		FF1 at 207:99g
6	Intangible Plant		\$ -	-	Exhibit 4		FF1 at 205:5g
7	Transmission Plant Accumulated Depreciation (neg.)		\$ -	-	Exhibit 4		FF1 at 219:25c
8	General Plant Accumulated Depreciation (neg.)		\$ -	-	Exhibit 4		FF1 at 219:28c
9	Accum. Provision for Amortization of Other Utility Plant (neg.)		\$ -	-	Exhibit 4		FF1 at 200:21b
10							
11	Revenues						
12	Transmission Revenue		\$ -	-	Exhibit 6		
13							
14	Depreciation Expense and Amortization						
15	Transmission Plant Depreciation		\$ -	-	Exhibit 5		FF1 at 336:7f
16	General Plant Depreciation and Amortization		\$ -	-	Exhibit 5		FF1 at 336:10f
17	Intangible Plant Amortization		\$ -	-	Exhibit 5		FF1 at 336:1f
18							
19	<u>Transmission Operation and Maintenance Expense</u>						
20	Account No. 560 (Operation Supervision and Engineering)		\$ -	-			FF1 at 321:83b
21	Account No. 561.1 (Load Dispatch-Reliability)		\$ -	-			FF1 at 321:85b
22	Account No. 561.2 (Load Dispatch-Monitor and Operate Transmission System)		\$ -	-			FF1 at 321:86b
23	Account No. 561.3 (Load Dispatch-Transmission Service and Scheduling)		\$ -	-			FF1 at 321:87b
24	Account No. 561.4 (Scheduling, System Control and Dispatch Services)		\$ -	-	Exhibit 10		FF1 at 321:88b
25	Account No. 561.5 (Reliability, Planning and Standards Development)		\$ -	-			FF1 at 321:89b
26	Account No. 561.6 (Transmission Service Studies)		\$ -	-			FF1 at 321:90b
27	Account No. 561.7 (Generation Interconnection Studies)		\$ -	-			FF1 at 321:91b
28	Account No. 561.8 (Reliability, Planning and Standards Development Services)		\$ -	-			FF1 at 321:92b
29	Account No. 562 (Station Expenses)		\$ -	-			FF1 at 321:93b
30	Account No. 563 (Overhead Lines Expenses)		\$ -	-			FF1 at 321:94b
31	Account No. 564 (Underground Lines Expenses)		\$ -	-			FF1 at 321:95b
32	Account No. 566 (Miscellaneous Transmission Expenses)		\$ -	-			FF1 at 321:97b
33	Account No. 567 (Rents)		\$ -	-			FF1 at 321:98b
34	Account No. 568 (Maintenance Supervision and Engineering)		\$ -	-			FF1 at 321:101b

35	Account No. 569 (Maintenance of Structures)		\$	-			FF1 at 321:102b
36	Account No. 569.1 (Maintenance of Computer Hardware)		\$	-			FF1 at 321:103b
37	Account No. 569.2 (Maintenance of Computer Software)		\$	-			FF1 at 321:104b
38	Account No. 569.3 (Maintenance of Communication Equipment)		\$	-			FF1 at 321:105b
39	Account No. 569.4 (Maintenance of Miscellaneous Regional Transmission Plant)		\$	-			FF1 at 321:106b
40	Account No. 570 (Maintenance of Station Equipment)		\$	-			FF1 at 321:107b
41	Account No. 571 (Maintenance of Overhead Lines)		\$	-			FF1 at 321:108b
42	Account No. 572 (Maintenance of Underground Lines)		\$	-			FF1 at 321:109b
43	Account No. 573 (Maintenance of Miscellaneous Transmission Plant)		\$	-			FF1 at 321:110b
44	Total	\$	-	\$	-	\$	-
45						Exhibit 5	
46	<u>Other Pension and Benefit Liabilities (EOY)</u>						
47	Accumulated Provision for Pensions and Benefits - Liability		\$	-		Exhibit 4	FF1 at 112:29c
48							
49	<u>Other Regulatory Liabilities (EOY)</u>						
50	Accumulated Provision for Pensions and Benefits - Regulatory Liability		\$	-			
51	Items not included in Transmission Investment Base - Regulatory Liability		\$	-			
52	Total	\$	-	\$	-	\$	-
53						Exhibit 4	FF1 at 278:f
54	<u>Other Regulatory Assets (EOY)</u>						
55	Accumulated Provision for Pensions and Benefits - Regulatory Assets		\$	-			
56	Items not included in Transmission Investment Base - Regulatory Assets		\$	-			
57	Total	\$	-	\$	-	\$	-
58						Exhibit 4	FF1 at 232:f
59	<u>Other Expense</u>						
60	Amortization of Investment Tax Credits		\$	-		Exhibit 5	FF1 at 266:8f
61							
62	Post-Retirement Benefits Other than Pensions (PBOP)		\$	-		Exhibit 5	
63	Other Amounts Recorded to Account No. 926						
64			\$	-			FF1 at 323:187b
65							
66	<u>Account No. 407.3 Reconciliation</u>						
67	Amortization of Pension and PBOP Regulatory Asset		\$	-		Exhibit 5	
68	Other Regulatory Liabits						
69	Total		\$	-			FF1 at 114:12c
70							
71	<u>Account No. 923 Reconciliation</u>						
72	Regulatory Proceedings Expense		\$	-		Exhibit 5	
73	Other Outside Services Employed Expense					Exhibit 5	
74	Total		\$	-			FF1 at 323:184b
75							

76	<u>Account No. 928 Reconciliation</u>						
77	Commission Annual Charges			\$ -	Exhibit 5		
78	Other Transmission-Related Regulatory Commission Expenses			\$ -	Exhibit 5		
79	Other Regulatory Commission Expenses (Distribution)			\$ -	n/a		
80	Total			\$ -		FF1 at 323:189b	
81							
82	<u>General Taxes</u>						
83						FF1 at 263i	
84						FF1 at 263i	
85				\$ -	Exhibit 5		
86	<u>Payroll Tax Expense</u>						
87						FF1 at 263i	
88						FF1 at 263i	
89						FF1 at 263i	
90				\$ -	Exhibit 5		
91							
92	<u>Taxes Other Than Income Taxes</u> (sum of Property Tax and Payroll Tax above)				\$ -	n/a	FF1 at 114:14c
93							
94	<u>Customer MWh, Revenue and Count (Billed)</u>	<u>(a) MWh</u>	<u>(b) Revenue</u>	<u>(c) Avg. Count</u>		<u>District</u>	<u>FF1 Value Reference(s)</u>
95							a: FF1 at 304-304.1:Col. b
96							b: FF1 at 304-304.1:Col. c
97							c: FF1 at 304-304.1:Col. d
98							
99							
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Unbilled Amounts

(a) BHD Value	(b) MPD Value	(c) Total
		-
		\$ -

FF1 Value

<u>FF1 Value Reference(s)</u>
FF1 at 304:42b
FF1 at 304:42c

164  
165  
166  
167  
168  
169  
170  
171  
172  
173

	(a) MWh	(b) Revenue	(c) Avg. Count
BHD (excluding unbilled)	-	\$ -	-
MPD (excluding unbilled)	-	\$ -	-
	-	\$ -	-
BHD (including unbilled)	-	\$ -	-
MPD (including unbilled)	-	\$ -	-
	-	\$ -	-

(c) Exhibit 6  
(c) Exhibit 6

Cols. a & b totals: FF1 at 304:43b & c  
Col. c total: FF1 at 301:14f

a: 161a + 165a, b: 162a + 165b  
a: 161b + 166a, b: 162b + 166b  
FF1 at 304:43b & 43c

Values may differ slightly from FERC Form 1 due to rounding.



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TOTAL	\$ -	Revenue Allocator	#DIV/0!	#DIV/0!
-------	------	-------------------	---------	---------

Sum [50p, 62p, 74p]

Account No. 283 exclusive of deferred income taxes associated with stranded costs, retail rake-making, affiliated companies, or any ASC-740 amounts

FF1 at 113:64c, Company Records

	\$ -	Salaries and Wages	#DIV/0!	#DIV/0!
--	------	--------------------	---------	---------

	\$ -	Plant Allocator	#DIV/0!	#DIV/0!
--	------	-----------------	---------	---------

TOTAL	\$ -	Revenue Allocator	#DIV/0!	#DIV/0!
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Sum [88p, 100p, 112p]

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP DTA/(L) AMORTIZATION EXPENSE AND BALANCE

Workpaper - Deferred Tax Asset/(Liability) Amortization Expense and Balance

Line Description	a1	a[] *	b = Sum a1:a[]	Reference(s)
1 Calendar Year				
2				
3 Annual Versant Power Amortization of Deficient ADIT Asset (Account 410.1)				WP Prot DTA(L) Amort by Year Col. a + WP Unprot DTA(L) Amort by Year Col. a
4 Annual Versant Power Amortization of Excess ADIT Liability (Account 411.1)				WP Prot DTA(L) Amort by Year Col. b + WP Unprot DTA(L) Amort by Year Col. b
5				
6 Annual Amortization of MPD Transmission Deficient/(Excess) ADIT Assets/(Liabilities) - Protected			\$ -	WP Prot DTA/(L) Amort by Year, Col. e (for Applicable Year)
7 Annual Amortization of MPD Transmission Deficient/(Excess) ADIT Assets/(Liabilities) - Unprotected			\$ -	WP Unprot DTA/(L) Amort by Year, Col. e (for Applicable Year)
8 <b>Total MPD Transmission Annual Amortization Expense (to Exhibit 5 at 6.3a)</b>	\$ -	\$ -	\$ -	6a + 7a
9				
10 Monthly Amortization	\$ -	\$ -	\$ -	Line 8 / 12
11				
12 <b>Deferred Tax Assets/(Liabilities) as Allocated to MPD Transmission by Month</b>			<b>Values to Ex. 4 at 26.1</b>	
13 December			\$ -	Prior Year, WP DTA/(L) Amortization, Line 25
14 January	\$ -	\$ -	\$ -	Line 13 - Line 10
15 February	\$ -	\$ -	\$ -	Line 14 - Line 10
16 March	\$ -	\$ -	\$ -	Line 15 - Line 10
17 April	\$ -	\$ -	\$ -	Line 16 - Line 10
18 May	\$ -	\$ -	\$ -	Line 17 - Line 10
19 June	\$ -	\$ -	\$ -	Line 18 - Line 10
20 July	\$ -	\$ -	\$ -	Line 19 - Line 10
21 August	\$ -	\$ -	\$ -	Line 20 - Line 10
22 September	\$ -	\$ -	\$ -	Line 21 - Line 10
23 October	\$ -	\$ -	\$ -	Line 22 - Line 10
24 November	\$ -	\$ -	\$ -	Line 23 - Line 10
25 December	\$ -	\$ -	\$ -	Line 24 - Line 10

\* Additional columns to be added as necessary.

Notes

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VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP PROTECTED DTA(L) AMORTIZATION BY YEAR

Workpaper - Protected Deferred Tax Asset/(Liability) Amortization by Year \*

	a (Notes 1, 2)	b	c = a + b	d	e = c * d	
	Versant Power					
Line	Year	Protected Amortization (Note 1) of Deficient DIT Asset	of Excess DIT Liability	Net Protected Amortization	MPD Transmission Protected Allocator (Note 3)	MPD Transmission Net Protected Amortization
		Acct 410.1	Acct 411.1			
1				-	#DIV/0!	#DIV/0!
[ ] **						

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.  
 \*\* Additional rows to be added as necessary.

Notes

1	
2	To the extent permitted by enacted law, IRS authority and/or published guidance, values shall represent the maximum amount of protected excess and deficient ADIT allowed to be included in the formula rate in each rate year under the provisions of the most applicable IRS guidance or requirements. Accordingly, values may be revised for matters that alter the maximum amount of excess and deficient ADIT allowed to be included in the formula rate in the current or future rate year (e.g., book accounting depreciation rate changes and impairments on intangible assets).
3	WP Protected DTA(L) Allocators at 3a
[ ]	

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP UNPROTECTED DTA/(L) AMORTIZATION BY YEAR

Workpaper - Unprotected Deferred Tax Asset/(Liability) Amortization by Year \*

	a	b	c = a + b	d	e = c * d
	Versant Power				
Line	Year	Unprotected Amortization of Deficient DIT Asset (Note 1)	Versant Power Total Net Unprotected Amortization	MPD Transmission Unprotected Allocator (Note 3)	MPD Transmission Net Unprotected Amortization
		Acct 410.1	Acct 411.1		
1			-	#DIV/0!	#DIV/0!
[ ] **					

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.  
 \*\* Additional rows to be added as necessary.

Notes

1	
2	
3	WP Unprotected DTA(L) Allocators at 3a
[ ]	

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

Workpaper - Initial Deferred Tax Asset/(Liability) Detail \*

Line	Description	a	b	c = a - b	d	e	f	g	Reference(s)
		Value at _____ at ____%	at ____%	Difference (Note 1)	Originating Account	Recorded Account	Protected/ Unprotected	Amortization Period	
1.001				-					
	[] **								

Line	Description	a	b	c = a + b	Reference(s)
		Protected	Unprotected	Total	
2.01	Versant Power Deferred Tax Asset (Account 182.3)	\$ -	\$ -	\$ -	Sum of Relevant Values in 1.001c:1.[c]
2.02	Versant Power Deferred Tax Liability (Account 254)	\$ -	\$ -	\$ -	Sum of Relevant Values in 1.001c:1.[c]
3	Versant Power Net Deferred Tax Asset/(Liability)	\$ -	\$ -	\$ -	Sum Lines 2.01:2.02
4					
5	Blended Federal & State Statutory Tax Rate			0.00%	1 - [(1 - Exhibit 3 at 47d) * (1 - Exhibit 3 at 57d]
6					
7	Gross-Up on Versant Power Deferred Tax Asset			\$ -	[2.01c * 1/(1-5c)] - 2.01c, Note 2
8	Gross-Up on Versant Power Deferred Tax Liability			\$ -	[2.02c * 1/(1-5c)] - 2.02c, Note 2

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.  
 \*\* Additional rows to be added as necessary.

- Notes
- ADIT accounts are remeasured by analyzing, for each ADIT inventory maintained, the future obligation or credit of Versant Power under a 21 percent federal tax rate.
  - Gross-up is not included in rate base. Rather, gross-up of amortization is provided for in Exhibit 5, Lines 6.2 to 6.5.

[]

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP PROTECTED DTA(L) ALLOCATORS

Workpaper - Protected Deferred Tax Asset/(Liability) Allocators\*

Line	Description	a	b	c	Reference(s)
1	Protected Deficient/(Excess) Deferred Tax Allocators	Transmission	Distribution	Total (= T + D)	
2	Bangor Hydro District	#DIV/0!	#DIV/0!	#DIV/0!	a: 24b / 6c; b: 24c / 6c
3	Maine Public District	#DIV/0!	#DIV/0!	#DIV/0!	a: 38b / 6c; b: 38c / 6c
4	Total			#DIV/0!	2c + 3c
5					
6	Deficient/(Excess) Protected ADIT			\$ -	WP Initial DTA(L) Detail at 3a
7					
8			Allocator	Alloc. Amount	
9	BHD Deficient/(Excess) Protected ADIT		#DIV/0!	#DIV/0!	WP NTV NBV Differences [5c / (5c + 5f)]; 6c * 9c
10					
11	BHD Allocation Stage 1		Allocator	Alloc. Amount	
12	Transmission		#DIV/0!	#DIV/0!	WP NTV NBV Differences [4c / 5c]; 9c * 12b
13	Distribution		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3c / 5c]; 9c * 13b
14	Common	#DIV/0!			WP NTV NBV Differences [2c / 5c]
15	Common (CIS)		#DIV/0!	#DIV/0!	44c * 14b; 9c * 14b
16	Common (General)		#DIV/0!	#DIV/0!	14b - 15b; 9c * 15b
17	Total		#DIV/0!	#DIV/0!	Sum Lines 11, 12, 14, 15
18					
19	BHD Allocation Stage 2	Tr. Allocator	Transmission	Distribution	
20	Transmission		#DIV/0!	#DIV/0!	Col. a: _____
21	Distribution	0.00%	#DIV/0!	#DIV/0!	Col. b: Col. a * applicable value from 12c:16c
22	Common (CIS)		#DIV/0!	#DIV/0!	Col. c: Applicable value from 12c:16c - Col. b
23	Common (General)		#DIV/0!	#DIV/0!	
24	Total		#DIV/0!	#DIV/0!	
25					
26	MPD Deficient/(Excess) Protected ADIT		#DIV/0!	#DIV/0!	WP NTV NBV Differences [5f / (5c + 5f)]; 6c * 37c
27					
28	MPD Allocation Stage 1		Allocator	Alloc. Amount	
29	Transmission		#DIV/0!	#DIV/0!	WP NTV NBV Differences [4f / 5f]; 26f * 29b
30	Distribution		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3f / 5f]; 26f * 30b
31	Common		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3f / 5f]; 26f * 31b
32	Total		#DIV/0!	#DIV/0!	Sum Lines 29:31
33					
34	MPD Allocation Stage 2	Tr. Allocator	Transmission	Distribution	
35	Transmission	100.00%	#DIV/0!	\$ -	37a: _____
36	Distribution	0.00%	\$ -	#DIV/0!	Col. b: Col. a * applicable value from 29c:31c
37	Common		#DIV/0!	#DIV/0!	Col. c: Applicable value from 29c:31c - Col. b
38	Total		#DIV/0!	#DIV/0!	
39					
40	Determination of CIS as Percentage of BHD Common at				
41	CIS Accumulated Depreciation				Company Records
42	General, Intangible and Distribution Accumulated Depreciation				Company Records
43					
44	CIS as Percentage of Common			#DIV/0!	41c / 42c

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP UNPROTECTED DTA(L) ALLOCATORS

Workpaper - Unprotected Deferred Tax Asset/(Liability) Allocators\*

Line	Description	a	b	c	Reference(s)
1	<u>Unprotected Deficient/(Excess) Deferred Tax Allocators</u>	Transmission	Distribution	Total (= T + D)	
2	Bangor Hydro District	#DIV/0!	#DIV/0!	#DIV/0!	a: 24b / 6c; b: 24c / 6c
3	Maine Public District	#DIV/0!	#DIV/0!	#DIV/0!	a: 38b / 6c; b: 38c / 6c
4	<u>Total</u>			#DIV/0!	2c + 3c
5					
6	Deficient/(Excess) Protected ADIT			\$ -	WP Initial DTA(L) Detail at 3a
7					
8			Allocator	Alloc. Amount	
9	BHD Deficient/(Excess) Protected ADIT		#DIV/0!	#DIV/0!	WP NTV NBV Differences [5c / (5c + 5f)]; 6c * 9c
10					
11	BHD Allocation Stage 1		Allocator	Alloc. Amount	
12	Transmission		#DIV/0!	#DIV/0!	WP NTV NBV Differences [4c / 5c]; 9c * 12b
13	Distribution		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3c / 5c]; 9c * 13b
14	Common	#DIV/0!			WP NTV NBV Differences [2c / 5c]
15	Common (CIS)		#DIV/0!	#DIV/0!	44c * 14b; 9c * 14b
16	Common (General)		#DIV/0!	#DIV/0!	14b - 15b; 9c * 15b
17	<u>Total</u>		#DIV/0!	#DIV/0!	Sum Lines 11, 12, 14, 15
18					
19	BHD Allocation Stage 2	Tr. Allocator	Transmission	Distribution	
20	Transmission		#DIV/0!	#DIV/0!	Col. a: _____
21	Distribution	0.00%	#DIV/0!	#DIV/0!	Col. b: Col. a * applicable value from 12c:16c
22	Common (CIS)		#DIV/0!	#DIV/0!	Col. c: Applicable value from 12c:16c - Col. b
23	Common (General)		#DIV/0!	#DIV/0!	
24	<u>Total</u>		#DIV/0!	#DIV/0!	
25					
26	MPD Deficient/(Excess) Protected ADIT		#DIV/0!	#DIV/0!	WP NTV NBV Differences [5f / (5c + 5f)]; 6c * 37c
27					
28	MPD Allocation Stage 1		Allocator	Alloc. Amount	
29	Transmission		#DIV/0!	#DIV/0!	WP NTV NBV Differences [4f / 5f]; 26f * 29b
30	Distribution		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3f / 5f]; 26f * 30b
31	Common		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3f / 5f]; 26f * 31b
32	<u>Total</u>		#DIV/0!	#DIV/0!	Sum Lines 29:31
33					
34	MPD Allocation Stage 2	Tr. Allocator	Transmission	Distribution	
35	Transmission	100.00%	#DIV/0!	\$ -	37a: _____
36	Distribution	0.00%	\$ -	#DIV/0!	Col. b: Col. a * applicable value from 29c:31c
37	Common		#DIV/0!	#DIV/0!	Col. c: Applicable value from 29c:31c - Col. b
38	<u>Total</u>		#DIV/0!	#DIV/0!	
39					
40	Determination of CIS as Percentage of BHD Common at				
41	CIS Accumulated Depreciation				Company Records
42	General, Intangible and Distributino Accumulated Depreciation				Company Records
43					
44	CIS as Percentage of Common			#DIV/0!	41c / 42c

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP NTV NBV DIFFERENCES

Workpaper - Net Tax Value (NTV) - Net Book Value (NBV) Differences\*

Line	Description	BHD			MPD			Reference(s)
		a	b	c = a - b	d	e	f = d - e	
1	<u>Protected Assets</u>	Net Tax Value	Book Net Value	Difference	Net Tax Value	Book Net Value	Difference	
2	Common			\$ -			\$ -	Company Records
3	Distribution			\$ -			\$ -	Company Records
4	Transmission			\$ -			\$ -	Company Records
5	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Sum L. 2 to L. 4
6								
7	<u>Unprotected Assets</u>	Net Tax Value	Book Net Value	Difference	Net Tax Value	Book Net Value	Difference	
8	Common			\$ -			\$ -	Company Records
9	Distribution			\$ -			\$ -	Company Records
10	Transmission			\$ -			\$ -	Company Records
11	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Sum L. 2 to L. 4

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.

Notes

1	Source:
2	Spreadsheet data represents differences between the net tax basis and the net book value of protected and unprotected deferred income tax items as of the effective date of the tax rate change. The effective date is _____ for the _____.
	[]

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP CUSTOMER COSTS

Workpaper - Customer Costs

a

Line Description	Value	Reference(s)
1 Account Nos. 901 to 905		FF1 at 322:164b
2 Account Nos. 907 to 910		FF1 at 323:171b
3 <u>Total</u>	\$ -	1a + 2a
4 <u>Company Revenue Allocator (MPD)</u>	#DIV/0!	Exhibit 6 at 29a
5 <u>MPD Allocation</u>	#DIV/0!	3a * 4a
6 <u>MPD Revenue Allocator (Transmission)</u>	#DIV/0!	Exhibit 6 at 43a
7 <u><b>MPD Retail Transmission Allocation</b></u>	<b>#DIV/0!</b>	5a * 6a

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP RETAIL JUNE TRUE-UP

Workpaper - Retail Customer Deferrred Revenue Adjustment Associated with Retail Rates Going into Effect on July vs June

Line	Retail Rate Tariff	a	b	c	d	e	Reference(s)
		(Note 1)	(Note 1)	= b - a	(Note 2)	= c * d	
		rate delta		Billing Data			
		\$/kWh or	\$/kWh or	\$/kWh or	kWh or kW	Credit (Refund)	
		\$/kW	\$/kW	\$/kW			
1				0.000000		\$ -	a & b: Exh. 1b from annual updates referenced in column headings
2				0.000000		\$ -	
3				0.000000		\$ -	
4				0.000000		\$ -	
5				0.000000		\$ -	
6				0.000000		\$ -	
7				0.000000		\$ -	
8				0.000000		\$ -	
9				0.000000		\$ -	
10	Total Retail Transmission Revenue Adjustment					\$ -	Sum [1e:9e]
11							
12		a	b	c		d = b * c	
13							
14				Monthly Rate			
15	Month	Year	Balance	(Note 3)	Total		Col. (b) Reference
16	June		\$ -		\$ -		10e
17	July		\$ -		\$ -		16b + 16d
18	August		\$ -		\$ -		17b
19	September		\$ -		\$ -		17b
20	October		\$ -		\$ -		19b + Sum [17d:19d]
21	November		\$ -		\$ -		20b
22	December		\$ -		\$ -		20b
23	January		\$ -		\$ -		22b + Sum [20d:22d]
24	February		\$ -		\$ -		23b
25	March		\$ -		\$ -		23b
26	April		\$ -		\$ -		25b + Sum [23d:25d]
27	May		\$ -		\$ -		26b
28	Total Interest				\$ -		Sum [16d:27d]
29							
30	Total Retail Transmission Revenue Adjustment				\$ -		10e + 28d

Notes

- Figures to be rounded in accordance with billing rates shown in Exhibit 1b.
- Source: Company Customer Information System
- Monthly Interest shall be calculated in accordance with 18 CFR Section 35.19a.



VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP WHOLESALE ADJUSTMENTS

Workpaper - Adjustments to Wholesale Charges

	a	b	c	d	e		
Line	Description	Rate Year	Filed Value	Adjusted Value	ATRR Impact	Interest (Note 1)	Reference(s)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	<b>TOTAL</b>				\$ -	\$ -	Sum [1d:10d]; Sum [1e:10e]

Notes

1 Monthly Interest shall be calculated in accordance with 18 CFR Section 35.19a.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ACTUAL ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP RETAIL ADJUSTMENTS

Workpaper - Adjustments to Retail Charges

	a	b	c	d	e		
Line	Description	Rate Year	Filed Value	Adjusted Value	ATRR Impact	Interest (Note 1)	Reference(s)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	<b>TOTAL</b>				\$ -	\$ -	Sum [1d:10d]; Sum [1e:10e]

Notes

1 Monthly Interest shall be calculated in accordance with 18 CFR Section 35.19a.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ESTIMATED ATTR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 EXHIBIT 1a

Summary of Charges for Wholesale Customers

Line	Description	a Value	b Yearly \$/kW/Yr (Note 3)	c Monthly \$/kW/Mo (Note 3)	d Weekly \$/kW/Wk (Note 3)	e Daily \$/kW/Day (Note 4)	f Hourly \$/kW/Hr (Note 5)	Reference(s)
1	<b>Schedule 1 - Scheduling, System Control and Dispatch Service</b>							
2	Annual Cost	\$ -						Exhibit 10 at 10a
3	Applicable 12-CP Demand kW Value	#DIV/0!						Exhibit 8 at 14a * 1000
4	Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	4b = 2a / 3a
5								
6	<b>Schedule 2 - Reactive Supply and Voltage Control</b>							
7	Annual VAR Charges (\$)							Note 1
8	Applicable 12-CP Demand kW Value	#DIV/0!						Exhibit 8 at 14a * 1000
9	Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	9b = 7a / 8a
10								
11	<b>Attachment H - Network Integration Transmission Service (NITS)</b>							
12	Annual Transmission Revenue Requirement	#DIV/0!						Exhibit 2 at 39a
13	Applicable 12-CP Demand kW Value	#DIV/0!						Exhibit 8 at 14a * 1000
14	Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	14b = 12a / 13a
15								
16	<b>Schedule 7 - Long Term or Short Term Firm Point to Point (PTP)</b>							
17	Annual Transmission Revenue Requirement	#DIV/0!						Exhibit 2 at 39a
18	Applicable 12-CP Demand kW Value	#DIV/0!						Exhibit 8 at 14a * 1000
19	Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	19b = 17a / 18a
20								
21	<b>Schedule 8 - Non-Firm Point to Point (PTP)</b>							
22	Annual Transmission Revenue Requirement	#DIV/0!						Exhibit 2 at 39a
23	Applicable 12-CP Demand kW Value	#DIV/0!						Exhibit 8 at 14a * 1000
24	Rate		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	24b = 22a / 23a, Note 2, Note 6

Notes

- VAR Charges per Docket No. ER03-689.
- For off-peak non-firm PTP transmission service (9 p.m. to 7 a.m. Monday - Friday and all day Saturday and Sunday) the daily rate cap shall be calculated by dividing the annual rate by 365 and the hourly rate shall be calculated by dividing the annual rate by 8760).
- Value rounded to nearest \$0.01.
- Value rounded to nearest \$0.001.
- Value rounded to nearest \$0.0001.
- Yearly non-firm point-to-point service not offered. Value shown in 24b only for purposes of calculating charges in 24c and 24d.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ESTIMATED ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 EXHIBIT 1b

Summary of Charges for Retail Customers

Line	Description	a Value	Reference(s)
1	<b>Basic Transmission Service Charges for Retail Customers - Schedules 10,11,12</b>		
2	Total Wholesale Transmission Revenue Requirement	#DIV/0!	Exhibit 2 at 33a
3	Retail Load Ratio Share (rounded to 2 decimal places)	#DIV/0!	Exhibit 8 at 16f
4	Subtotal	#DIV/0!	2a * 3a
5.1			
5.2	Customer Information System Net Plant	#DIV/0!	Exhibit 4 at [7.4r + 15.3r]
5.3	Cost of Capital Rate (rounded to 2 decimal places)	#DIV/0!	Exhibit 3 at 4d
5.4	Investment Return on Customer Information System Plant	#DIV/0!	5.2a * 5.3a
5.5			
5.6	Customer Information System Depreciation and Amortization	#DIV/0!	Exhibit 5 at 4.3e
5.7			
6	Customer Accounting Costs Allocated to Retail	#DIV/0!	WP Customer Costs at 7a
7	Schedule 1 Charges	#DIV/0!	Exhibit 10 at 4a * 3a
8	Schedule 2 Charges	#DIV/0!	Exhibit 10 at 3a (neg.) * 3a
9	NMISA Operational Costs	\$ -	Exhibit 10 at 2a (neg.)
10	Adjustments	\$ -	WP Retail Adjustments [11d + 11e]
11	<b>Estimated Retail Transmission Revenue Requirement</b>	<b>#DIV/0!</b>	Sum [4a, 5.4a:10a]
12			
13	Prior Year Estimated Retail Transmission Revenue Requirement		Prior Year Estimated, Exh. 1b at 11a
14	Prior Year Actual Retail Transmission Revenue Requirement		Prior Year Actual, Exh. 1b at 11a
15	Prior Year True-Up (Down)	\$ -	14a - 13a
16	Interest on True-Up (Down)	\$ -	WP Interest on Retail True-Up at 13d
17	Deferred \$ Associated with Prior Year Adjustments	\$ -	WP Retail June True-Up at 30d
18	<b>Retail Revenue Requirement to Be Used for Charges</b>	<b>#DIV/0!</b>	Sum [11a, 15a, 16a, 17a]

Calculation of Retail Charges by Customer Class

Line	MPD Rate Class Designation	a	b	c	d	e	f	Reference(s)
		Billing Units (Notes 1 & 2)	Class 12-CP %	Revenue Req.	Class Rate	Class Rate		
		kWh	(Note 3)	\$	(Note 4)	(Notes 5, 6)		
					\$/kWh	\$/kW-mo		
19.01				#DIV/0!	#DIV/0!			FF1 at 304, Company Records
19.02				#DIV/0!	#DIV/0!			FF1 at 304, Company Records
19.03				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
19.04				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
19.05				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
19.06				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
19.07				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
19.08				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
19.[]*				#DIV/0!		#DIV/0!		FF1 at 304, Company Records
20	<b>Retail Revenue Requirement to Be Used for Charges</b>	-	0.0%	#DIV/0!				Sum [19.01:19.[]]

\* Additional rows to be added as necessary.

- Notes
- Billing units corresponding to the most recent calendar year will be used.
  - kWh and kW are annual values. Annual kW = kW-month \* 12.
  - Retail 12 CPs will be updated to the most current available calendar year.
  - Value rounded to nearest \$0.000001.
  - Value rounded to nearest \$0.01.
  - For Coincident Peak rate classes, the associated rate will be calculated by Total Retail Revenue Requirement divided by Maine Public District Monthly Retail Peak Loads used in Exhibit 1b when the class's 12-CP is zero.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
ATTACHMENT J FORMULA RATES  
RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
ESTIMATED ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
EXHIBIT 2

Summary of Calculations for Transmission Revenue Requirement

a

Line	Description	Value	Reference(s)
1	<b>WHOLESALE TRANSMISSION INVESTMENT BASE</b>		
2	<u>Plant</u>		
3	Transmission Plant	#DIV/0!	Exhibit 4 at 1r
4	General Plant	#DIV/0!	Exhibit 4 at 3r
5	Intangible Plant	#DIV/0!	Exhibit 4 at 5r
6.1	Plant Held for Future Use	#DIV/0!	Exhibit 4 at 7.1r
6.2	Customer Information System Plant (neg.)	#DIV/0!	Exhibit 4 at 7.3r
7	<u>Total Plant Excluding Customer Information System</u>	#DIV/0!	Sum [3a:6.2a]
8			
9	<u>Accumulated Plant Depreciation and Amortization</u>		
10	Transmission Plant	#DIV/0!	Exhibit 4 at 13r
11	General Plant	#DIV/0!	Exhibit 4 at 14r
12.1	Other Plant	#DIV/0!	Exhibit 4 at 15.1r
12.2	Customer Information System (pos.)	#DIV/0!	Exhibit 4 at 15.2r
13	<u>Total Depreciaton and Amortization Excluding Customer Information System</u>	#DIV/0!	Sum [10a:12.2a]
14			
15	Accumulated Deferred Taxes	#DIV/0!	Exhibit 4 at 21r
16	Deferred Director Fees	#DIV/0!	Exhibit 4 at 10r
17	Other Assets/Liabilities	#DIV/0!	Exhibit 4 at 27r
18	Cash Working Capital	#DIV/0!	Exhibit 4 at 39r
19	Materials and Supplies	#DIV/0!	Exhibit 4 at 34r
20	Prepayments	#DIV/0!	Exhibit 4 at 29r
21	<u>Total Investment Base</u>	#DIV/0!	7a + Sum [13a:20a]
22	Cost of Capital Rate (rounded to 2 decimal places)	#DIV/0!	Exhibit 3 at 4d
23			
24	Investment Return and Associated Income Taxes	#DIV/0!	21a * 22a
25	Depreciation and Amortization Expense Excluding Customer Information System	#DIV/0!	Sum Exhibit 5 [2e:4.2e]
26.1	Amortization of Deficient/(Excess) Deferred Income Tax Assets/(Liabilities)	\$ -	Exhibit 5 at 6.5e
26.2	Amortization of Related Investment Tax Credits	#DIV/0!	Exhibit 5 at 7e
27	Property Tax Expense	#DIV/0!	Exhibit 5 at 9e
28	Payroll Tax Expense	#DIV/0!	Exhibit 5 at 11e
29	Operation and Maintenance Expense	\$ -	Exhibit 5 at 16e
30	Administrative and General Expense	#DIV/0!	Exhibit 5 at 29e
31	Transmission Related Revenues (neg.)	\$ -	Exhibit 7 at 21a
32	Adjustments	\$ -	WP Wholesale Adjustments [11d + 11e]
33	<b><u>ESTIMATED WHOLESALE TRANSMISSION REVENUE REQUIREMENT</u></b>	<b>#DIV/0!</b>	Sum [24a:32a]
34			
35	Prior Year Estimated Wholesale Transmission Revenue Requirement		Prior Year Estimated, Exh. 2 at 33a
36	Prior Year Actual Wholesale Transmsission Revenue Requirement		Prior Year Actual, Exh. 2 at 33a
37	Prior Year True-Up (Down)	\$ -	36a - 35a
38	Interest on True-Up (Down)	\$ -	WP Interest on Wholesale True-Up at 13d
39	<b><u>WHOLESALE TRANSMISSION REVENUE REQUIREMENT TO BE USED FOR CHARGES</u></b>	<b>#DIV/0!</b>	Sum [33a, 37a, 38a]

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
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ATTACHMENT J  
 EXHIBIT 3

Determination of Cost of Capital Rate

Line	Description	a Beginning of Year	b End of/ Full Year	c Average	d	Reference(s)
1	Weighted Cost of Capital				#DIV/0!	Sum [21d, 29d, 42d]
2	Federal Income Tax				#DIV/0!	52d
3	State Income Tax				#DIV/0!	63d
4	<b>COST OF CAPITAL RATE</b>				<b>#DIV/0!</b>	Sum [1d:3d]
5						
6	<b>Long-Term Debt Component</b>					
7	Long-Term Debt			#DIV/0!		FF1 at 112:24d; FF1 at 112:24c; Avg [7a:7b]
8	Unamortized Gain on Reacquired Debt					FF1 at 113:61d; FF1 at 113:61c
9	Unamortized Loss on Reacquired Debt (neg.)					FF1 at 111:81d; FF1 at 111:81c
10	Unamortized Debt Expenses (neg.)					FF1 at 111:69d; FF1 at 111:69c
11	Long-Term Debt Net Proceeds	\$ -	\$ -	\$ -		Sum [7a:10a]; Sum [7b:10b]; Avg [11a:11b]
12						
13	Net Interest Charges					FF1 at 117:70c
14	AFUDC on Borrowed Funds					FF1 at 117:69c
15	Other Interest (neg.)					FF1 at 117:68c
16	Annual Debt Cost		\$ -			Sum [13b:15b]
17						
18	Transmission Provider Total Capital			#DIV/0!		Sum [7c, 24c, 37c]
19	Long-Term Debt Capitalization Ratio				#DIV/0!	7c / 18c
20	Long-Term Debt Cost Rate				#DIV/0!	16b / 11c
21	Long-Term Debt Component				#DIV/0!	19d * 20d
22						
23	<b>Preferred Stock Component</b>					
24	Preferred Stock			#DIV/0!		FF1 at 112:3d; FF1 at 112:3c; Avg [24a:24b]
25	Preferred Dividends (neg.) (Note 3)					FF1 at 118:29c
26	Transmission Provider Total Capital			#DIV/0!		Sum [7c, 24c, 37c]
27	Preferred Stock Capitalization Ratio				#DIV/0!	24c / 26c
28	Preferred Stock Cost Rate				#DIV/0!	25b / 24c
29	Preferred Stock Component				#DIV/0!	27d * 28d
30						
31	<b>Return on Equity Component</b>					
32	Total Proprietary Capital					FF1 at 112:16d; FF1 at 112:16c
33	Goodwill Docket Nos. EC01-13, EC10-67 (neg.)					Company Records, Note 2
34	Account No. 216.1 (neg.)					FF1 at 112:12d; FF1 at 112:12c
35	Account No. 204 (neg.)					FF1 at 112:3d; FF1 at 112:3c
36	Account No. 219 (neg.)					FF1 at 112:15d; FF1 at 112:15c
37	Transmission Provider Common Equity Adjusted	\$ -	\$ -	\$ -		Sum [32a:36a]; Sum [32b:36b]; Avg [37a:37b]
38						
39	Transmission Provider Total Capital			#DIV/0!		Sum [7c, 24c, 37c]
40	Common Equity Capitalization Ratio				#DIV/0!	37c / 39c
41	Return on Equity Rate				9.6000%	Note 1
42	Return on Equity Component				#DIV/0!	40d * 41d
43						
44	<b>Federal Income Tax</b>					
45						
46	where:					
47	FT = Transmission Provider federal income tax rate					Company Records
48	A = Equity portion of weighted cost of capital				#DIV/0!	29d + 42d
49	B = MPD Transmission-Related Amortization of Investment Tax Credits					Company Records
50	C = MPD Equity AFUDC component of transmission depreciation expense					Company Records
51	D = MPD Transmission Investment Base		#DIV/0!			Exhibit 4 at 41r
52	Federal Income Tax				#DIV/0!	Per Formula at 45-46
53						
54	<b>State Income Tax</b>					
55						
56	where:					
57	ST = Transmission Provider state income tax rate					Company Records
58	A = Equity portion of weighted cost of capital				#DIV/0!	29d + 42d
59	B = MPD Transmission-Related Amortization of Investment Tax Credits					Company Records
60	C = MPD Equity AFUDC component of transmission depreciation expense					Company Records
61	D = MPD Transmission Investment Base		#DIV/0!			Exhibit 4 at 41r
62	E = Federal Income Tax				#DIV/0!	52d
63	State Income Tax				#DIV/0!	Per Formula at 55-56

Notes

- Return on Equity Rate will not be changed absent a proceeding under Federal Power Act Section 205 or Section 206.
- Goodwill (Acquisition Premium) is excluded from ROE calculation.
- Insofar as Preferred Dividends are recorded to Account 437 as a negative value, the value input in Line 25, Column b will be a positive value.

Line	Development of Transmission-Related Rate Base Components												n = avg. [a:m]	o Company Allocator (Exhibit 6)	p = n * o MPD	q MPD Allocator/Adj. Factor (Exhibit 6)	r = p * q MPD Transmission	Reference(s)				
	a	b	c	d	e	f	g	h	i	j	k	l							m			
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Input Value (Note 1)								
1	MPD Total Transmission Plant													#DIV/0!	MPD	100.00%	#DIV/0!	All Trans.	100.00%	#DIV/0!	FF1 at 206:58b, 207:58g, Company Records	
2	Transmission Related General Plant													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 206:99b, 207:99g, Company Records	
3	Transmission Related Intangible Plant													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 204:5b, 205:5g, Company Records	
4	Transmission Plant Held for Future Use													#DIV/0!	MPD	100.00%	#DIV/0!	All Trans.	100.00%	#DIV/0!	FF1 at 214, Company Records	
5	Transmission Related Customer Information System (neg.)													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 204:5b, 205:5g, 206:99b, 207:99g, Company Records	
6	Transmission Related Customer Information System (pos.)													#DIV/0!	MPD	100.00%	#DIV/0!	MPD Revenue (Trans.)	#DIV/0!	#DIV/0!	FF1 at 204:5b, 205:5g, 206:99b, 207:99g, Company Records	
7	TOTAL													#DIV/0!							Sum [1r:7.4r]	
8	Deferred Director Fees													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 269:1, Company Records	
9	Transmission Accumulated Depreciation and Amortization													#DIV/0!	MPD	100.00%	#DIV/0!	All Trans.	100.00%	#DIV/0!	FF1 at 219:25b, Company Records	
10	Transmission Plant Accumulated Depreciation (neg.)													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 219:28b, Company Records	
11	General Plant Accumulated Depreciation (neg.)													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 200:21b, 219:28b, Company Records	
12	Accum. Provision for Amortization of Other Utility Plant (neg.)													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 200:21b, 219:28b, Company Records	
13	CIS Accumulated Depreciation and Amortization (pos.)													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 200:21b, 219:28b, Company Records	
14	CIS Accumulated Depreciation and Amortization (neg.)													#DIV/0!	MPD	100.00%	#DIV/0!	MPD Revenue (Trans.)	#DIV/0!	#DIV/0!	FF1 at 200:21b, 219:28b, Company Records	
15	TOTAL													#DIV/0!							Sum [13r:15.3r]	
16	Transmission Accumulated Deferred Taxes																					
17	Accumulated Deferred Taxes (neg.) Acct. Nos. 282 and 283																				#DIV/0!	WP ADIT at 75p + WP ADIT at 113p
18	Accumulated Deferred Taxes (pos.) Acct. No. 190																				#DIV/0!	WP ADIT at 37p
19	TOTAL																				#DIV/0!	19r + 20r
20	Other Transmission-Related Assets/Liabilities																					
21	Other Regulatory Assets													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 232:f, Company Records	
22	Accumulated Provision for Pensions and Benefits (neg.)													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 112:29, Company Records	
23	Deficient/Excess Deferred Income Tax Assets/(Liabilities)													\$ -	MPD	100.00%	\$ -	All Trans.	100.00%	\$ -	WP DTA(L) Amortization Expense and Balance, 13b:25b	
24	Other Regulatory Liabilities (neg.)													#DIV/0!	MPD	100.00%	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 278:f, Company Records	
25	TOTAL													#DIV/0!							Sum [24r:26.2r]	
26	Transmission Prepayments (Acct. No. 165)													#DIV/0!	Total Plant	#DIV/0!	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!	FF1 at 111:57c	
27	Transmission Materials and Supplies													#DIV/0!	Total Plant	#DIV/0!	#DIV/0!	All Trans.	100.00%	#DIV/0!	FF1 at 227:8b; FF1 at 227:8c	
28	Stores Expense Undistributed													#DIV/0!	Total Plant	#DIV/0!	#DIV/0!	Plant	#DIV/0!	#DIV/0!	FF1 at 227:16b; FF1 at 227:16c	
29	TOTAL													#DIV/0!							32r + 33r	
30	Cash Working Capital																					
31	Operation and Maintenance Expense													\$ -	MPD	100.00%	\$ -	Fixed Multiplier	12.50%	\$ -	Exhibit 5 at 16e	
32	Administrative and General Expense													#DIV/0!	MPD	100.00%	#DIV/0!	Fixed Multiplier	12.50%	#DIV/0!	Exhibit 5 at 29e	
33	TOTAL													#DIV/0!							37r + 38r	
34	TOTAL TRANSMISSION INVESTMENT BASE (MPD)																				#DIV/0!	Sum [8r, 10r, 16r, 21r, 27r, 29r, 34r, 39r]

Notes  
 1 Values exclude transaction-related costs for which recovery has not been authorized by the Commission.

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Development of Transmission-Related Expenses

Line	a Input Value (Note 1)	b Company Allocator (Exhibit 6)	c = a * b		d		e = c * d		Reference(s)
			MPD		MPD Allocator/Adj. Factor (Exhibit 6)		MPD Transmission		
1	<u>Transmission-Related Depreciation and Amortization Expense</u>								
2		MPD	100.00%	\$ -	All Trans.	100.00%	\$ -		FF1 at 336:7f, Company Records
3		MPD	100.00%	\$ -	Salaries & Wages	#DIV/0!	#DIV/0!		FF1 at 336:10f, Company Records
4.1		MPD	100.00%	\$ -	Salaries & Wages	#DIV/0!	#DIV/0!		FF1 at 336:1f, Company Records
4.2		MPD	100.00%	\$ -	Salaries & Wages	#DIV/0!	#DIV/0!		FF1 at 336:1f, 336:10f, Company Records
4.3		MPD	100.00%	\$ -	MPD Revenue (Trans.)	#DIV/0!	#DIV/0!		FF1 at 336:1f, 336:10f, Company Records
5							#DIV/0!		Sum [2e:4.3e]
6.1	<u>Amortization of Deficient/(Excess) Deferred Income Tax Assets/(Liabilities)</u>								
6.2									
6.3	\$ -	MPD	100.00%	\$ -	All Trans.	100.00%	\$ -		WP DTA/(L) Amortization Expense and Balance, 8b
6.4							0.00%		1 - [(1 - Exhibit 3 at 47d) * (1 - Exhibit 3 at 57d)]
6.5									6.3e / (1 - 6.4e)
6.6									
7		MPD	100.00%	\$ -	Plant	#DIV/0!	#DIV/0!		FF1 at 266:8f, Company Records
8									
9		Total Plant	#DIV/0!	#DIV/0!	Plant	#DIV/0!	#DIV/0!		FF1 at 263:i, Company Records
10									
11		Cust/Load/Sales	#DIV/0!	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!		FF1 at 263:i, Company Records
12									
13	<u>Transmission Operation and Maintenance</u>								
14		MPD	100.00%	\$ -	All Trans.	100.00%	\$ -		FF1 at 321:83b-95b, 321:97b-98b, 321:111b, Company Records
15	\$ -	MPD	100.00%	\$ -	All Trans.	100.00%	\$ -		Exhibit 10 at 1a
16									14e + 15e
17									
18	<u>Transmission-Related Administrative and General Expense</u>								
19		Cust./Sales	#DIV/0!	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!		FF1 at 323:197b
20		Cust./Sales	#DIV/0!	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!		FF1 at 323:185b, 323:189b, 323:191b
21		Cust./Sales	#DIV/0!	#DIV/0!	Salaries & Wages	#DIV/0!	#DIV/0!		FF1 at 323:184b, Company Records
22		MPD	100.00%	\$ -	Salaries & Wages	#DIV/0!	#DIV/0!		FF1 at 323:187b, Company Records
23		Total Plant	#DIV/0!	#DIV/0!	Plant	#DIV/0!	#DIV/0!		FF1 at 323:185b
24		MPD	100.00%	\$ -	All Trans.	100.00%	\$ -		FF1 at 323:189b, Company Records
25		MPD	100.00%	\$ -	All Trans.	100.00%	\$ -		FF1 at 323:189b, Company Records
26		MPD	100.00%	\$ -	All Trans.	100.00%	\$ -		FF1 at 323:184b, Company Records
27	\$ (20,669)	MPD	100.00%	\$ (20,669)	Salaries & Wages	#DIV/0!	#DIV/0!		Note 2
28		MPD	100.00%	\$ -	Salaries & Wages	#DIV/0!	#DIV/0!		FF1 at 114:12c, Company Records
29							#DIV/0!		Sum [19e:28e]

Notes

- Values exclude transaction-related costs for which recovery has not been authorized by the Commission.
- PBOP will not be changed absent a proceeding under Federal Power Act Section 205 or Section 206.



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ATTACHMENT J  
EXHIBIT 6

Allocation Factors

Line	Description	a Value	Reference(s)
<b>Company Allocators</b>			
1	Bangor Hydro District Customer Count		FF1 at 304:d
2	Maine Public District Customer Count		FF1 at 304:d
3	Company Customer Count (subtotal)	-	1a + 2a
4	Company Customer Count Allocator (BHD)	#DIV/0!	1a / 3a
5	<b>Company Customer Count Allocator (MPD)</b>	#DIV/0!	2a / 3a
6			
7	Company Customer/Load/Sales Allocator (BHD)	#DIV/0!	4a / 3 + 16a / 3 + 22a / 3
8	<b>Company Customer/Load/Sales Allocator (MPD)</b>	#DIV/0!	5a / 3 + 17a / 3 + 23a / 3
9			
10	Company Customer/Sales Allocator (BHD)	#DIV/0!	4a / 2 + 16a / 2
11	<b>Company Customer/Sales Allocator (MPD)</b>	#DIV/0!	5a / 2 + 17a / 2
12			
13	Bangor Hydro District Energy Sales (MWh)		FF1 at 304:b
14	Maine Public District Energy Sales (MWh)		FF1 at 304:b
15	Company Energy Sales (subtotal)	-	13a + 14a
16	Company Energy Sales Allocator (BHD)	#DIV/0!	13a / 15a
17	<b>Company Energy Sales Allocator (MPD)</b>	#DIV/0!	14a / 15a
18			
19	Bangor Hydro District Monthly Peak Loads (MW)		FF1 at 400 Sum [1b:16b]
20	Maine Public District Monthly Peak Loads (MW)		FF1 at 400 Sum [1b:16b]
21	Company Monthly Peak Loads (Subtotal)	-	19a + 20a
22	Company Monthly Peak Loads Allocator (BHD)	#DIV/0!	19a / 21a
23	<b>Company Monthly Peak Loads Allocator (MPD)</b>	#DIV/0!	20a / 21a
24			
25	Bangor Hydro District Revenue		FF1 at 304:c
26	Maine Public District Revenue		FF1 at 304:c
27	Company Revenues (Subtotal)	\$ -	25a + 26a
28	Company Revenue Allocator (BHD)	#DIV/0!	25a / 27a
29	<b>Company Revenue Allocator (MPD)</b>	#DIV/0!	26a / 27a
30			
31	Bangor Hydro District Total Electric Plant In Service (13-mo. avg.)		Company Records
32	Maine Public District Total Electric Plant In Service (13-mo. avg.)		Company Records
33	Company Total Electric Plant In Service (subtotal)	\$ -	31a + 32a
34	Company Total Plant Allocator (BHD)	#DIV/0!	31a / 33a
35	<b>Company Total Plant Allocator (MPD)</b>	#DIV/0!	32a / 33a
<b>MPD Allocators</b>			
36	<b>MPD Average Total Transmission Plant (13-mo. avg.)</b>	#DIV/0!	Exhibit 4 at 1r
37	MPD Transmission-Related General and Intangible Plant (13-mo. avg.)	#DIV/0!	Sum Exhibit 4 [3r, 5r, 7.3r, 7.4r]
38	MPD Electric Plant in Service (13-mo. avg.)	\$ -	32a
39	<b>MPD Plant Allocator (Transmission)</b>	#DIV/0!	(36a + 37a) / 38a
40			
41	Maine Public District Transmission Revenue		Company Records
42	Maine Public District Total Revenue	\$ -	26a
43	<b>MPD Revenue Allocator (Transmission)</b>	#DIV/0!	41a / 42a
<b>Salaries and Wages Allocator</b>			
44	Transmission Salaries and Wages		FF1 at 354:21b
45	Total Operations and Maintenance Salaries and Wages		FF1 at 354:28b
46	Administrative and General Salaries and Wages		FF1 at 354:27b
47	<b>Company Salaries and Wages Allocator (Transmission)</b>	#DIV/0!	44a / (45a - 46a)

Notes

1 Excludes transmission investments for which Transmission Provider received up-front customer contributions that it does not have to repay.

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ATTACHMENT J  
 EXHIBIT 7

Transmission-Related Revenues

a

Line Description	Input Value	Reference(s)
1 <u>Point-to-Point &amp; Settled Transaction Revenues</u>		Notes 1 and 2
2		
3		
4		
5		
6		
7		
8		
9 <u>TOTAL</u>	\$ -	Sum [2a:8a]
10		
11 <u>Transmission Plant-Related Rents and General Plant-Related Rents</u>		Note 3
12		
13		
14 <u>TOTAL</u>	\$ -	12a + 13a
15		
16 <u>Other Transmission-Related Revenues</u>		
17		
18		
19 <u>TOTAL</u>	\$ -	17a + 18a
20		
21 <u><b>TOTAL TRANSMISSION-RELATED REVENUES</b></u>	\$ -	Sum [9a, 14a, 19a]

Notes

- 1 Includes all transmission-related revenues recorded in Account 456 associated with the rolled-in base transmission rates for point-to-point or ancillary services on FF1 at 330:k and 330:m attributable to MPD.
- 2 Include all transmission-related revenues recorded in Account 456 except: (1) non-penalty revenues associated with the rolled-in base transmission rates for point-to-point or network transmission service or ancillary services; (2) revenues associated with O&M performed on other utilities' facilities that will be separately tracked and excluded from Transmission O&M, A&G, and Payroll Tax Expenses factored into Exhibit 5, Column (a).
- 3 Transmission Plant-Related Rent is defined as the rents properly booked to Account 454 that are for the use of plant booked to transmission; and General Plant-Related Rent is defined as the rents properly booked to Account 454 that are for the use of plant booked to general on FF1 at 300:19b.

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Monthly Peak Loads - MW

a

b

c

d

e

f

= a - sum [b:e]

MPD NITS Customers

Line Description

Total

MPD Retail

Reference(s)

1	January						0.000	FF1 at 401b:29d, Company Records
2	February						0.000	FF1 at 401b:30d, Company Records
3	March						0.000	FF1 at 401b:31d, Company Records
4	April						0.000	FF1 at 401b:32d, Company Records
5	May						0.000	FF1 at 401b:33d, Company Records
6	June						0.000	FF1 at 401b:34d, Company Records
7	July						0.000	FF1 at 401b:35d, Company Records
8	August						0.000	FF1 at 401b:36d, Company Records
9	September						0.000	FF1 at 401b:37d, Company Records
10	October						0.000	FF1 at 401b:38d, Company Records
11	November						0.000	FF1 at 401b:39d, Company Records
12	December						0.000	FF1 at 401b:40d, Company Records
13								
14	12-CP	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	0.000	Average [1:12]
15								
16	Load Ratio Share		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	14[b, c, d, e, or f] / 14a

**VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
ATTACHMENT J FORMULA RATES  
RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
ESTIMATED ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES**

**ATTACHMENT J  
EXHIBIT 9**

<b>Depreciation Rates</b>			<b>Annual Depreciation Rates %</b>
<b>Line</b>	<b>Depreciable Group</b>		
<b>1</b>	<b>Transmission Plant</b>		
2	350.2	Land Rights and Rights-of-Way	1.23
3	352	Structures & Improvements	1.91
4	353	Station Equipment	1.74
5	355.1	Poles and Fixtures	2.34
6	355.2	Clearing ROW & Environmental Permits	1.20
7	356	Overhead Conductors & Devices	2.25
<b>8</b>	<b>General Plant</b>		
9	390	Structures and Improvements	1.60
10	391.1	Office Furniture & Equipment	4.65
11	391.12	Computer Equipment	17.50
12	392	Transportation Equipment	2.77
13	393	Stores Equipment	5.82
14	394	Tools, Shop, & Garage Equipment	5.20
15	395	Laboratory Equipment	6.26
16	396	Power Operated Equipment	0.61
17	397	Communication Equipment	3.21
18	398	Miscellaneous Equipment	6.76

**Notes**

1 Depreciation rates will not be changed absent a proceeding under Federal Power Act Section 205 or Section 206.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
ATTACHMENT J FORMULA RATES  
RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
ESTIMATED ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

Scheduling, System Control and Dispatch Service

a

Line Description	Total	Reference(s)
1 Account No. 561		FF1 at 321:85b to 92b, Company Records
2 NMISA Expenses (neg.)		Company Records, Note 1
3 VAR Charges (neg.)	\$ -	Exhibit 1a at 7a
4 <b>ESTIMATED SCHEDULING, SYSTEM CONTROL &amp; DISPATCHING SERVICE COSTS</b>	<b>\$ -</b>	Sum [1a:3a]
5		
6 Prior Year Estimated Wholesale Transmission Revenue Requirement		Prior Year Estimated, Exhibit 10 at 4a
7 Prior Year Actual Wholesale Transmission Revenue Requirement		Prior Year Actual Exhibit 10 at 4a
8 Prior Year True-Up (Down)	\$ -	7a - 6a
9 Interest on True-Up (Down)	\$ -	WP Interest on Wholesale True-Up at 26d
10 <b>SCHEDULING, SYSTEM CONTROL &amp; DISPATCHING SERVICE COSTS TO BE USED FOR CHARGES</b>	<b>\$ -</b>	Sum [4a, 8a, 9a]

Notes

1 Account 561.4 costs Transmission Provider pays to the Northern Maine ISA (NMISA) on behalf of the MPD load. From Company Records.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
ATTACHMENT J FORMULA RATES  
RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
ESTIMATED ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
WP FF1 RECONCILLIATION

Workpaper - FERC Form 1 Reconciliation

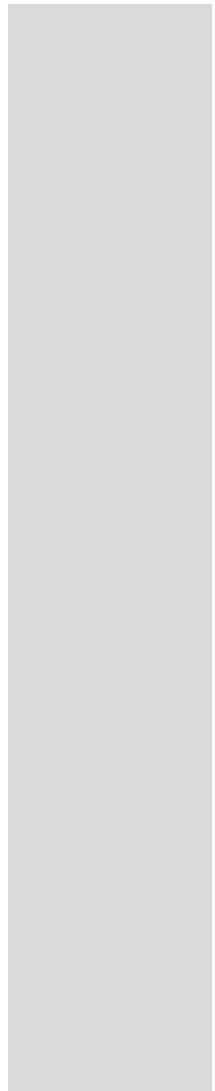
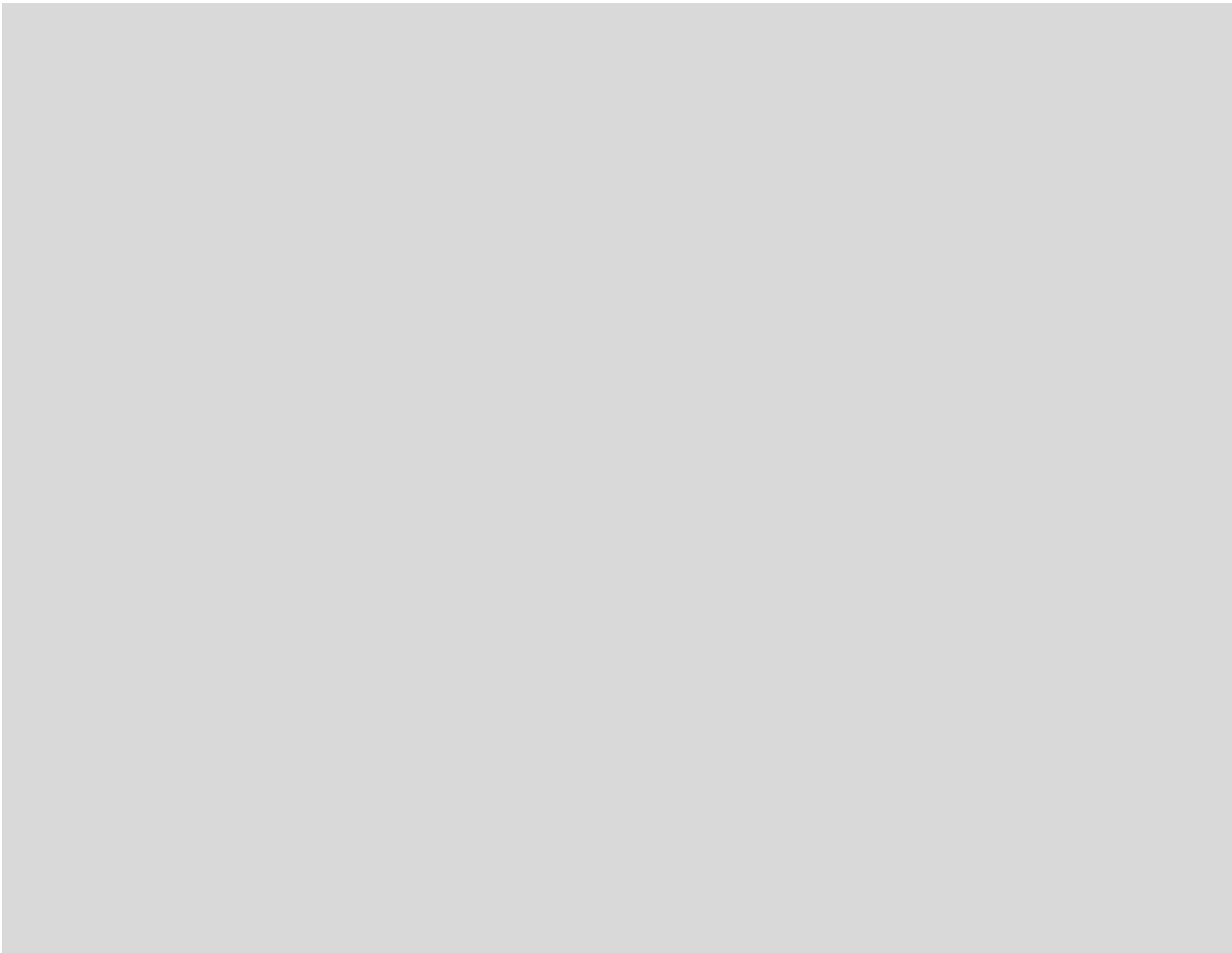
Line	Description	a BHD Value	b MPD Value	c = a + b Total	Used In	d FF1 Value	FF1 Value Reference(s)
1	<u>Plant in Service (EOY)</u>						
2	Total Electric Plant in Service		\$ -	-	[n/a]		FF1 at 207:104g
3	Total Transmission Plant		\$ -	-	Exhibit 4		FF1 at 207:58g
4	Transmission Plant Held for other Use		\$ -	-	Exhibit 4		FF1 at 214
5	General Plant		\$ -	-	Exhibit 4		FF1 at 207:99g
6	Intangible Plant		\$ -	-	Exhibit 4		FF1 at 205:5g
7	Transmission Plant Accumulated Depreciation (neg.)		\$ -	-	Exhibit 4		FF1 at 219:25c
8	General Plant Accumulated Depreciation (neg.)		\$ -	-	Exhibit 4		FF1 at 219:28c
9	Accum. Provision for Amortization of Other Utility Plant (neg.)		\$ -	-	Exhibit 4		FF1 at 200:21b
10							
11	<u>Revenues</u>						
12	Transmission Revenue		\$ -	-	Exhibit 6		
13							
14	<u>Depreciation Expense and Amortization</u>						
15	Transmission Plant Depreciation		\$ -	-	Exhibit 5		FF1 at 336:7f
16	General Plant Depreciation and Amortization		\$ -	-	Exhibit 5		FF1 at 336:10f
17	Intangible Plant Amortization		\$ -	-	Exhibit 5		FF1 at 336:1f
18							
19	<u>Transmission Operation and Maintenance Expense</u>						
20	Account No. 560 (Operation Supervision and Engineering)		\$ -	-			FF1 at 321:83b
21	Account No. 561.1 (Load Dispatch-Reliability)		\$ -	-			FF1 at 321:85b
22	Account No. 561.2 (Load Dispatch-Monitor and Operate Transmission System)		\$ -	-			FF1 at 321:86b
23	Account No. 561.3 (Load Dispatch-Transmission Service and Scheduling)		\$ -	-			FF1 at 321:87b
24	Account No. 561.4 (Scheduling, System Control and Dispatch Services)		\$ -	-	Exhibit 10		FF1 at 321:88b
25	Account No. 561.5 (Reliability, Planning and Standards Development)		\$ -	-			FF1 at 321:89b
26	Account No. 561.6 (Transmission Service Studies)		\$ -	-			FF1 at 321:90b
27	Account No. 561.7 (Generation Interconnection Studies)		\$ -	-			FF1 at 321:91b
28	Account No. 561.8 (Reliability, Planning and Standards Development Services)		\$ -	-			FF1 at 321:92b
29	Account No. 562 (Station Expenses)		\$ -	-			FF1 at 321:93b
30	Account No. 563 (Overhead Lines Expenses)		\$ -	-			FF1 at 321:94b
31	Account No. 564 (Underground Lines Expenses)		\$ -	-			FF1 at 321:95b
32	Account No. 566 (Miscellaneous Transmission Expenses)		\$ -	-			FF1 at 321:97b
33	Account No. 567 (Rents)		\$ -	-			FF1 at 321:98b
34	Account No. 568 (Maintenance Supervision and Engineering)		\$ -	-			FF1 at 321:101b
35	Account No. 569 (Maintenance of Structures)		\$ -	-			FF1 at 321:102b

36	Account No. 569.1 (Maintenance of Computer Hardware)		\$	-			FF1 at 321:103b
37	Account No. 569.2 (Maintenance of Computer Software)		\$	-			FF1 at 321:104b
38	Account No. 569.3 (Maintenance of Communication Equipment)		\$	-			FF1 at 321:105b
39	Account No. 569.4 (Maintenance of Miscellaneous Regional Transmission Plant)		\$	-			FF1 at 321:106b
40	Account No. 570 (Maintenance of Station Equipment)		\$	-			FF1 at 321:107b
41	Account No. 571 (Maintenance of Overhead Lines)		\$	-			FF1 at 321:108b
42	Account No. 572 (Maintenance of Underground Lines)		\$	-			FF1 at 321:109b
43	Account No. 573 (Maintenance of Miscellaneous Transmission Plant)		\$	-			FF1 at 321:110b
44	Total	\$	-	\$	-	\$	-
45						Exhibit 5	
46	<u>Other Pension and Benefit Liabilities (EOY)</u>						
47	Accumulated Provision for Pensions and Benefits - Liability		\$	-		Exhibit 4	FF1 at 112:29c
48							
49	<u>Other Regulatory Liabilities (EOY)</u>						
50	Accumulated Provision for Pensions and Benefits - Regulatory Liability		\$	-			
51	Items not included in Transmission Investment Base - Regulatory Liability		\$	-			
52	Total	\$	-	\$	-	Exhibit 4	FF1 at 278:f
53							
54	<u>Other Regulatory Assets (EOY)</u>						
55	Accumulated Provision for Pensions and Benefits - Regulatory Assets		\$	-			
56	Items not included in Transmission Investment Base - Regulatory Assets		\$	-			
57	Total	\$	-	\$	-	Exhibit 4	FF1 at 232:f
58							
59	<u>Other Expense</u>						
60	Amortization of Investment Tax Credits		\$	-		Exhibit 5	FF1 at 266:8f
61							
62	Post-Retirement Benefits Other than Pensions (PBOP)		\$	-		Exhibit 5	
63	Other Amounts Recorded to Account No. 926						
64			\$	-			FF1 at 323:187b
65							
66	<u>Account No. 407.3 Reconciliation</u>						
67	Amortization of Pension and PBOP Regulatory Asset		\$	-		Exhibit 5	
68	Other Regulatory Debits						
69	Total		\$	-			FF1 at 114:12c
70							
71	<u>Account No. 923 Reconciliation</u>						
72	Regulatory Proceedings Expense		\$	-		Exhibit 5	
73	Other Outside Services Employed Expense					Exhibit 5	
74	Total		\$	-			FF1 at 323:184b
75							

76	<u>Account No. 928 Reconciliation</u>					
77	Commission Annual Charges		\$ -	Exhibit 5		
78	Other Transmission-Related Regulatory Commission Expenses		\$ -	Exhibit 5		
79	Other Regulatory Commission Expenses (Distribution)		\$ -	n/a		
80	Total		\$ -			FF1 at 323:189b
81						
82	<u>General Taxes</u>					
83						FF1 at 263i
84						FF1 at 263i
85			\$ -	Exhibit 5		
86	<u>Payroll Tax Expense</u>					
87						FF1 at 263i
88						FF1 at 263i
89						FF1 at 263i
90			\$ -	Exhibit 5		
91						
92	<u>Taxes Other Than Income Taxes</u> (sum of Property Tax and Payroll Tax above)					
93			\$ -	n/a		FF1 at 114:14c
94	<u>Customer MWh, Revenue and Count (Billed)</u>	(a) MWh	(b) Revenue	(c) Avg. Count	District	<u>FF1 Value Reference(s)</u>
95						a: FF1 at 304-304.1:Col. b
96						b: FF1 at 304-304.1:Col. c
97						c: FF1 at 304-304.1:Col. d
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Unbilled Amounts  
MWh  
Revenue

(a) BHD Value	(b) MPD Value	(c) Total
		-
		\$ -

FF1 Value

FF1 Value Reference(s)  
FF1 at 304:42b  
FF1 at 304:42c

164  
165  
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	(a) MWh	(b) Revenue	(c) Avg. Count	
BHD (excluding unbilled)	-	\$ -	-	(c) Exhibit 6
MPD (excluding unbilled)	-	\$ -	-	(c) Exhibit 6
	-	\$ -	-	
BHD (including unbilled)	-	\$ -	-	Exhibit 6
MPD (including unbilled)	-	\$ -	-	Exhibit 6
	-	\$ -	-	

Cols. a & b totals: FF1 at 304:43b & c  
Col. c total: FF1 at 301:14f

a: 161a + 165a, b: 162a + 165b  
a: 161b + 166a, b: 162b + 166b  
FF1 at 304:43b & 43c

Values may differ slightly from FERC Form 1 due to rounding.



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TOTAL	\$	-	Revenue Allocator	#DIV/0!	#DIV/0!
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Sum [50p, 62p, 74p]

Account No. 283 exclusive of deferred income taxes associated with stranded costs, retail rake-making, affiliated companies, or any ASC-740 amounts

FF1 at 113:64c, Company Records

	\$	-	Salaries and Wages	#DIV/0!	#DIV/0!
--	----	---	--------------------	---------	---------

	\$	-	Plant Allocator	#DIV/0!	#DIV/0!
--	----	---	-----------------	---------	---------

TOTAL	\$	-	Revenue Allocator	#DIV/0!	#DIV/0!
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Sum [88p, 100p, 112p]

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ESTIMATED ATTR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP DTA/(L) AMORTIZATION EXPENSE AND BALANCE

Workpaper - Deferred Tax Asset/(Liability) Amortization Expense and Balance

Line Description	a1	a[] *	b = Sum a1:a[]	Reference(s)
1 Calendar Year				
2				
3 Annual Versant Power Amortization of Deficient ADIT Asset (Account 410.1)				WP Prot DTA(L) Amort by Year Col. a + WP Unprot DTA(L) Amort by Year Col. a
4 Annual Versant Power Amortization of Excess ADIT Liability (Account 411.1)				WP Prot DTA(L) Amort by Year Col. b + WP Unprot DTA(L) Amort by Year Col. b
5				
6 Annual Amortization of MPD Transmission Deficient/(Excess) ADIT Assets/(Liabilities) - Protected			\$ -	WP Prot DTA/(L) Amort by Year, Col. e (for Applicable Year)
7 Annual Amortization of MPD Transmission Deficient/(Excess) ADIT Assets/(Liabilities) - Unprotected			\$ -	WP Unprot DTA/(L) Amort by Year, Col. e (for Applicable Year)
8 <b>Total MPD Transmission Annual Amortization Expense (to Exhibit 5 at 6.3a)</b>	\$ -	\$ -	\$ -	6a + 7a
9				
10 Monthly Amortization	\$ -	\$ -	\$ -	Line 8 / 12
11				
12 <b>Deferred Tax Assets/(Liabilities) as Allocated to MPD Transmission by Month</b>			<b>Values to Ex. 4 at 26.1</b>	
13 December			\$ -	Prior Year, WP DTA/(L) Amortization, Line 25
14 January	\$ -	\$ -	\$ -	Line 13 - Line 10
15 February	\$ -	\$ -	\$ -	Line 14 - Line 10
16 March	\$ -	\$ -	\$ -	Line 15 - Line 10
17 April	\$ -	\$ -	\$ -	Line 16 - Line 10
18 May	\$ -	\$ -	\$ -	Line 17 - Line 10
19 June	\$ -	\$ -	\$ -	Line 18 - Line 10
20 July	\$ -	\$ -	\$ -	Line 19 - Line 10
21 August	\$ -	\$ -	\$ -	Line 20 - Line 10
22 September	\$ -	\$ -	\$ -	Line 21 - Line 10
23 October	\$ -	\$ -	\$ -	Line 22 - Line 10
24 November	\$ -	\$ -	\$ -	Line 23 - Line 10
25 December	\$ -	\$ -	\$ -	Line 24 - Line 10

\* Additional columns to be added as necessary.

Notes

□

Workpaper - Protected Deferred Tax Asset/(Liability) Amortization by Year \*

	a (Notes 1, 2)	b	c = a + b	d	e = c * d	
	Versant Power					
Line	Year	Protected Amortization (Note 1) of Deficient DIT Asset	of Excess DIT Liability	Net Protected Amortization	MPD Transmission Protected Allocator (Note 3)	MPD Transmission Net Protected Amortization
		Acct 410.1	Acct 411.1			
1				-	#DIV/0!	#DIV/0!
[ ] **						

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.  
 \*\* Additional rows to be added as necessary.

Notes

1	
2	To the extent permitted by enacted law, IRS authority and/or published guidance, values shall represent the maximum amount of protected excess and deficient ADIT allowed to be included in the formula rate in each rate year under the provisions of the most applicable IRS guidance or requirements. Accordingly, values may be revised for matters that alter the maximum amount of excess and deficient ADIT allowed to be included in the formula rate in the current or future rate year (e.g., book accounting depreciation rate changes and
3	WP Protected DTA(L) Allocators at 3a
[ ]	

VERSANT POWER – MAINE PUBLIC DISTRICT OATT

ATTACHMENT J

ATTACHMENT J FORMULA RATES

WP UNPROTECTED DTA/(L) AMORTIZATION BY YEAR

RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_

ESTIMATED ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

Workpaper - Unprotected Deferred Tax Asset/(Liability) Amortization by Year \*

[REDACTED]

a                      b                      c = a + b                      d                      e = c \* d

Line	Year	Versant Power		Versant Power Total Net Unprotected Amortization	MPD Transmission Unprotected Allocator (Note 3)	MPD Transmission Net Unprotected Amortization
		Unprotected Amortization of Deficient DIT Asset (Note 1) Acct 410.1	of Excess DIT Liability (Note 2) Acct 411.1			

1	[REDACTED]			-	#DIV/0!	#DIV/0!
[ ] **	[REDACTED]					

- \* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.
- \*\* Additional rows to be added as necessary.

Notes

1	[REDACTED]
2	[REDACTED]
3	WP Unprotected DTA(L) Allocators at 3a
[ ]	[REDACTED]

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ESTIMATED ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

Workpaper - Initial Deferred Tax Asset/(Liability) Detail \*

Line	Description	Value at _____		Difference (Note 1)	Originating Account	Recorded Account	Protected/ Unprotected	Amortization Period	Reference(s)
		at ____%	at ____%						
1.001				-					
[ ] **									

Line	Description	c = a + b			Reference(s)
		Protected	Unprotected	Total	
2.01	Versant Power Deferred Tax Asset (Account 182.3)	\$ -	\$ -	\$ -	Sum of Relevant Values in 1.001c:1.[ ]c
2.02	Versant Power Deferred Tax Liability (Account 254)	\$ -	\$ -	\$ -	Sum of Relevant Values in 1.001c:1.[ ]c
3	Versant Power Net Deferred Tax Asset/(Liability)	\$ -	\$ -	\$ -	Sum Lines 2.01:2.02
4					
5	Blended Federal & State Statutory Tax Rate			0.00%	1 - [(1 - Exhibit 3 at 47d) * (1 - Exhibit 3 at 57d)]
6					
7	Gross-Up on Versant Power Deferred Tax Asset			\$ -	[2.01c * 1/(1-5c)] - 2.01c, Note 2
8	Gross-Up on Versant Power Deferred Tax Liability			\$ -	[2.02c * 1/(1-5c)] - 2.02c, Note 2

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.  
 \*\* Additional rows to be added as necessary.

Notes

- 1 ADIT accounts are remeasured by analyzing, for each ADIT inventory maintained, the future obligation or credit of Versant Power under a 21 percent federal tax rate.
- 2 Gross-up is not included in rate base. Rather, gross-up of amortization is provided for in Exhibit 5, Lines 6.2 to 6.5.
- [ ] [Reserved]



VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ESTIMATED ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP PROTECTED DTA(L) ALLOCATORS

Workpaper - Protected Deferred Tax Asset/(Liability) Allocators\*

Line	Description	a	b	c	Reference(s)
1	Protected Deficient/(Excess) Deferred Tax Allocators	Transmission	Distribution	Total (= T + D)	
2	Bangor Hydro District	#DIV/0!	#DIV/0!	#DIV/0!	a: 24b / 6c; b: 24c / 6c
3	Maine Public District	#DIV/0!	#DIV/0!	#DIV/0!	a: 38b / 6c; b: 38c / 6c
4	Total			#DIV/0!	2c + 3c
5					
6	Deficient/(Excess) Protected ADIT			\$ -	WP Initial DTA(L) Detail at 3a
7					
8			Allocator	Alloc. Amount	
9	BHD Deficient/(Excess) Protected ADIT		#DIV/0!	#DIV/0!	WP NTV NBV Differences [5c / (5c + 5f)]; 6c * 9c
10					
11	BHD Allocation Stage 1		Allocator	Alloc. Amount	
12	Transmission		#DIV/0!	#DIV/0!	WP NTV NBV Differences [4c / 5c]; 9c * 12b
13	Distribution		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3c / 5c]; 9c * 13b
14	Common	#DIV/0!			WP NTV NBV Differences [2c / 5c]
15	Common (CIS)		#DIV/0!	#DIV/0!	44c * 14b; 9c * 14b
16	Common (General)		#DIV/0!	#DIV/0!	14b - 15b; 9c * 15b
17	Total		#DIV/0!	#DIV/0!	Sum Lines 11, 12, 14, 15
18					
19	BHD Allocation Stage 2	Tr. Allocator	Transmission	Distribution	
20	Transmission		#DIV/0!	#DIV/0!	Col. a: _____
21	Distribution	0.00%	#DIV/0!	#DIV/0!	Col. b: Col. a * applicable value from 12c:16c
22	Common (CIS)		#DIV/0!	#DIV/0!	Col. c: Applicable value from 12c:16c - Col. b
23	Common (General)		#DIV/0!	#DIV/0!	
24	Total		#DIV/0!	#DIV/0!	
25					
26	MPD Deficient/(Excess) Protected ADIT		#DIV/0!	#DIV/0!	WP NTV NBV Differences [5f / (5c + 5f)]; 6c * 37c
27					
28	MPD Allocation Stage 1		Allocator	Alloc. Amount	
29	Transmission		#DIV/0!	#DIV/0!	WP NTV NBV Differences [4f / 5f]; 26f * 29b
30	Distribution		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3f / 5f]; 26f * 30b
31	Common		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3f / 5f]; 26f * 31b
32	Total		#DIV/0!	#DIV/0!	Sum Lines 29:31
33					
34	MPD Allocation Stage 2	Tr. Allocator	Transmission	Distribution	
35	Transmission	100.00%	#DIV/0!	\$ -	37a: _____
36	Distribution	0.00%	\$ -	#DIV/0!	Col. b: Col. a * applicable value from 29c:31c
37	Common		#DIV/0!	#DIV/0!	Col. c: Applicable value from 29c:31c - Col. b
38	Total		#DIV/0!	#DIV/0!	
39					
40	Determination of CIS as Percentage of BHD Common at				
41	CIS Accumulated Depreciation				Company Records
42	General, Intangible and Distribution Accumulated Depreciation				Company Records
43					
44	CIS as Percentage of Common			#DIV/0!	41c / 42c

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.

VERSANT POWER – MAINE PUBLIC DISTRICT OATT  
 ATTACHMENT J FORMULA RATES  
 RATE YEAR JUNE 1, \_\_\_\_ TO MAY 31, \_\_\_\_  
 ESTIMATED ATRR & CHARGES BASED ON ACTUAL CY \_\_\_\_ VALUES

ATTACHMENT J  
 WP UNPROTECTED DTA(L) ALLOCATORS

Workpaper - Unprotected Deferred Tax Asset/(Liability) Allocators\*

Line	Description	a	b	c	Reference(s)
1	<u>Unprotected Deficient/(Excess) Deferred Tax Allocators</u>	Transmission	Distribution	Total (= T + D)	
2	Bangor Hydro District	#DIV/0!	#DIV/0!	#DIV/0!	a: 24b / 6c; b: 24c / 6c
3	Maine Public District	#DIV/0!	#DIV/0!	#DIV/0!	a: 38b / 6c; b: 38c / 6c
4	<u>Total</u>			#DIV/0!	2c + 3c
5					
6	Deficient/(Excess) Protected ADIT			\$ -	WP Initial DTA(L) Detail at 3a
7					
8			Allocator	Alloc. Amount	
9	BHD Deficient/(Excess) Protected ADIT		#DIV/0!	#DIV/0!	WP NTV NBV Differences [5c / (5c + 5f)]; 6c * 9c
10					
11	BHD Allocation Stage 1		Allocator	Alloc. Amount	
12	Transmission		#DIV/0!	#DIV/0!	WP NTV NBV Differences [4c / 5c]; 9c * 12b
13	Distribution		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3c / 5c]; 9c * 13b
14	Common	#DIV/0!			WP NTV NBV Differences [2c / 5c]
15	Common (CIS)		#DIV/0!	#DIV/0!	44c * 14b; 9c * 14b
16	Common (General)		#DIV/0!	#DIV/0!	14b - 15b; 9c * 15b
17	<u>Total</u>		#DIV/0!	#DIV/0!	Sum Lines 11, 12, 14, 15
18					
19	BHD Allocation Stage 2	Tr. Allocator	Transmission	Distribution	
20	Transmission		#DIV/0!	#DIV/0!	Col. a: _____
21	Distribution	0.00%	#DIV/0!	#DIV/0!	Col. b: Col. a * applicable value from 12c:16c
22	Common (CIS)		#DIV/0!	#DIV/0!	Col. c: Applicable value from 12c:16c - Col. b
23	Common (General)		#DIV/0!	#DIV/0!	
24	<u>Total</u>		#DIV/0!	#DIV/0!	
25					
26	MPD Deficient/(Excess) Protected ADIT		#DIV/0!	#DIV/0!	WP NTV NBV Differences [5f / (5c + 5f)]; 6c * 37c
27					
28	MPD Allocation Stage 1		Allocator	Alloc. Amount	
29	Transmission		#DIV/0!	#DIV/0!	WP NTV NBV Differences [4f / 5f]; 26f * 29b
30	Distribution		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3f / 5f]; 26f * 30b
31	Common		#DIV/0!	#DIV/0!	WP NTV NBV Differences [3f / 5f]; 26f * 31b
32	<u>Total</u>		#DIV/0!	#DIV/0!	Sum Lines 29:31
33					
34	MPD Allocation Stage 2	Tr. Allocator	Transmission	Distribution	
35	Transmission	100.00%	#DIV/0!	\$ -	37a: _____
36	Distribution	0.00%	\$ -	#DIV/0!	Col. b: Col. a * applicable value from 29c:31c
37	Common		#DIV/0!	#DIV/0!	Col. c: Applicable value from 29c:31c - Col. b
38	<u>Total</u>		#DIV/0!	#DIV/0!	
39					
40	Determination of CIS as Percentage of BHD Common at				
41	CIS Accumulated Depreciation				Company Records
42	General, Intangible and Distributino Accumulated Depreciation				Company Records
43					
44	CIS as Percentage of Common			#DIV/0!	41c / 42c

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.

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ATTACHMENT J  
 WP NTV NBV DIFFERENCES

Workpaper - Net Tax Value (NTV) - Net Book Value (NBV) Differences\*

Line	Description	BHD			MPD			Reference(s)
		a	b	c = a - b	d	e	f = d - e	
1	<u>Protected Assets</u>	Net Tax Value	Book Net Value	Difference	Net Tax Value	Book Net Value	Difference	
2	Common			\$ -			\$ -	Company Records
3	Distribution			\$ -			\$ -	Company Records
4	Transmission			\$ -			\$ -	Company Records
5	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Sum L. 2 to L. 4
6								
7	<u>Unprotected Assets</u>	Net Tax Value	Book Net Value	Difference	Net Tax Value	Book Net Value	Difference	
8	Common			\$ -			\$ -	Company Records
9	Distribution			\$ -			\$ -	Company Records
10	Transmission			\$ -			\$ -	Company Records
11	Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Sum L. 2 to L. 4

\* Sheet may be replicated for each change in tax rate resulting in excess or deficient ADITs.

Notes

1	Source:
2	Spreadsheet data represents differences between the net tax basis and the net book value of protected and unprotected deferred income tax items as of the effective date of the tax rate change. The effective date is _____ for the _____.
	[]

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ATTACHMENT J  
 WP CUSTOMER COSTS

Workpaper - Customer Costs

a

Line Description	Value	Reference(s)
1 Account Nos. 901 to 905		FF1 at 322:164b
2 Account Nos. 907 to 910		FF1 at 323:171b
3 Total	\$ -	1a + 2a
4 Company Revenue Allocator (MPD)	#REF!	Exhibit 6 at 29a
5 MPD Allocation	#REF!	3a * 4a
6 MPD Revenue Allocator (Transmission)	#DIV/0!	Exhibit 6 at 43a
7 <b>MPD Retail Transmission Allocation</b>	<b>#DIV/0!</b>	5a * 6a

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ATTACHMENT J  
WP RETAIL JUNE TRUE-UP

Workpaper - Retail Customer Deferred Revenue Adjustment Associated with Retail Rates Going into Effect on July vs June

Line	Retail Rate Tariff	a	b	c	d	e	Reference(s)
		(Note 1)	(Note 1)	= b - a	(Note 2)	= c * d	
				rate delta	Billing Data		
		\$/kWh or \$/kW	\$/kWh or \$/kW	\$/kWh or \$/kW	kWh or kW	Credit (Refund)	
1				0.000000		\$ -	a & b: Exh. 1b from annual updates referenced in column headings
2				0.000000		\$ -	
3				0.000000		\$ -	
4				0.000000		\$ -	
5				0.000000		\$ -	
6				0.000000		\$ -	
7				0.000000		\$ -	
8				0.000000		\$ -	
9				0.000000		\$ -	
10	Total Retail Transmission Revenue Adjustment					\$ -	Sum [1e:9e]
11							
12		a	b	c		d = b * c	
13							
14				Monthly Rate			
15	Month	Year	Balance	(Note 3)	Total		Col. (b) Reference
16	June		\$ -		\$ -		10e
17	July		\$ -		\$ -		16b + 16d
18	August		\$ -		\$ -		17b
19	September		\$ -		\$ -		17b
20	October		\$ -		\$ -		19b + Sum [17d:19d]
21	November		\$ -		\$ -		20b
22	December		\$ -		\$ -		20b
23	January		\$ -		\$ -		22b + Sum [20d:22d]
24	February		\$ -		\$ -		23b
25	March		\$ -		\$ -		23b
26	April		\$ -		\$ -		25b + Sum [23d:25d]
27	May		\$ -		\$ -		26b
28	Total Interest				\$ -		Sum [16d:27d]
29							
30	Total Retail Transmission Revenue Adjustment				\$ -		10e + 28d

Notes

- Figures to be rounded in accordance with billing rates shown in Exhibit 1b.
- Source: Company Customer Information System
- Monthly Interest shall be calculated in accordance with 18 CFR Section 35.19a.

Workpaper - Interest on Wholesale ATRR True-Up

	a	b	c	d = b * c		
Line	Month	Year	Balance	Monthly Rate (Note 1)	Total	Col. (b) Reference
1	June		\$ -		\$ -	Exhibit 2 at 37a
2	July		\$ -		\$ -	1b + 1d
3	August		\$ -		\$ -	2b
4	September		\$ -		\$ -	2b
5	October		\$ -		\$ -	4b + Sum [2d:4d]
6	November		\$ -		\$ -	5b
7	December		\$ -		\$ -	5b
8	January		\$ -		\$ -	7b + Sum [5d:7d]
9	February		\$ -		\$ -	8b
10	March		\$ -		\$ -	8b
11	April		\$ -		\$ -	10b + Sum [8d:10d]
12	May		\$ -		\$ -	11b
13	<b>TOTAL</b>				\$ -	Sum [1d:12d]

Workpaper - Interest on Scheduling, System Control and Dispatch Service Costs True-Up

Line	Month	Year	Balance	Monthly Rate (Note 1)	Total	Col. (b) Reference
14	June		\$ -		\$ -	Exhibit 10 at 8a
15	July		\$ -		\$ -	14b + 14d
16	August		\$ -		\$ -	15b
17	September		\$ -		\$ -	15b
18	October		\$ -		\$ -	17b + Sum [15d:17d]
19	November		\$ -		\$ -	18b
20	December		\$ -		\$ -	18b
21	January		\$ -		\$ -	20b + Sum [18d:20d]
22	February		\$ -		\$ -	21b
23	March		\$ -		\$ -	21b
24	April		\$ -		\$ -	23b + Sum [21d:23d]
25	May		\$ -		\$ -	24b
26	<b>TOTAL</b>				\$ -	Sum [14d:25d]

Notes

1 Monthly Interest shall be calculated in accordance with 18 CFR Section 35.19a.

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ATTACHMENT J  
 WP INTEREST ON RETAIL TRUE-UP

Workpaper - Interest on Retail True-Up

	a	b	c	d = b * c		
Line	Month	Year	Balance	Monthly Rate (Note 1)	Total	Col. (b) Reference
1	June		\$ -		\$ -	Exhibit 1b at 15a
2	July		\$ -		\$ -	1b + 1d
3	August		\$ -		\$ -	2b
4	September		\$ -		\$ -	2b
5	October		\$ -		\$ -	4b + Sum [2d:4d]
6	November		\$ -		\$ -	5b
7	December		\$ -		\$ -	5b
8	January		\$ -		\$ -	7b + Sum [5d:7d]
9	February		\$ -		\$ -	8b
10	March		\$ -		\$ -	8b
11	April		\$ -		\$ -	10b + Sum [8d:10d]
12	May		\$ -		\$ -	11b
13	<b>TOTAL</b>				\$ -	Sum [1d:12d]

Notes

1 Monthly Interest shall be calculated in accordance with 18 CFR Section 35.19a.

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ATTACHMENT J  
 WP WHOLESALE ADJUSTMENTS

Workpaper - Adjustments to Wholesale Charges

	a	b	c	d	e	
Line Description	Rate Year	Filed Value	Adjusted Value	ATRR Impact	Interest (Note 1)	Reference(s)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11 <b>TOTAL</b>				\$ -	\$ -	Sum [1d:10d]; Sum [1e:10e]

Notes

1 Monthly Interest shall be calculated in accordance with 18 CFR Section 35.19a.



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ATTACHMENT J  
 WP RETAIL ADJUSTMENTS

Workpaper - Adjustments to Retail Charges

	a	b	c	d	e	
Line Description	Rate Year	Filed Value	Adjusted Value	ATRR Impact	Interest (Note 1)	Reference(s)
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11 <b>TOTAL</b>				\$ -	\$ -	Sum [1d:10d]; Sum [1e:10e]

Notes

1 Monthly Interest shall be calculated in accordance with 18 CFR Section 35.19a.

**Protocols for Implementing and Reviewing Charges Established by  
the Attachment J Formulas**

**I. General**

The Attachment J Formulas are premised upon, and Transmission Provider shall implement the Attachment J Formulas in accordance with, the following: (i) Federal Energy Regulatory Commission’s (“FERC” or “Commission”) Uniform System of Accounts (“USoA”), (ii) FERC Form No. 1 reporting requirements as applicable, (iii) FERC orders establishing general transmission ratemaking policies applicable to Transmission Provider; and (iv) Transmission Provider’s accounting policies, practices and procedures that are consistent with the USoA, as each of these factors existed as of June 1, 2015, subject to each factor being changed in accordance with the procedures provided for in these Protocols or by FERC.

**II. Definitions**

For the purposes of this Attachment J, the following capitalized terms shall have the meanings ascribed to them below.

“Actual Charges” shall have the meaning set forth in Section IV.

“Accounting Change” shall mean any change in the Transmission Provider’s accounting policies and practices (as such are defined by the Statement of Financial Accounting Standards No. 154 issued by the Financial Accounting Standards Board or its successor) from those in effect for the year in which the immediately preceding Annual Update was based that affects inputs to the formula rate or the resulting charges billed under the formula rate. An “Accounting Change” shall also include any matter that affects the maximum amount of excess or deficient ADIT allowed to be included in the formula rate under the most applicable IRS guidance or taxing authority requirements (e.g., financial accounting matters such as depreciation rate changes and impairments or income tax matters), which is discussed in more detail in Section VIII – Excess and Deficient ADIT procedures.

“Annual Review Procedures” shall mean the procedures for review of the Annual Update, set forth in Section V.B.

“Annual Review Protocols” shall mean all of the protocols for implementing and reviewing the rates established by the Attachment J Formulas included in this Attachment J.

“Annual Update” shall have the meaning provided in Section IV.

“Attachment J Formulas” shall mean the rate formulas, rate schedules, and statements included in this Attachment J.

“Business Day” shall mean any Day other than Saturdays, Sundays, and the Days on which the following holidays are observed by the United States government: New Year’s Day, Birthday of Martin Luther King, Jr., Washington’s Birthday, Memorial Day, Independence Day, Labor Day,

Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

“Customer Meeting” shall have the meaning provided in Section V.B.1.

“Day” shall mean a 24-hour period commencing 12:00AM and ending at 11:59PM Eastern Prevailing Time.

“Estimated Charges” shall have the meaning set forth in Section IV.

“Formal Challenge” shall have the meaning provided in Section VI.A.

“Interested Parties” shall mean customers under this OATT, Eligible Customers, the Maine Public Utilities Commission, the Office of the Public Advocate of the State of Maine, and any entity having standing in a FERC proceeding investigating the rates, terms or conditions of the Attachment J Formulas, staff of FERC and any Party that intervenes in the proceeding(s) in which the Annual Update was filed (as the term Party is used in 18 C.F.R. § 385.102(c)).

“Loss Factor Update” shall have the meaning set forth in Section III.A.

“Mistake” shall have the meaning provided in Section VI.E.

“Post-Retirement Benefits Other than Pensions” shall have the same meaning as provided to the term in *Boston Edison Co.*, 70 FERC ¶ 61,222 (1995).

“Preliminary Challenge” shall have the meaning provided in Section V.B.7.

“Publication Date” shall mean the date on which the Transmission Provider provides the Annual Update to the Interested Parties. This date shall be no later than May 1 each year, or the next Business Day if May 1 does not fall on a Business Day.

“Rate Year” shall mean the period from June 1 of a year through May 31 of the following year.

“Review Period” shall have the meaning provided in Section V.B.7.

All other capitalized terms shall have the meanings provided for elsewhere in this OATT.

### **III. Loss Factor Update**

A. The Transmission Provider shall calculate annually the Real Power Loss Factor in accordance with the provisions of this Section III (the “Loss Factor Update”).

B. On or before the Publication Date of each year, Transmission Provider shall: (i) post the Loss Factor Update on its OASIS site; (ii) submit the Loss Factor Update to the FERC as an informational filing; and (iii) serve copies of the Loss Factor Update on existing customers under this OATT, the Maine Public Utilities Commission, the Office of the Public Advocate of the State of Maine, and the Northern Maine Independent System Administrator.

C. The Real Power Loss Factor shall be calculated for each Rate Year as follows based on data from the immediate prior calendar year:

(1) Calculate Transmission System Use (“TSU”) by summing Transmission Provider month- end meter readings (i) at the generator interface points and (ii) at the interties between the Transmission System and other systems measuring the flows into and out of the Transmission System. Subparagraph (ii) is the net of flows into the system less flows out of the system at each intertie point.

(2) Calculate load based on total metered load. Transmission Provider energy readings shall be adjusted to account for losses through the transformers. If the transformer is metered on the high side, or has a transformer loss-compensating meter on the low side, the calculations shall use the meter reading without adjustment. If the transformer is not metered on the high side or does not have a loss-compensating meter on the low side, the meter readings shall be adjusted to account for the losses through the transformer.

(3) Calculate the Total Losses (“TL”) for each month by subtracting the total metered load as calculated in paragraph (2) from the TSU as calculated in paragraph (1).

(4) Calculate the monthly loss factor (“LF”) using the following equation:

$$LF = [TSU \pm [(TSU)^2 - (4 * G_s * TL)]^{0.5}] / (2 * G_s)$$

Where:

TSU = Transmission System Use, calculated in Paragraph (1)

G<sub>s</sub> = Generation Out

TL = Total Losses, calculated in Paragraph (3)

(5) Calculate the yearly loss factor by weighing each individual month’s loss factor calculated in (4) based on that month’s total energy usage as compared to the yearly energy usage.

D. The Loss Factor Update shall contain appropriate workpapers supporting the submitted Real Power Loss Factor.

#### **IV. Annual Update Filing**

The Transmission Provider shall calculate annually the charges for transmission service and related ancillary services in accordance with the provisions of this Section IV (the “Annual Update”). The Annual Update shall contain populated versions of the two Excel® files that constitute the Attachment J Formula: (i) a file reflecting actual charges for the rate year beginning the June 1 of the year immediately prior to the year in which the Annual Update is filed (“Actual Charges”), and (ii) a file reflecting estimated charges for the rate year beginning the June 1 next following the submission of the Annual Update (“Estimated Charges”). The Excel file containing estimated charges shall also contain a true-up with interest for the difference between the Estimated Charges from the previous annual update and the Actual Charges set forth in the Excel file described in (i) above.

A. On the Publication Date of each year, Transmission Provider shall: (i) post such Annual Update on its OASIS site and its website; (ii) submit such Annual Update to the FERC as an informational filing; and (iii) provide a functioning Excel file of the Annual Update to existing customers under this OATT, the Maine Public Utilities Commission, the Office of the Public Advocate of the State of Maine, and the Northern Maine Independent System Administrator.

B. The Annual Update shall contain supporting documentation for data not otherwise available in the FERC Form No. 1 that are used as inputs to the Attachment J Formulas. Each input to the Attachment J Formulas will be either taken directly from the FERC Form No. 1, reconcilable to the FERC Form No. 1 by the application of clearly identified and supported information (which information will be provided on request), or otherwise fully supported by provided workpapers.

C. The Annual Update shall list in a workpaper any Accounting Change that occurred during the prior calendar year.

D. As detailed in the Attachment J Formulas, Actual Charges for any given Rate Year shall be established from values for the calendar year that contains the first date of that Rate Year. Thus, by way of example, Actual Charges for the 2018-2019 Rate Year (as filed on or about May 1, 2019) shall be established from values for calendar year 2018.

E. As also detailed in the Attachment J Formulas, Estimated Charges for any given Rate Year shall be established from values for the calendar year immediately prior to the first date of the Rate Year. Thus, by way of example, Estimated Charges for the 2018-2019 Rate Year (as filed on or about May 1, 2018) shall be established from values for calendar year 2017.

F. Therefore, by way of example, the Annual Update with a Publication Date of or about May 1, 2018 shall, as detailed in the Attachment J Formulas, contain (i) a file reflecting Actual Charges for the 2017-2018 Rate Year based on 2017 calendar year values and (ii) a file reflecting Estimated Charges for the 2018-2019 Rate Year based on 2017 calendar year values. The latter file shall also reflect the difference between the Estimated Charges for the 2017-2018 Rate Year submitted one year prior and the Actual Charges for the 2017-2018 Rate Year, with interest calculated in accordance with 18 C.F.R. § 35.19a.

G. The Annual Update will provide underlying data and calculations supporting all inputs that are not supported in the FERC Form No. 1 or in other Tariff schedules, and true-up procedures must be clearly specified. Further, the Annual Update will provide Interested Parties information about Transmission Provider's implementation of the formula rate in sufficient detail and with sufficient explanation to demonstrate that each input to the formula rate is consistent with the requirements of the formula rate, without forcing interested parties to make extensive information requests to understand the transmission owner's implementation of the formula rate and to verify its correctness. All populated formula templates and underlying workpapers shall be provided in their native format, including all worksheets with all formulas and links intact.

H. The Annual Update shall include the following: (1) a detailed description of the

methodologies used to allocate and directly assign costs between Transmission Provider and its affiliates by service category or function for the applicable rate year, including any changes to such cost allocation methodologies from the prior year, and the reasons and justification for those changes; and (2) the magnitude of such costs that have been allocated or directly assigned between Transmission Provider and each affiliate by service category or function for the applicable period.

## **V. Records and Annual Update Review Procedures**

### **A. Records**

Transmission Provider shall make all records to substantiate all charges and other costs billed pursuant to the Attachment J Formulas available for inspection by Interested Parties or their duly authorized representative(s) during normal business hours, upon reasonable notice and shall provide copies on request. With respect to the Attachment J Formulas, Transmission Provider shall abide by the applicable records retention provisions set forth in 18 C.F.R. § 125.3 as may be amended from time to time.

### **B. Annual Review Procedures**

Each Annual Update shall be subject to the following Annual Review Procedures:

1. Between 45 Days and 60 Days after the Publication Date, Transmission Provider will hold an open meeting to discuss the Annual Update (“Customer Meeting”).
2. The Annual Update shall be subject to challenge and review in accordance with the procedures set forth in these Protocols as to:
  - (i) the accuracy of the inputs in accordance with FERC Form No. 1;
  - (ii) whether the costs are based on accurate, proper and correct data and not fraudulently included in the Annual Update or not in accordance with the Protocols;
  - (iii) the proper recording and accounting of costs pursuant to FERC accounting practices and procedures, including the effect of any change to the underlying Uniform System of Accounts or applicable form; generally accepted accounting principles; the Transmission Provider’s accounting procedures; and the extent or effect of an accounting change;
  - (iv) the conformance of the application of the Attachment J Formulas to their terms;
  - (v) the procedures in these Annual Review Protocols (including terms and procedures related to challenges concerning Accounting Changes);
  - (vi) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the formula; and

(vii) the prudence of the costs and expenditures included for recovery in the Annual Update; provided, however, that any such prudence challenge shall be governed by FERC rules and precedent governing the burden of proof, *see, e.g., Minn. Power & Light Co.*, 11 FERC ¶ 61,312 at 61,645 (1980).

3. The following inputs of the Attachment J Formulas are stated components (“Stated Values”):

(i) the rate of return on common equity (“ROE”) of 9.60 percent as set forth in Exhibit 3;

(ii) depreciation and/or amortization rates, as set forth in Exhibit 10; and

(iii) Post-Retirement Benefits Other than Pensions (“PBOPs”) in the amount of minus \$20,669, as set forth in Exhibit 5.

The values used in the Attachment J Formulas for each of these stated components shall not be changed except pursuant to a filing under Federal Power Act (“FPA”) Section 205 or Section 206.

4. Interested Parties shall have up to one hundred twenty (120) Days after each annual Publication Date (unless such period is extended with the written consent of Transmission Provider or as provided herein) to serve reasonable information requests on Transmission Provider; provided, however, that if multiple customers of Transmission Provider are taking service under substantially similar formula rates, they shall make a good faith effort to submit consolidated sets of information requests that limit the number and overlap of requests to the maximum extent practicable. Such information requests shall be limited to the subject matters listed in Section V.B.2. Such information requests shall not otherwise be directed as discovery for ascertaining whether the Attachment J Formulas themselves are just and reasonable. All information produced from such information requests may be used in challenges under these Protocols and in formal complaint proceedings.

5. Transmission Provider shall make a good faith effort to respond to information requests pertaining to the Annual Update within twenty-one (21) Business Days of receipt of such requests. Failure to respond to information requests with twenty-one (21) Business Days shall be grounds to extend the deadline for submission of a Preliminary Challenge and other challenges under these Annual Review Protocols by the same number of Business Days as the Transmission Provider is late. Transmission Provider may give reasonable priority to responding to requests that satisfy the practicable coordination and consolidation provision of Section V.B.4, above.

6. To the extent Transmission Provider and any Interested Party(ies) are unable to resolve disputes related to information requests submitted in accordance with these Protocols, Transmission Provider or any Interested Party(ies) may petition the FERC to appoint an Administrative Law Judge as a discovery master. The discovery master shall have the power to issue binding orders to resolve discovery disputes and

compel the production of discovery, as appropriate, in accordance with these Protocols and consistent with the FERC's discovery rules; provided, however, that the Review Period provided for in these Protocols and the time period for discovery provided for in these Protocols will be tolled during the pendency of any discovery dispute submitted to the discovery master, such tolling period to end ten business days after the issuance of an order by the discovery master resolving the discovery dispute or after the production of information directed to be produced by the discovery master, whichever is later.

7. Interested Parties shall have up to one hundred eighty (180) Days after the Publication Date (unless such period is extended with the written consent of Transmission Provider or as provided herein) to review the calculations ("Review Period") and to notify Transmission Provider in writing of any specific challenges to the application of the Attachment J Formulas, including challenges related to Accounting Changes ("Preliminary Challenge"). The Transmission Provider shall make a good faith effort to respond in writing to each Preliminary Challenge within thirty-one (31) Days from the end of the Review Period ("Response Date") and shall serve such responses on all Interested Parties. In the event that the Transmission Provider does not respond within thirty-one (31) Days from the end of the Review Period, all other dates after this Response Date will be extended by the same number of days as the Transmission Provider is late.

8. The Transmission Provider shall cause to be posted publicly all information requests from Interested Parties and the Transmission Provider response(s) to such requests; provided, however, if responses to information and document requests include material deemed by the Transmission Provider 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 the Transmission Provider and the requesting party. In such a case, the Transmission Provider will post a notice that the information requested is available pursuant to a confidentiality agreement.

9. Failure to make a Preliminary Challenge or Formal Challenge as to any Annual Update shall not act as a bar to a Preliminary Challenge or Formal Challenge related to any other Annual Update. Failure to make a Preliminary Challenge with respect to an Accounting Change in an Annual Update shall not act as a bar to making a Formal Challenge regarding the Accounting Change in that Annual Update; provided, however, that if an Interested Party plans to raise a Formal Challenge with regard to an Accounting Change, and the Interested Party has not raised a Preliminary Challenge with regard to that Accounting Change, the Interested Party shall provide the Transmission Provider with notice and an opportunity to respond as provided for in Section VI.A herein.

10. Preliminary or Formal Challenges related to Accounting Changes shall be subject to the resolution procedures and limitations in Section VI herein. In any proceeding initiated to address a Preliminary or Formal Challenge, or *sua sponte* by the Commission, a party or parties (other than Transmission Provider) seeking to modify the Attachment J Formulas in any respect shall bear the burden of proving that such formulas



are no longer just and reasonable without such modification and that the proposed modification is just and reasonable.

11. Preliminary or Formal Challenges related to Accounting Changes are not intended to serve as a means of pursuing other objections to the Attachment J Formulas.

## **VI. Resolution of Challenges**

A. If Transmission Provider and Interested Parties have not resolved any Preliminary Challenge to the Annual Update within thirty (30) Days after the Response Date, Interested Parties shall have an additional thirty (30) Days (unless such period is extended with the written consent of Transmission Provider to continue efforts to resolve the Preliminary Challenge) to make a formal challenge with the Commission, pursuant to 18 C.F.R. § 385.206 (“Formal Challenge”), which shall be served on Transmission Provider by electronic service on the date of such filing. Unless otherwise barred as provided for in Section VI.H herein, to the extent an Interested Party identifies an issue outside of the deadline for bringing a Preliminary Challenge or Formal Challenge, the interested party may still raise that issue but shall give Transmission Provider notice of, and opportunity to respond to, the challenged issue before the interested party makes a Formal Challenge with FERC, unless a FERC proceeding to review the Annual Update has previously been initiated.

B. There shall be no need to make a Formal Challenge or to await conclusion of the time periods in Section V.B, above, if the Commission already has initiated a proceeding to consider the Annual Update.

C. Any response by Transmission Provider to a Formal Challenge must be submitted to the Commission within thirty (30) Days of the date of the filing of the Formal Challenge, or such other date established by the Commission, and shall be served on the filing party(ies) by electronic service on the date of such filing.

D. Except as provided in Section VI.F, herein, in any proceeding initiated *sua sponte* by the Commission concerning the Annual Update, or in response to a Formal Challenge, Transmission Provider shall bear the burden of proving that it has reasonably applied and calculated the terms of the Attachment J Formulas, and the applicable procedures in these Annual Review Protocols, in that year’s Annual Update.

E. Corrections of mistakes in Transmission Provider’s FERC Form No. 1 and specific data applied in Attachment J Formulas, and any resulting refunds or surcharges, shall be reflected in the Annual Update for the next effective Rate Year, with interest determined in accordance with 18 C.F.R. § 35.19a. “Mistake” shall mean errors or omissions regarding the values inputted into the Attachment J Formulas, such as, but not limited to, arithmetic and other inadvertent computational errors, erroneous FERC Form No. 1 references or the like. Corrections to erroneous FERC Form No. 1 references in the Formula Rate Template may be made in the Annual Update without a Section 205 or 206 filing. There is no deadline for either Interested Parties or Transmission Provider to notify each other of any mistake in any FERC Form No. 1 data or specific data applied in the Formula Rate. At any time following the Publication Date of an Annual Update, such Annual Update and the unit charges resulting

therefrom may be changed (1) to reflect the resolution of the Preliminary Challenges or Formal Challenges by settlement, or (2) in accordance with Section VI.H.

F. All modifications to the Attachment J Formulas require the entity proposing such modification (whether the Transmission Provider, an Interested Party, or another entity) to make a filing under FPA Section 205 or Section 206, as applicable. Except as specifically provided herein, nothing herein shall be deemed to limit in any way the right of Transmission Provider to file unilaterally, pursuant to FPA Section 205 and the regulations thereunder, changes to the Attachment J Formulas or any inputs thereto, or the right of any other party to request such changes pursuant to FPA Section 206 and the regulations thereunder. Should Transmission Provider propose any change to the Attachment J Formulas, all aspects of the Attachment J Formulas, including ROE, are subject to challenge by Interested Parties, and Transmission Provider will have the burden of proof with respect to all aspects of the Attachment J Formulas, regardless of whether Transmission Provider proposed to change that aspect of the Attachment J Formulas.

G. Subject to Section VI.F, above, it is recognized that resolution of Formal Challenges concerning Accounting Changes may necessitate adjustments to the Attachment J Formulas' input data for the applicable Annual Update or changes to the Attachment J Formulas to achieve a just and reasonable end result consistent with the intent of the Attachment J Formulas.

H. Subject to judicial review of Commission orders, each Annual Update shall become final and no longer subject to challenge pursuant to these Annual Review Protocols on the later of (i) passage of twelve (12) months from the Publication Date if no such challenge has been made and the Commission has not initiated a proceeding to consider such Annual Update, or (ii) a final Commission order issued in response to a Formal Challenge or a proceeding initiated by the Commission to consider the Annual Update. However, applicable to (i) and (ii) above, Transmission Provider's compliance with the filed rate is not limited by these Annual Review Protocols: (1) where the costs claimed were fraudulently included in the Annual Update, (2) where the costs were improperly or inappropriately included in or revenues were improperly or inappropriately excluded from the Annual Update and where, despite the exercise of due diligence, the fact would not ordinarily come to the attention of the Interested Parties, (3) in the event of errors in data or errors in the input to or implementation of the formula, (4) in the event the Transmission Provider has misapplied the formula, or (5) in the event of a Mistake. Nothing herein shall be deemed to limit in any way the right of the Commission or of an Interested Party to initiate a complaint proceeding pursuant to section 206 of the Federal Power Act.

## **VII. Commission Review of Rates**

These Annual Review Protocols do not bind the Commission in its review of Transmission Provider's Attachment J Formulas and Annual Updates.

## **VIII. Excess and Deficient ADIT Procedures**

A. The Annual Update shall list in a workpaper any matter that affects the maximum

amount of excess or deficient accumulated deferred income taxes (“ADIT”) allowed to be included in the formula rate in the current or future rate year under the most applicable IRS guidance or taxing authority requirements, including but not limited to the following:

1. Financial accounting matters such as depreciation rate changes and impairments;
2. Income tax matters such as income tax elections affecting the capitalization of an item or tax depreciation rate changes to the extent they alter the recognized Deferred Income Taxes as of the enactment of the Tax Cut and Jobs Act of 2017 or subsequent tax rate change; and
3. Any change in the treatment of Excess and Deficient ADIT amounts resulting from the issuance of FERC rulemakings or orders.

B. In the event of an income tax rate change, Versant Power shall identify and explain in the Annual Update all changes to the workpapers allowable under the formula rate without a Section 205 filing (i.e., sections in grey highlight). The removal or addition of Notes to workpapers allowable shall maintain the intent, integrity, and calculations of the original worksheet. The removal or addition of such Notes are intended to adjust the worksheets to the facts present in a new tax rate change, e.g., the revised tax rate, name and effective date of the tax rate change, explanatory notes for clarity, etc.

C. In the event of a tax rate change, to the extent permitted by stated IRS Guidance and/or taxing authority requirements, the remeasurement of ADIT and computation of new excess and deficient ADIT shall not result in the loss or forfeiture of excess or deficient ADIT associated with tax items no longer on Versant Power’s books, e.g., associated with plant assets sold after the prior income tax rate change.

D. Upon request, Versant Power shall make available to Interested Parties relevant accounting and tax information and relevant methodologies supporting the computation of excess and deficient ADIT amounts in the event of a tax rate change.

E. Annual Review Procedures discussed in Section V shall apply to the review and potential challenge of the computation of Excess and Deficient ADIT following an income tax rate change, and Interested Parties shall make a reasonable effort to review such information within the timeframes provided in Section V.

## **ATTACHMENT K**

### **Methodology for Deriving Opportunity Costs**

The calculation of opportunity costs will follow applicable Commission policies and precedent. There are three primary ways in which opportunity costs will arise: (1) Redispatch; (2) lost sales opportunity; and (3) lost purchase opportunities.

#### **I. Redispatch Costs**

Opportunity costs associated with redispatching the system to provide service under this Tariff shall be calculated using load flow analysis to determine whether the transmission has caused Transmission Provider to redispatch generating resources. The Opportunity Costs shall be the difference in the out-of-pocket costs the Company would have incurred under economic dispatch and the out-of-pocket costs incurred after implementing redispatch procedures.

#### **II. Lost Sales Opportunity Costs**

The Opportunity Cost resulting from a lost sales opportunity shall be determined by multiplying the lost sales by the difference between the overall rate Transmission Provider was charging for the lost sales and the marginal running cost (system lambda) associated with such lost sales, as follows:

$$OC = LS \times (SP - MS)$$

Where: OC: Opportunity Cost

LS: Lost sales in kWh

SP: Average rate per kWh (including demand and energy charges) that Transmission Provider would have otherwise charged for lost sales.

MS: Marginal running cost per kWh (system lambda) associated with the lost sales; for this purpose “marginal running cost” is defined as the out-of-pocket cost associated with generating the power for

the lost sale, such cost to include the cost of fuel and variable operation and maintenance expenses of generating the next increment of power.

### **III. Lost Purchase Opportunity Costs**

The Opportunity Cost resulting from a lost purchase opportunity shall be determined by multiplying the lost purchases by the difference between Transmission Provider's marginal cost and the price of such lost purchases, as follows:

$$OC = LP \times (MP - PP)$$

Where: OC: Opportunity Cost

LP: Lost purchases in kWh

PP: Average rate per kWh (including demand and energy charges) that Transmission Provider would have otherwise paid for lost purchases.

MP: Marginal running cost per kWh (system lambda) associated with the lost purchases; for this purpose "marginal running cost" is defined as the out-of-pocket cost associated with generating the power for the lost purchase, such cost to include the cost of fuel and variable operation and maintenance expenses of generating the next increment of power.

## ATTACHMENT L

### Umbrella Service Agreement For Retail Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, including the specifications for Retail Firm Point-To-Point Transmission Service attached hereto and incorporated herein, is entered into, by and between Versant Power (“Transmission Provider”) and \_\_\_\_\_, (“Transmission Customer”) (hereinafter referred to individually as “Party” or collectively as “Parties”).
- 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 Transmission Provider’s Open Access Transmission Tariff for Maine Public District (“Tariff”) and to have satisfied the conditions for service imposed by the Tariff to the extent necessary to obtain service with respect to its participation in the State of Maine’s retail access program.
- 3.0 Service under this agreement shall commence on the later of: (1) \_\_\_\_\_, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as permitted by the Commission. Service under this Service Agreement shall terminate on \_\_\_\_\_, unless earlier terminated for default. Upon termination the Transmission Customer will remain responsible for any outstanding charges incurred under the Tariff and this Service Agreement, including any costs incurred and apportioned or assigned to the Transmission Customer by FERC, including any costs associated with Direct Assignment Facilities and/or Network Upgrades.
- 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 Customer has provided the Transmission Provider with assurance of creditworthiness in accordance with the provisions of Section 11 of the Tariff. The Transmission Customer has provided to the Transmission Provider an application deposit in the amount of \$\_\_\_\_\_ in accordance with the provisions of Section 17.3 of the Tariff.
- 6.0 If the Transmission Customer is a Designated Agent delivering power to retail customers, the Transmission Customer represents and warrants that it is duly authorized to sign this agreement on behalf of its retail customers and shall provide reasonable documentation upon request demonstrating such authorization.
- 7.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Retail Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff, Schedule 10 of the Tariff, and this Service Agreement.

Retail Transmission Customers taking service directly or through a Designated Agent pursuant to this Service Agreement and under the Tariff shall continue to pay Maine Public Utilities Commission ordered stranded costs and other distribution-related costs, as applicable. If the Transmission Customer is a Designated Agent delivering power to retail customers and taking transmission service on their behalf, the Transmission Customer agrees that the Transmission Provider shall collect receipts for applicable transmission and ancillary charges unless other mutually agreeable provisions for payment are made.

8.0 Monthly bills will be sent to the Transmission Customer at the following address:

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

9.0 Payment to the Transmission Provider by the Transmission Customer must be made by electronic wire transfer or such other means as will cause payment to be available for Transmission Provider's use on the date payment is due. Unless other arrangements are made with the Transmission Provider, the Transmission Customer shall transfer all payments by wire to the following:

Bank: \_\_\_\_\_

ABA No.: \_\_\_\_\_

Account Name: \_\_\_\_\_

Account No.: \_\_\_\_\_

10.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

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

Transmission Customer:

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

- 11.0 The Tariff is incorporated herein and made a part hereof.
- 12.0 Nothing contained in this Service Agreement shall be construed as affecting in any way the Transmission Provider's right unilaterally to file with FERC, or to make application to FERC, or other regulatory bodies having jurisdiction, for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205 of the Federal Power Act, and pursuant to FERC's rules and regulations promulgated thereunder, or under applicable statutes or regulations; or the Transmission Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.
- 13.0 This Service 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 Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

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

Transmission Customer:

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



Specifications For Retail Firm-Point-To-Point

Transmission Service

1.0 Term of Service: \_\_\_\_\_

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

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

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

\_\_\_\_\_

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

Delivery 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 subject to reciprocal service obligation:

\_\_\_\_\_

7.0 Name(s) of any intervening systems providing transmission service:

\_\_\_\_\_

\_\_\_\_\_

8.0 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:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

---

8.3 Direct Assignment Facilities Charge:

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8.4 Taxes: \_\_\_\_\_

8.5 Local Distribution Costs: \_\_\_\_\_

9.0 Description of Method of Supplying of Losses: \_\_\_\_\_

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## ATTACHMENT M

### **Umbrella Service Agreement For Retail Non-Firm Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, including the specifications for Retail Non-Firm Point-To-Point Transmission Service attached hereto and incorporated herein, is entered into, by and between Versant Power (“Transmission Provider”) and \_\_\_\_\_, (“Transmission Customer”) (hereinafter referred to individually as “Party” or collectively as “Parties”).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a completed application for Non-Firm Point-To-Point Transmission Service under the Transmission Provider’s Open Access Transmission Tariff for Maine Public District (“Tariff”) and to have satisfied the conditions for service imposed by the Tariff to the extent necessary to obtain service with respect to its participation in the State of Maine’s retail access program.
- 3.0 Service under this agreement shall commence on the later of: (1) \_\_\_\_\_, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as permitted by the Commission. Service under this Service Agreement shall terminate on \_\_\_\_\_, unless earlier terminated for default. Upon termination the Transmission Customer will remain responsible for any outstanding charges incurred under the Tariff and this Service Agreement, including any costs incurred and apportioned or assigned to the Transmission Customer by FERC, including any costs associated with Direct Assignment Facilities and/or Network Upgrades.
- 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 Customer has provided the Transmission Provider with assurance of creditworthiness in accordance with the provisions of Section 11 of the Tariff.
- 6.0 If the Transmission Customer is a Designated Agent delivering power to retail customers, the Transmission Customer represents and warrants that it is duly authorized to sign this agreement on behalf of its retail customers and shall provide reasonable documentation upon request demonstrating such authorization.
- 7.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Retail Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff, Schedule 11 of the Tariff, and this Service Agreement. Retail Transmission Customers taking service directly or through a Designated Agent pursuant to this Service Agreement and under the Tariff shall continue to pay Maine Public Utilities Commission ordered stranded costs and other

distribution-related costs, as applicable. If the Transmission Customer is a Designated Agent delivering power to retail customers and taking transmission service on their behalf, the Transmission Customer agrees that the Transmission Provider shall collect receipts for applicable transmission and ancillary charges unless other mutually agreeable provisions for payment are made.

8.0 Monthly bills will be sent to the Transmission Customer at the following address:

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

9.0 Payment to the Transmission Provider by the Transmission Customer must be made by electronic wire transfer or such other means as will cause payment to be available for Transmission Provider's use on the date payment is due. Unless other arrangements are made with the Transmission Provider, the Transmission Customer shall transfer all payments by wire to the following:

Bank: \_\_\_\_\_

ABA No.: \_\_\_\_\_

Account Name: \_\_\_\_\_

Account No.: \_\_\_\_\_

10.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

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

Transmission Customer:

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

11.0 The Tariff is incorporated herein and made a part hereof.

- 12.0 Nothing contained in this Service Agreement shall be construed as affecting in any way the Transmission Provider's right unilaterally to file with FERC, or to make application to FERC, or other regulatory bodies having jurisdiction, for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205 of the Federal Power Act, and pursuant to FERC's rules and regulations promulgated thereunder, or under applicable statutes or regulations; or the Transmission Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.
- 13.0 This Service 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 Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

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

Transmission Customer:

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

Specifications For Retail Non-Firm-Point-To-Point  
Transmission Service

1.0 Term of Service: \_\_\_\_\_

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

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

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

\_\_\_\_\_

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

Delivery 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 subject to reciprocal service obligation:

\_\_\_\_\_

7.0 Name(s) of any intervening systems providing transmission service:

\_\_\_\_\_

\_\_\_\_\_

8.0 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:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

---

8.3 Direct Assignment Facilities Charge:

---

8.4 Taxes: \_\_\_\_\_

8.5 Local Distribution Costs: \_\_\_\_\_

9.0 Description of Method of Supplying of Losses: \_\_\_\_\_

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## ATTACHMENT N

### **Umbrella Service Agreement For Retail Network Integration Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, including the specifications for Retail Network Integration Transmission attached hereto and incorporated herein, is entered into, by and between Versant Power (“Transmission Provider”), and \_\_\_\_\_, (“Network Customer”) (hereinafter referred to individually as “Party” or collectively as “Parties”).
- 2.0 A retail customer of Transmission Provider that does not elect to (i) take transmission service directly from the Transmission Provider, or (ii) take transmission service from the Transmission Provider through a Designated Agent other than the Transmission Provider, shall be deemed to take Retail Network Integration Transmission Service from the Transmission Provider as its Designated Agent. Such retail customer is not required to sign a Service Agreement, but shall take Retail Network Integration Transmission Service from the Transmission Provider as its Designated Agent under this Service Agreement. A retail customer that takes at least 500 KW of transmission service in any one hour in the calendar year from the Transmission Provider and takes Retail Network Integration Transmission Service from Transmission Provider as its Designated Agent is not required to sign a Service Agreement for Retail Network Integration Transmission Service unless the Transmission Provider must construct either Direct Assignment Facilities or Network Upgrades in order to provide Transmission Service to the retail customer.
- 3.0 If an application is required under the Tariff, the Network Customer has been determined by the Transmission Provider to have a completed application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff for Maine Public District (“Tariff”) and to have satisfied the conditions for service imposed by the Tariff to the extent necessary to obtain service with respect to its participation in the State of Maine’s retail access program.
- 4.0 Service under this agreement shall commence on the later of: (1) \_\_\_\_\_, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as permitted by the Commission. The Service Agreement shall be effective for an initial term of one year for a retail customer taking Retail Network Integration Transmission Service directly from the Transmission Provider or through a Designated Agent other than the Transmission Provider or for any Network Customer required to execute a Service Agreement or provide notice that an unexecuted Service Agreement should be filed. Thereafter, it will continue from year to year unless terminated by the Network Customer or the Transmission Provider by giving the other one-year advance written notice or by mutual agreement of the Parties, unless earlier terminated for default. The Service Agreement shall be effective for an initial term of one of the Transmission Provider’s typical monthly billing cycles for retail customers taking Retail Network Integration Transmission Service from the Transmission Provider



as their Designated Agent that are not required to execute a Service Agreement or provide notice that an unexecuted Service Agreement should be filed. Thereafter, it will continue from typical monthly billing cycle to typical monthly billing cycle unless terminated by the Network Customer or the Transmission Provider by giving the other one month advance written notice or by a mutual agreement of the Parties, unless earlier terminated. Upon termination the Network Customer shall remain responsible for any outstanding charges incurred under the Tariff and this Service Agreement, including any costs incurred and apportioned or assigned to the Network Customer by FERC, including any costs associated with Direct Assignment Facilities and/or Network Upgrades.

- 5.0 The Network 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 Network Customer has provided the Transmission Provider with assurance of creditworthiness in accordance with the provisions of Section 11 of the Tariff.
- 7.0 If the Network Customer is a Designated Agent delivering power to retail customers, the Network Customer represents and warrants that it is duly authorized to sign this agreement on behalf of its retail customers and shall provide reasonable documentation upon request demonstrating such authorization.
- 8.0 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Retail Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff, Schedule 12 of the Tariff, and this Service Agreement. Retail customers taking service directly or through a Designated Agent pursuant to this Service Agreement and under the Tariff shall continue to pay Maine Public Utilities Commission ordered stranded costs and other distribution-related costs, as applicable. If the Network Customer is a Designated Agent delivering power to retail customers and taking transmission service on their behalf, the Network Customer agrees that the Transmission Provider shall collect receipts for applicable transmission and ancillary charges unless other mutually agreeable provisions for payment are made.
- 9.0 Monthly bills will be sent to the Network Customer at the following address:

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

- 10.0 Payment to the Transmission Provider by the Network Customer must be made by electronic wire transfer or such other means as will cause payment to be available for Transmission Provider's use on the date payment is due. Unless other arrangements are made with the Transmission Provider, the Network Customer shall transfer all payments by wire to the following:

Bank: \_\_\_\_\_

ABA No.: \_\_\_\_\_

Account Name: \_\_\_\_\_

Account No.: \_\_\_\_\_

- 11.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

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

Network Customer:

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

- 12.0 The Tariff is incorporated herein and made a part hereof.
- 13.0 Nothing contained in this Service Agreement or any associated Operating Agreement shall be construed as affecting in any way the Transmission Provider's right unilaterally to file with FERC, or to make application to FERC, or other regulatory bodies having jurisdiction, for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205 of the Federal Power Act, and pursuant to FERC's rules and regulations promulgated thereunder, or under applicable statutes or regulations; or the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.
- 14.0 This Service 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 Service Agreement to be executed by their respective authorized officials.

Transmission Provider:

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

Name

Title

Date

Network Customer:

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

Name

Title

Date

Specifications For Retail Network Integration

Transmission Service

- 1.0 Term of Service: \_\_\_\_\_  
Start Date: \_\_\_\_\_  
Termination Date: \_\_\_\_\_
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.  
\_\_\_\_\_
- 3.0 Point(s) of Receipt: \_\_\_\_\_  
Delivery 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 subject to reciprocal service obligation:  
\_\_\_\_\_
- 7.0 Name(s) of any intervening systems providing transmission service:  
\_\_\_\_\_  
\_\_\_\_\_
- 8.0 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:  
\_\_\_\_\_  
\_\_\_\_\_
- 8.2 System Impact and/or Facilities Study Charge(s):  
\_\_\_\_\_

---

8.3 Direct Assignment Facilities Charge:

---

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8.4 Losses: \_\_\_\_\_

8.5 Taxes: \_\_\_\_\_

8.6 Local Distribution Costs: \_\_\_\_\_

9.0 Description of Method of Supplying of Losses: \_\_\_\_\_

---

## ATTACHMENT O

### **Umbrella Network Operating Agreement For Retail Network Integration Transmission Service**

- 1.0 This Network Operating Agreement, dated as of \_\_\_\_\_, is entered into, by and between Versant Power (“Transmission Provider”) and \_\_\_\_\_ (“Network Customer”) (hereinafter referred to individually as “Party” or collectively as “Parties”).
- 2.0 The Network Customer has been determined by the Transmission Provider to have a completed application for Network Integration Transmission Service under the Transmission Provider’s Open Access Transmission Tariff for Maine Public District (“Tariff”) and to have satisfied the conditions for service imposed by the Tariff to the extent necessary to obtain service with respect to its participation in the State of Maine’s retail access program.
- 3.0 The Parties have entered into a Service Agreement for Retail Network Integration Transmission Service under Transmission Provider’s Tariff.
- 4.0 All terms used in this Operating Agreement shall have the meaning defined in the Transmission Provider’s Tariff unless a different definition is specifically provided for herein.
- 5.0 The Transmission Provider and the Network Customer agree that the provisions of this Operating Agreement, the Service Agreement for Retail Network Integration Transmission Service, and Schedule 12 of the Transmission Provider’s Tariff govern the Transmission Provider’s provision of Retail Network Integration Transmission Service to the Network Customer in accordance with Parts I and III of the Tariff, as it may be amended from time to time.
- 6.0 Power and energy transmitted by the Transmission Provider for the Network Customer shall be delivered as three-phase alternating current at a frequency of approximately 60 Hertz, and at the nominal voltages at the delivery and receipt points. When multiple delivery points are provided to a specific Network Load, they shall not be operated in parallel by the Network Customer without the approval of the Transmission Provider. The Transmission Provider and the Network Customer shall also establish and monitor standards and operating rules and procedures to assure that transmission system integrity and the safety of customer, the public and employees are maintained or enhanced when such parallel operation is 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.
- 7.0 The Transmission Provider reserves the right to inspect the facilities and operating records of a Network Customer upon mutually agreeable terms and conditions.

- 8.0 The Network Customer shall be required at all times to maintain, consistent with North American Electric Reliability Council (“NERC”) and Northeast Power Coordinating Council (“NPCC”) guidelines, a balance between its owned or purchased generation resources and load. The provision of Transmission Service under the Tariff is not an offer to provide generation sufficient to meet the Network Customer’s load requirements. The Network Customer must meet its load reliability either through the construction and ownership of generation facilities and/or the purchase of power from a third party and the purchase of such Ancillary Services from the Transmission Provider or a third party.
- 9.0 The Network Customer shall purchase in appropriate amounts all of the required Ancillary Services and abide by the relevant tariff provisions.
- 10.0 Transmission Provider reserves the right to take whatever actions it deems necessary to preserve the reliability and integrity of its electric 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. If the Transmission Service is causing harmful physical effects to Transmission Provider’s Transmission System facilities or to its customers (e.g., harmonics, undervoltage overvoltage, flicker, voltage variations, etc.), the Transmission Provider shall promptly notify the Network Customer and if the Network Customer does not take the appropriate corrective actions immediately, the Transmission Provider shall have the right to interrupt Transmission Service in order to alleviate the situation and to suspend all or any portion of the Transmission Service until appropriate corrective action is taken.
- 11.0 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.
- 12.0 It is recognized by the Parties that the Transmission Provider’s transmission system is, and will be, directly or indirectly interconnected with transmission systems owned or operated by others, that the flow of power and energy between such systems will be controlled by the physical and electrical characteristics of the facilities involved and the manner in which they are operated, and that part of the power and energy being delivered under this Operating Agreement may flow through such other systems rather than through the facilities of the Transmission Provider. Each Party will at all times cooperate with other interconnected systems in establishment of arrangements that may be necessary to relieve any hardship in such other systems and in the systems of the other entities caused by energy flows of scheduled deliveries hereunder.
- 13.0 No later than December 15 of each year, the Network Customer shall provide the Transmission Provider the following information unless agreed otherwise:
- a) a three (3) year projection of monthly 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, provide the monthly

peak demands and energy requirements at each delivery point for the normal operating configuration;

- b) a three (3) year projection by month 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 three (3) year projection by month 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;
- d) a projection for each of the next three (3) years of transmission 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 Provider's transmission system.

Information exchanged by the Parties under Section 13 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.

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

- a) A statement regarding the ability of the Transmission Provider's transmission system to meet the forecast deliveries at each of the delivery points;
- b) A detailed description of any constraints on the Transmission Provider's system within the three (3) year horizon that will restrict forecast deliveries.
- 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, the Transmission Provider and Network Customer shall identify appropriate remedies for such constraints including but not limited to: construction of new transmission facilities, upgrade or other improvements to existing transmission facilities or temporary modification to operation procedures designed to relieve identified constraints. The Transmission Provider will, consistent with Good Utility Practice, endeavor to construct and place into service sufficient transmission 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 FERC 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 FERC for approval consistent with the Tariff.



- 14.0 Prior to service commencing under this Operating Agreement and the Service Agreement for Retail Network Integration Transmission Service and prior to the beginning of each month thereafter, the Network Customer shall provide to the Transmission Provider, the Network Customer's daily peak load expressed in terms of tenths of a megawatt and shall include all losses within the Transmission Provider's transmission system.
- 15.0 Prior to the beginning of service under this Operating Agreement and Service Agreement for Retail Network Integration Transmission Service, the Network Customer and Transmission Provider shall mutually agree to scheduling provisions.
- 16.0 The procedures by which a Network Customer will determine the peak and hourly loads reported to the Transmission Provider pursuant to this Operating Agreement may be set forth in a separate schedule to this Operating Agreement. Load distribution profiles of customer classes may be used to determine peak and hourly loads.
- 17.0 Prior to service commencing under this Operating Agreement and the Service Agreement for Retail Network Integration Transmission Service, the Network Customer shall designate its Network Resources consistent the Tariff. Consistent with the Tariff, changes in the designation of Network Resources will be treated as an application for modification of service.
- 18.0 In accordance with Section 33 of the Tariff, the Transmission Provider may require redispatching of generation resources or curtailment of loads to relieve existing or potential transmission system constraints.
- 19.0 The Network Customer and the Transmission Provider shall implement load-shedding procedures to maintain the reliability and integrity of the Transmission System as provided in Section 33.1 of the Tariff and in accordance with applicable NERC and NPCC requirements and Good Utility Practice. Load shedding may include (1) automatic load shedding, (2) mutual load shedding, and (3) rotating interruption of customer load. When manual load shedding or rotating interruptions are necessary, the Transmission Provider shall notify the Network Customer of the required action and the Network Customer shall comply immediately.
- 20.0 This Operating Agreement shall become effective, and remain in effect, for the same term as the term of the Retail Network Integration Transmission Service Agreement entered into by the Transmission Provider and Network Customer pursuant to which the Transmission Provider will provide Retail Network Integration Transmission Service under the Tariff.
- 21.0 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.
- 22.0 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 others. Such written consent shall not be unreasonably withheld.

- 23.0 The interpretation, enforcement, and performance of this Operating Agreement shall be governed by the laws of the State of Maine, except laws and precedent of such jurisdiction concerning choice of law shall not be applied.
- 24.0 The Tariff and Retail Network Integration Transmission 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.
- 25.0 Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way the Transmission Provider's right unilaterally to file with FERC, or make application to FERC, or other regulatory body for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205 of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder, or under other applicable statutes or regulations, or to the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.
- 26.0 Except as otherwise provided, any notice that may be given to or made upon any Party by the other Party under any of the provisions of the Operating Agreement shall be in writing unless otherwise specifically provided herein and shall be considered delivered when the notice is either personally delivered or deposited in the United States mail, certified or registered postage prepaid, to the following:

Transmission Provider

[name]

[title]

[address]

[phone]

[fax]

Network Customer

[name]

[title]

[address]

[phone]

[fax]

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

27.0 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:

TRANSMISSION PROVIDER:

Date:

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

\_\_\_\_\_

TRANSMISSION CUSTOMER:

Date:

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

\_\_\_\_\_

**ATTACHMENT P**

**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)**

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## **Section 1. Definitions**

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

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

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

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

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

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

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

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

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

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

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

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

**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, 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.

**Permissible Technological Advancement** shall mean modification to turbines, inverters, plant supervisory controls or other technological advancements that do not have a material impact on the cost or timing of any Interconnection Request with a later queue priority date. A Permissible Technological Advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change and does not cause any reliability concerns or degrade the electrical characteristics of the generating equipment (*e.g.*, the ratings, impedances, efficiencies, capabilities, and performance of the equipment under steady-state and dynamic conditions), and does not include changes in generation technology type or fuel type.

**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, 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 of reliability purposes.

### **3.2A Provisional Interconnection Service.**

An Interconnection Customer may request Provisional Interconnection Service, prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities, when available studies or additional studies as necessary indicate that there is a level of interconnection that can occur without any additional interconnection facilities and/or network upgrades and the Interconnection Customer wishes to make use of that level of interconnection service while the facilities required for its full Interconnection Request are completed. Provisional Interconnection Service is not a permanent service and is only available to an Interconnection Customer awaiting the completion of the full interconnection process; Provisional Interconnection Service terminates upon completion of construction of applicable Interconnection Facilities and Network Upgrades. Provisional Interconnection Service may not provide an Interconnection Customer its full requested level of Interconnection Service. The Transmission Customer and Transmission Provider shall execute a Provisional Large Generator Interconnection Agreement setting forth the terms and conditions of the Provisional Interconnection Service to be provided.

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

Transmission Provider must provide a process that allows 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 provide a process for evaluating Interconnection Requests for Surplus Interconnection Service. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies. 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 original System Impact Study is not available 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 reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities and/or Network Upgrades necessary.

All notifications and requests for Surplus Interconnection Service shall be posted on Transmission Provider's OASIS and shall be processed outside of the interconnection queue.

### **3.3.2 Submittal of a Surplus Interconnection Service Request.**

A Surplus Interconnection Service Request shall be made by completion of Appendix 1 to LGIP, Interconnection Request For a Large Generating Facility. To constitute a completed request, this document must be submitted with a \$10,000 deposit.

### **3.3.3 Review of the Surplus Interconnection Service Request.**

The Surplus Interconnection Service Request shall be reviewed to determine whether it qualifies as such, including but not limited to whether the existing point of interconnection has unused capacity equal to or greater than the requested surplus capacity. Within fifteen (15) business days following receipt of the request, the Transmission Provider shall notify the requesting Interconnection Customer (the "Requesting Customer") as to whether its request is valid. If the request is not valid, the



notification to the Requesting Customer shall include an explanation of why it is not valid.

### **3.3.4 Customer Identification.**

If the Requesting Customer is not the existing Interconnection Customer (the “Existing Customer”) or an affiliate of the Existing Customer, the Transmission Provider shall contact the Existing Customer and inform it that a request for Surplus Interconnection Service has been made that will potentially impact its existing Interconnection Agreement.

**3.3.4.1** If the Requesting Customer is not the Existing Customer or an affiliate of the Existing Customer, the following conditions must be met for the Surplus Interconnection Service Request to be considered valid:

- (i) The Existing Customer must agree to allow the Requesting Customer to use the Surplus Interconnection Service.
- (ii) The Existing Customer shall stipulate the amount of Surplus Interconnection Service that is available and when that service is available, and may describe any other conditions under which Surplus Interconnection Service at the Point of Interconnection may be used

### **3.3.5 Available Studies.**

The Transmission Provider shall review the Surplus Interconnection Service Request to determine whether existing studies are applicable to evaluate the impacts of the Surplus Interconnection Service. If existing studies are available that preclude the need for a System Impact Study and/or a Facilities Study, continue with Subsection 3.3.7, Facilities Study, or Subsection 3.3.8, Interconnection Agreement, as applicable.

### **3.3.6 System Impact Study.**

If a System Impact Study is required, the Transmission Provider shall create a study scope and follow the System Impact Study procedures in Section 7 of the LGIP, including execution of a System Impact Study Agreement and collection of the applicable deposit. Completion of this System Impact Study shall be accomplished separate from the normal interconnection queue on an expedited schedule.

### **3.3.7 Facilities Study.**

If a Facilities Study is required, the Transmission Provider shall follow

the Facilities Study procedures in Section 8 of the LGIP, including execution of a Facilities Study Agreement and collection of the applicable deposit. Completion of this Facilities Study shall be accomplished separate from the normal interconnection queue on an expedited schedule.

### **3.3.8 Interconnection Agreements.**

- 3.3.8.1** Based on the results of the System Impact Study and/or Facilities Study, if the Requesting Customer agrees to continue to the Interconnection Agreement phase, the Transmission Provider shall create a new Interconnection Agreement for the Surplus Interconnection Service following the procedures in Section 11 of the LGIP. The new Interconnection Agreement shall include language stating that the Surplus Interconnection Service will terminate upon the retirement or repowering of the original Generating Facility.
- 3.3.8.2** The Transmission provider shall propose an amendment to the Existing Customer's Interconnection Agreement such that the capacity of the interconnection is reduced by the amount of the Surplus Interconnection Service. Language shall be included in the amended Interconnection Agreement that the megawatt level of interconnection service shall be restored to the original value if and when the associated Surplus Interconnection Service Interconnection Agreement terminates, if that occurs prior to the termination of the Existing Customer's amended Interconnection Agreement.
- 3.3.8.3** The Transmission Provider shall have the new Interconnection Agreement and amended Interconnection Agreement executed by the applicable Parties, or file them unexecuted, in accordance with Section 11.3 of the LGIP.

### **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 deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.4.3 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.**

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.

#### **3.5.1 [Reserved]**

### **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 forty-five (45) Calendar 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 forty-five (45) Calendar 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 the 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 forty-five (45) Calendar 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 ninety (90) Calendar 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 ninety (90) Calendar 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 ninety (90) Calendar 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 draft Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter,

(B) Number of Interconnection Requests that had draft Interconnection Facilities Studies that are completed within Transmission Provider's coordinated region during the reporting quarter that were completed more than ninety (90) or one hundred eighty (180) Calendar Days (as appropriate in view of the requirements of Section 8.3) 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 draft Interconnection Facilities Studies where such Interconnection Requests had executed Interconnection Facilities Study

Agreements received by Transmission Provider more ninety (90) or one hundred eighty (180) Calendar Days (as appropriate in view of the requirements of Section 8.3) before the reporting quarter end,

(D) Mean time (in days), for draft 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 draft 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 Facility 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.**

#### **3.8.1 Method for Identifying Contingent Facilities.**

The following steps are to be taken by Transmission Provider to identify and list the Contingent Facilities, if any, upon which the Interconnection Customer's costs, timing, and study findings are dependent. Such list is to be provided to Interconnection Customer at the conclusion of the Interconnection System Impact Study performed pursuant to the requirements of Section 7.3 of this LGIP.

**Step 1:** In preparation for performing an Interconnection Customer's Interconnection System Impact Study, Transmission Provider will employ the following three methods to identify potential contingent facilities: (a) reviewing any applicable Interconnection Study associated with generating facilities that have a higher queued interconnection request and determining whether any of those request(s) have unbuilt Interconnection Facilities and/or Network Upgrades that may be necessary to accommodate the Interconnection Customer's requested interconnection, (b) reviewing its 10-year transmission expansion plan and identifying any planned upgrades to its Transmission System which may be necessary to accommodate the Interconnection Customer's requested interconnection, and (c) coordinating with applicable Affected Systems to obtain from such Affected Systems any completed and available Affected System studies to determine what Contingent Facilities have been identified in such studies based on the Affected Systems' respective criteria.

**Step 2:** Using the methods identified in Step 1, Transmission Provider will make a list of potential contingent facilities that consist of: (a) any unbuilt Interconnection Facilities and/or Network Upgrades associated with higher queued interconnection requests that are identified as potentially necessary to accommodate the Interconnection Customer's requested interconnection, (b) any of Transmission Provider's planned upgrades to its system that are identified as potentially necessary to accommodate the Interconnection Customer's requested interconnection, and (c) any Contingent Facilities that have been identified in Affected System studies as potentially necessary to accommodate Interconnection Customer's requested interconnection.

**Step 3:** The Transmission Provider will, using the list of potential contingent facilities identified in Steps 2(a) and 2(b), conduct a flow impact analysis on such facilities based on the performance requirements set forth in NERC Reliability

Standard TPL-001-4, Table 1 (Transmission System Planning Performance Requirements) or any successor applicable version of such Reliability Standard; provided, however, that the flow impact analysis is not necessary if the related modification or upgrade is the facility the generator is connecting to (effectively 100% flow impact).

**Step 4:** The criteria that shall apply to the flow impact analysis performed in Step 3 are as follows: (a) the MW size of the Interconnection Request (the distribution factor) and (b) the applicable MVA rating of the existing facility that is mitigated by the potential contingent facility.

The thresholds that shall apply to the flow impact analysis performed in Step 3 are as follows: (a) 3% of the MW size of the Interconnection Request (the distribution factor) and (b) 1% of the applicable MVA rating of the existing facility that is mitigated by the potential contingent facility.

If Transmission Provider's resulting analysis in accordance with Step 3 and applying the thresholds in this Step 4 demonstrates that the MW impact on the potential contingent facility is either (a) at least 3% of the MW size of the Interconnection Request (the distribution factor) or (b) at least 1% of the applicable MVA rating of the existing facility that is mitigated by the potential contingent facility, then Transmission Provider shall deem such potential contingent facilities as Contingent Facilities.

**Step 5:** In the Interconnection System Impact Study report, Transmission Provider will list the identified Contingent Facilities and explain why each listed Contingent Facility was identified as such by identifying: (a) which threshold in Step 4 was exceeded and (b) the amount by which such threshold was exceeded, which will inform Interconnection Customer of its potential risk exposure should any such Contingent Facility be delayed or not built.

### **3.8.2 Estimates Available for Contingent Facilities.**

Upon request of Interconnection Customer, Transmission Provider shall provide the estimated costs of Interconnection Facilities and/or Network Upgrades and estimated in-service completion times of each Contingent Facility identified in the System Impact Study performed pursuant to Section 7.3 of this LGIP, if, and to the extent, Transmission Provider determines that such information is readily available and not commercially sensitive.

### **3.8.3 Inclusion of Contingent Facilities in LGIA.**

Any Contingent Facilities identified for Interconnection Customer at the conclusion of an Interconnection System Impact Study, performed pursuant to Section 7.3 of this LGIP, will subsequently be included in such Interconnection Customer's Large Generator Interconnection Agreement, to the extent they are still applicable.

## **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 benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

**4.4.1** Prior to the return of the executed Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project, 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 4.4.6 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** Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall Transmission Provider commence such studies later than thirty (30) Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such

modification shall be done at Interconnection Customer's cost.

**4.4.5** Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.

**4.4.6 Technological Change Procedure.** In accordance with Section 4.4.2, at any time prior to the execution of the Interconnection Facility Study Agreement, the Interconnection Customer may submit modifications to the Large Generating Facility's technology. To timely perfect that request, Interconnection Customer shall submit the following to Transmission Provider:

(A) A written technological advancement request, specifying the change in technology the Interconnection Customer seeks to incorporate into its Interconnection Request;

(B) A \$10,000 deposit;

(C) An updated version of the Interconnection Request for a Large Generating Facility, found at Appendix 1 of this LGIP, that reflects the data associated with the change in technology that Interconnection Customer seeks to incorporate;

(D) Any analysis Interconnection Customer has that demonstrates how incorporation of the proposed technological advancement would (i) result in electrical performance that is equal to or better than the electrical performance expected prior to the technological change, and (ii) not cause any reliability concerns; and,

(E) To the extent applicable, updated modeling data in such format as the Transmission Provider may agree to accept.

Once the technological advancement request, deposit, and additional data are received by the Transmission Provider, the Transmission Provider is to evaluate whether the technological advancement is a Material Modification or whether further study is necessary to complete the analysis of whether the technological advancement is a Material Modification. If Transmission Provider determines that the proposed technological advancement would not change any of the parameters in Appendix 1 of the LGIP, then no study will be necessary, the proposed

technological advancement will not be considered a Material Modification, and the Interconnection Customer's deposit will be refunded.

Should further studies be required, Transmission Provider's studies may include steady-state, reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies that Transmission Provider deems necessary to determine whether the technological advancement results in electrical performance that is equal to or better than the electrical performance expected prior to the technology change, and whether such technological advancement causes any reliability concerns. The Transmission Provider will complete its assessment and determination of whether the proposed technological advancement is a Material Modification within thirty (30) Calendar Days of an Interconnection Customer submitting a technological advancement request. At the conclusion of the study, Transmission Provider is to provide an accounting of its costs to the Interconnection Customer and either refund any overage or invoice the Interconnection Customer for any shortage of costs that exceed the deposit amount.

If the Transmission Provider's assessment determines that the change is a Permissible Technological Advancement, the Transmission Provider shall notify the Interconnection Customer and the Permissible Technological Advancement shall be incorporated without the loss of Interconnection Customer's queue position. If, however, the Transmission Provider cannot accommodate the proposed technological advancement without triggering the Material Modification provision of this LGIP, the Transmission Provider is to tender a report with the results of the steady-state analyses, reactive power capabilities, short circuit/fault duty impacts, stability analyses, and any other studies that were completed, including an explanation of why the technological advancement is deemed a Material Modification. Once notified, the Interconnection Customer may choose whether to abandon the proposed modification or proceed and lose its queue position.

## **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 Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not either executed the LGIA or requested the filing of an unexecuted LGIA with FERC, unless 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 shall preliminarily evaluate the feasibility of the proposed interconnection to the Transmission System.

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

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

Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after Transmission Provider receives the fully executed Interconnection Feasibility Study Agreement. At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Transmission Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

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 Section 4.4, or re-designation of the Point of Interconnection pursuant to section 7.2 Transmission Provider shall notify Interconnection Customer in writing. Such Re-Study shall take no longer than sixty (60) Calendar Days from the date of notice. Any cost of Re-Study shall be borne by the Interconnection Customer being re-studied.

### **Section 8. Interconnection Facilities Study**

#### **8.1 Interconnection Facilities Study Agreement.**

Simultaneously with the delivery of the Interconnection System Impact Study to Interconnection Customer, Transmission Provider shall provide to Interconnection 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.

At the request of Interconnection Customer or at any time Transmission Provider determines that it will not meet the required time frame for completing the

Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider is unable to complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within thirty (30) Calendar Days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within fifteen (15) Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications prior to the issuance of the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality arrangements consistent with Section 13.1.

#### **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.

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 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 commits to pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

### **12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider.**

An Interconnection Customer with an LGIA, in order to maintain its In-Service Date, may request that Transmission Provider advance to the extent necessary the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed, pursuant to an expansion plan of Transmission Provider, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that Interconnection Customer commits to pay Transmission Provider any associated expediting costs. Interconnection Customer shall

be entitled to transmission credits, if any, for any expediting costs paid.

#### **12.2.4 Amended Interconnection System Impact Study.**

An Interconnection System Impact Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

### **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 its is notified by FERC or its staff that a request to release Confidential Information has been received by FERC, at which time either of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.

**13.1.9** Subject to the exception in Section 13.1.8, any information that a Party claims is competitively sensitive, commercial or financial information ("Confidential Information") shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute; (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this LGIP or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group. The Party asserting confidentiality shall notify the other Party in writing of the information it claims is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

**13.1.10** This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

**13.1.11** Transmission Provider shall, at Interconnection Customer's

election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

### **13.2 Delegation of Responsibility.**

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this LGIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

### **13.3 Obligation for Study Costs.**

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any such undisputed costs within thirty (30) Calendar Days of receipt of an invoice therefor. Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

### **13.4 Third Parties Conducting Studies.**

If (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study, then Interconnection Customer may require Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of Interconnection Customer, or on its own volition.

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 Tariff procedures and protocols as would apply if Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

## **13.5 Disputes.**

### **13.5.1 Submission.**

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with the LGIA, the LGIP, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration 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 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 thirty (30) Calendar Days of receipt of the Request for Non-binding Dispute Resolution appoint a neutral decision-maker that is an independent subcontractor (the “decision-maker”) that shall not have any current or past substantial business or financial relationships with either Party (the “appointment date”). Unless otherwise agreed by the Parties and the decision-maker, the following timelines shall govern this Non-binding Dispute Resolution process:

(1) The Party requesting Non-binding Dispute Resolution (the “disputing Party”) shall, within five (5) Business Days of the appointment date provide to the other Party (the “non-disputing Party”) and the decision-maker a written statement of its position, reasons therefore, and request for recommended finding(s) by the decision-maker in a form not to exceed twenty-five (25) pages (including any attachments).

(2) From the date of submission by the disputing Party of its initial statement until the date five (5) Business Days thereafter, the non-disputing Party may submit to the disputing Party on a rolling basis written interrogatories seeking information relevant to the position(s) taken and/or issues raised by the disputing Party. The disputing Party shall use best efforts to provide responses within five (5) Business Days of receipt.

(3) The non-disputing Party shall, within twenty (20) Business Days of the appointment date, provide to the disputing Party and the decision-maker a written statement of its position, reasons therefore, and request for recommended finding(s) by the

decision-maker in a form not to exceed twenty-five (25) pages (including any attachments).

(4) From the date of submission by the non-disputing Party of its initial statement until the date five (5) Business Days thereafter, the disputing Party may submit to the non-disputing Party written interrogatories seeking information relevant to the positions taken and/or issues raised by the non-disputing Party and the non-disputing Party shall use best efforts to provide responses within five (5) Business Days of receipt.

(5) The disputing Party may, within fifteen (15) Business Days of receiving the initial statement of the non-disputing Party in accordance with Section 13.5.5(3), provide to the non-disputing Party and the decision-maker a response to the non-disputing Party's statement and revised request for recommended finding(s) by the decision-maker in a form not to exceed ten (10) pages (including any attachments).

The decision-maker may extend the foregoing deadlines if he/she believes that best efforts were not used to respond to interrogatories and/or requests for information submitted pursuant to sections (2) and/or (4) above.

(6) The decision-maker shall render a decision within sixty (60) Calendar Days of the appointment date 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 on either Party, but, unless otherwise agreed, the Parties may cite the record and decision reached by the decision-maker in this 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 Non-binding Dispute Resolution 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 submits this request to interconnect its Large Generating Facility with Transmission Provider's Transmission System pursuant to a Tariff.
2. This Interconnection Request is for (check one):  
  
 A proposed new Large Generating Facility.  
  
 An increase in the generating capacity or a Material Modification of an existing Generating Facility.
3. The type of interconnection service requested (check one):  
  
 Energy Resource Interconnection Service  
  
 Network Resource Interconnection Service
4.  Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service
5. Interconnection Customer provides the following information:
  - a. Address or location 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 1  
Interconnection Request**

**LARGE GENERATING FACILITY DATA**

**UNIT RATINGS**

kVA \_\_\_\_\_ °F \_\_\_\_\_ Voltage \_\_\_\_\_

Power Factor \_\_\_\_\_

Speed (RPM) \_\_\_\_\_ Connection (e.g. Wye)  
\_\_\_\_\_

Short Circuit Ratio \_\_\_\_\_ Frequency, Hertz \_\_\_\_\_

Stator Amperes at Rated kVA \_\_\_\_\_ Field Volts \_\_\_\_\_

Max Turbine MW \_\_\_\_\_ °F \_\_\_\_\_

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 = \_\_\_\_\_ kW sec/kVA

Moment-of-Inertia,  $WR^2 =$  \_\_\_\_\_ lb. ft.<sup>2</sup>

**REACTANCE DATA (PER UNIT-RATED KVA)**

	<b>DIRECT AXIS</b>	<b>QUADRATURE AXIS</b>
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 - unsaturated	$X_{2i}$	_____
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."

**MW CAPABILITY AND PLANT CONFIGURATION  
LARGE GENERATING FACILITY DATA  
ARMATURE WINDING RESISTANCE DATA (PER UNIT)**

Positive                    R<sub>1</sub>     \_\_\_\_\_

Negative                   R<sub>2</sub>     \_\_\_\_\_

Zero                        R<sub>0</sub>     \_\_\_\_\_

Rotor Short Time Thermal Capacity I<sub>2</sub><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 \_\_\_\_\_ °C

**CURVES**

Provide Saturation, Vee, Reactive Capability, Capacity Temperature Correction curves.  
Designate normal and emergency Hydrogen Pressure operating range for multiple curves.

**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 X/R       $Z_1$  (on self-cooled kVA rating) \_\_\_\_\_ % \_\_\_\_\_

Zero X/R       $Z_0$  (on self-cooled kVA rating) \_\_\_\_\_ % \_\_\_\_\_

### 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.

### INDUCTION GENERATORS

(\*) Field Volts: \_\_\_\_\_

(\*) Field Amperes: \_\_\_\_\_

(\*) Motoring Power (kW): \_\_\_\_\_

(\*) Neutral Grounding Resistor (If Applicable): \_\_\_\_\_

(\*)  $I_2^2t$  or K (Heating Time Constant): \_\_\_\_\_

- (\*) Rotor Resistance: \_\_\_\_\_
- (\*) Stator Resistance: \_\_\_\_\_
- (\*) Stator Reactance: \_\_\_\_\_
- (\*) Rotor Reactance: \_\_\_\_\_
- (\*) Magnetizing Reactance: \_\_\_\_\_
- (\*) Short Circuit Reactance: \_\_\_\_\_
- (\*) Exciting Current: \_\_\_\_\_
- (\*) Temperature Rise: \_\_\_\_\_
- (\*) Frame Size: \_\_\_\_\_
- (\*) Design Letter: \_\_\_\_\_
- (\*) Reactive Power Required In Vars (No Load): \_\_\_\_\_
- (\*) Reactive Power Required In Vars (Full Load): \_\_\_\_\_
- (\*) Total Rotating Inertia, H: \_\_\_\_\_ Per Unit on KVA Base

Note: Please consult Transmission Provider prior to submitting the Interconnection Request to determine if the information designated by (\*) is required.

**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 6.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. Transmission Provider reserves

the right to request additional technical information from Interconnection 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 limits exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
- preliminary description and non-bonding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

6.0 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.



**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

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

By:

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

Title:

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

Date:

**[Insert name of Interconnection Customer]**

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

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

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

**Attachment A to Appendix 2  
Interconnection Feasibility  
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE  
INTERCONNECTION FEASIBILITY STUDY**

The Interconnection Feasibility Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on

\_\_\_\_\_:

Designation of Point of Interconnection and configuration to be studied.

Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

**APPENDIX 3 to LGIP**

**INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a

\_\_\_\_\_ organized and existing under the laws of the State of

\_\_\_\_\_, ("Interconnection Customer,") and

\_\_\_\_\_

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;

**WHEREAS**, Transmission Provider has completed an Interconnection Feasibility Study (the "Feasibility Study") and provided the results of said study to Interconnection Customer (This recital to be omitted if Transmission Provider does not require the Interconnection Feasibility Study.); and

**WHEREAS**, Interconnection Customer has requested Transmission Provider to perform an Interconnection System Impact Study to assess the impact of interconnecting the Large Generating Facility to the Transmission System, and of any Affected Systems;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection System Impact Study consistent with Section 7.0 of this LGIP in accordance with the Tariff.
- 3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set forth in Attachment A to this Agreement.

- 4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study and the technical information provided by Interconnection Customer in the Interconnection Request, subject to any modifications in accordance with Section 4.4 of the LGIP. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the Interconnection Customer System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.
- 5.0 The Interconnection System Impact Study report shall provide the following information:
- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
  - identification of any thermal overload or voltage limit violations resulting from the interconnection;
  - identification of any instability or inadequately damped response to system disturbances resulting from the interconnection and
  - description and non-binding, good faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.
- 6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study. Transmission Provider's good faith estimate for the time of completion of the Interconnection System Impact Study is [insert date].

Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection System Impact Study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

- 7.0 Miscellaneous. The Interconnection System Impact Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, that are consistent with regional practices, Applicable Laws and Regulations and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and

the LGIA.]

**IN WITNESS THEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

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

By:

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

Title:

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

Date:

**[Insert name of Interconnection Customer]**

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

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

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

**Attachment A To Appendix 3  
Interconnection System Impact  
Study Agreement**

**ASSUMPTIONS USED IN CONDUCTING THE  
INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

**APPENDIX 4 to LGIP**

**INTERCONNECTION FACILITIES STUDY AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a

\_\_\_\_\_ organized and existing under the laws of the State of

\_\_\_\_\_, ("Interconnection Customer,") and

\_\_\_\_\_

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;

**WHEREAS**, Transmission Provider has completed an Interconnection System Impact Study (the "System Impact Study") and provided the results of said study to Interconnection Customer; and

**WHEREAS**, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Large Generating Facility to the Transmission System.

**NOW, THEREFORE,** in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the assumptions set forth in Attachment A and the data provided in Attachment B to this Agreement.
- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A), schedule for required facilities to interconnect the Large Generating Facility to the Transmission System and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 5.0 Interconnection Customer shall provide a deposit of \$100,000 for the performance of the Interconnection Facilities Study. The time for completion of the Interconnection Facilities Study is specified in Attachment A.

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

- 6.0 Miscellaneous. The Interconnection Facility Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.



**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

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

By:

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

Title:

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

Date:

**[Insert name of Interconnection Customer]**

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

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

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

**Attachment A To Appendix 4  
Interconnection Facilities  
Study Agreement**

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING  
THE INTERCONNECTION FACILITIES STUDY**

Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after of receipt of an executed copy of this Interconnection Facilities Study Agreement:

- ninety (90) Calendar Days with no more than a +/- 20 percent cost estimate contained in the report, or
- one hundred eighty (180) Calendar Days with no more than a +/- 10 percent cost estimate contained in the report.

**Attachment B to Appendix 4  
Interconnection Facilities  
Study Agreement**

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE  
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection to the new ring bus or existing Transmission Provider station. Number of generation connections:

On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line diagram indicate the location of auxiliary power. (Minimum load on CT/PT)  
Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?

\_\_\_\_\_ Yes    \_\_\_\_\_ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation?        \_\_\_\_\_ Yes    \_\_\_\_\_ No    (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?

\_\_\_\_\_

What protocol does the control system or PLC use?

\_\_\_\_\_

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

\_\_\_\_\_

Bus length from generation to interconnection station:

\_\_\_\_\_

Line length from interconnection station to Transmission Provider's transmission line.

---

Tower number observed in the field. (Painted on tower leg)\* \_\_\_\_\_

Number of third party easements required for transmission lines\*:

---

\* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

\_\_\_\_\_ Yes \_\_\_\_\_ No Local provider: \_\_\_\_\_

Please provide proposed schedule dates:

Begin Construction Date: \_\_\_\_\_

Generator step-up transformer Date: \_\_\_\_\_

receives back feed power

Generation Testing Date: \_\_\_\_\_

Commercial Operation Date: \_\_\_\_\_

**APPENDIX 5 to LGIP**

**OPTIONAL INTERCONNECTION STUDY AGREEMENT**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a

\_\_\_\_\_ organized and existing under the laws of the State of

\_\_\_\_\_, ("Interconnection Customer,") and

\_\_\_\_\_

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 \_\_\_\_\_ ;

**WHEREAS**, Interconnection Customer is proposing to establish an interconnection with the Transmission System; and

**WHEREAS**, Interconnection Customer has submitted to Transmission Provider an Interconnection Request; and

**WHEREAS**, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated in Transmission Provider's FERC-approved LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider's Interconnection Facilities and the Network Upgrades, and the estimated cost thereof, that may be required to provide transmission service or interconnection service based upon the assumptions specified by Interconnection Customer in Attachment A.
- 6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider's good faith estimate for the time of completion of the Optional Interconnection Study is [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, as appropriate.

- 7.0 Miscellaneous. The Optional Interconnection Study Agreement shall include standard miscellaneous terms including, but not limited to, indemnities, representations, disclaimers, warranties, governing law, amendment, execution, waiver, enforceability and assignment, that reflect best practices in the electric industry, and that are consistent with regional practices, Applicable Laws and Regulations, and the organizational nature of each Party. All of these provisions, to the extent practicable, shall be consistent with the provisions of the LGIP and the LGIA.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**[Insert name of Transmission Provider or Transmission Owner, if applicable]**

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

By:

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

Title:

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

Date:

**[Insert name of Interconnection Customer]**

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

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

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

**APPENDIX 6 to the Standard Large  
Generator Interconnection Procedures**

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



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**STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT**

**THIS STANDARD LARGE 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."

Checking this box shall indicate that: (i) this Standard Large Generator Interconnection Agreement is being used for the provision of Provisional Interconnection Service only, (ii) this agreement is understood by the Parties to be an agreement for Provisional Large Generator Interconnection Agreement and (iii) all references in this agreement to Interconnection Service or the like are understood to refer to Provisional Interconnection Service.

**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 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.
- 2.4 Termination Costs.** If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, 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 and 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].

Transmission Provider will obtain control of Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

**5.12 Access Rights.** Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party (“Granting Party”) shall furnish at no cost to the other Party (“Access Party”) any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that are necessary to enable the Access Party to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to: (i) interconnect the Large Generating Facility with the Transmission System; (ii) operate and maintain the Large Generating Facility, the Interconnection Facilities and the Transmission System; and (iii) disconnect or remove the Access Party’s facilities and equipment upon termination of this LGIA. In exercising such licenses, rights of way and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party’s business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting

Party and provided to the Access Party.

- 5.13 Lands of Other Property Owners.** If any part of Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider or Transmission Owner shall at Interconnection Customer's expense use efforts, similar in nature and extent to those that it typically undertakes on its own behalf or on behalf of its Affiliates, including use of its eminent domain authority, and to the extent consistent with 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.

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.

**5.19.2 Standards.** Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this LGIA and Good Utility Practice.

**5.19.3 Modification Costs.** Interconnection Customer shall not be directly assigned for the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service to a third party under Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

## **Article 6. Testing and Inspection**

**6.1 Pre-Commercial Operation Date Testing and Modifications.** Prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

- 6.2 Post-Commercial Operation Date Testing and Modifications.** Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.
- 6.3 Right to Observe Testing.** Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.
- 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 with its 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)(ii) 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** Economic hardship is not considered a Force Majeure event.

**16.1.2** Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as

reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

## **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**

**23.1** 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 pre-fault 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.

Attachment P, Appendix 7, Attachment P, Appendix 7 (0.0.0) A

## **APPENDIX 7**

### **INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT**

Appendix 7 sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections.

#### **A. Special Procedures Applicable to Wind Generators**

The wind plant Interconnection Customer, in completing the Interconnection Request required by section 3.3 of this LGIP, may provide to the Transmission Provider a set of preliminary electrical design specifications depicting the wind plant as a single equivalent generator. Upon satisfying these and other applicable Interconnection Request conditions, the wind plant may enter the queue and receive the base case data as provided for in this LGIP.

No later than six months after submitting an Interconnection Request completed in this manner, the wind plant Interconnection Customer must submit completed detailed electrical design specifications and other data (including collector system layout data) needed to allow the Transmission Provider to complete the System Impact Study.

## **ATTACHMENT Q**

### **Creditworthiness Procedures**

#### **I. OVERVIEW OF CREDITWORTHINESS PROCEDURES**

##### **A. Introduction**

For the purpose of determining the ability of a Transmission Customer or Eligible Customer requesting Transmission Service (“Customer”) to meet its obligations related to Transmission Service, the Transmission Provider will require reasonable credit review procedures to evaluate the Customer’ credit risk in accordance with standard commercial practices. In addition, the Transmission Provider may require the Customer to provide and maintain in effect during the term of the Service Agreement, financial assurance(s) to meet its responsibilities and obligations under the Tariff. The credit review procedures shall apply to Customers that have submitted a reservation for Transmission Service.

The creditworthiness procedures consist of data collection, credit evaluation, credit score determination, and overall determination of a Customer’s creditworthiness. The procedures shall be supplemented by Transmission Provider’s credit guide or manual posted on OASIS. The Customer shall provide information to the Transmission Provider as part of its data collection process and as part of the Customer’s application for Transmission Service or as part of the annual or periodic review to continue receiving Transmission Service.

##### **B. Overview of Procedures**

1. The Transmission Provider shall conduct a creditworthiness review of each Customer using information provided by the Customer from the data collection process and upon its initial request for a reservation for Transmission Service and thereafter pursuant to section III.D or at the request of the Customer. Existing Customers with a timely payment history at the date of implementation of this policy will be deemed to have satisfied the creditworthiness requirements at that time and be subject re-evaluation pursuant to section III.D. The Transmission Provider can require the Customer to provide or increase its provided financial assurances before Transmission Service will be initiated or continued. Initially, all Transmission Customers applying for new service shall pay the application deposits required by either Sections 17.3 or 29.2 of the Tariff. The Transmission Provider shall have the right to waive the requirement of a deposit on a nondiscriminatory basis if the Transmission Provider determines that the Transmission Customer is creditworthy pursuant to Section 11 of the Tariff and these credit procedures, and is not in default of its obligation as defined in Section 7.3 at the time of the Application.

2. The Transmission Provider shall use the creditworthiness procedures to establish a credit score for each Customer. Credit scores will not be calculated for existing Customers with a timely payment history at the date of implementation of this policy. Credit scores for such Customers will be calculated if and when a re-evaluation is required pursuant to section III.D. The Transmission Provider shall notify the Customer whether it has been found to be creditworthy or whether relevant financial assurance is required within 30 days after: (a) receiving the Customer's reservation for Transmission Service; (b) receiving the Customer's written request for re-evaluation of creditworthiness; or (c) determining that a change in creditworthiness status or change in financial assurance is required as determined by the annual review or other reviews performed pursuant to section III.D. Transmission Provider shall, upon the Customer's written request, provide a written explanation for any changes in creditworthiness status or requirements for financial assurances.
3. In order to differentiate Customers and clarify determination of a Customer's credit requirements, the Customer shall be defined as either a new or existing Public Power Entity or Non-Public Power Entity for calculating credit scores. A Public Power Entity shall be defined as a Customer that is a not-for-profit organization including municipalities, cooperatives, joint action agencies or any other governmental entity. A Non-Public Power Entity shall be defined as any Customer that is not a Public Power Entity.

## **II. DATA COLLECTION**

A Customer shall provide the following information to the Transmission Provider as part of Transmission Provider's creditworthiness evaluation:

- (1) Agency Ratings – if available to the Customer, the senior unsecured long-term debt ratings assigned to the Customer by Standard & Poor's and Moody's Investor Service, and the long-term issuer rating if the senior unsecured long-term debt rating is not available.
- (2) Financial Statements – the two (2) most recent quarters of financial statements signed by the company controller or other authorized company officer and the most recent audited annual financial statements (including, but not limited to the balance sheet, income statement, statement of cash flow, report of independent accountant and accompanying notes) of the Customer.
- (3) Material Issues – any pending information not incorporated in the financial reports that could materially impact the viability of the Customer including, but not limited to litigation, investigations, arbitrations, contingencies, liabilities and affiliate relationships.

- (4) Additional Information – Transmission Provider may request additional information as it determines is necessary and appropriate for the credit evaluation and Customer shall timely provide such additional information. At any time, the Customer may provide Transmission Provider with additional information that the Customer considers relevant to the credit evaluation.
- (5) Information Concerning Material Change – Each Customer, public or non-public, must give Transmission Provider notice of any Material Change in its financial condition within five business days of the occurrence of the material changes. A Material Change in financial conditions includes:
  - (a) For entities that initially met the creditworthiness requirements under the policy and are not required to post financial assurance to the Transmission Provider, a change in financial conditions that decreases the credit score of a Non-Public Power Entity below four (4) or a Public Power Entity below three (3);
  - (b) A default in payment obligations under the tariff; or
  - (c) The filing of a voluntary or involuntary petition to institute bankruptcy proceedings under the United States Bankruptcy Code or any successor statute, or the filing to institute any proceedings under state law concerning actual or potential insolvency.

### **III. CREDIT EVALUATION**

#### **A. Determining Creditworthiness**

The Transmission Provider shall evaluate the Customer's creditworthiness based on the following quantitative and qualitative criteria.

- (i) Total Debt / Total Capitalization
- (ii) Cash & Cash Equivalents percentage of Total Assets
- (iii) EBITDA Interest Coverage
- (iv) Current Ratio
- (v) Agency Ratings
- (vi) Transmission Provider Payment Record

Transmission Provider shall determine a credit score based on whether the Customer meets or exceeds certain requirements for each of the criteria above. The specific requirements for each criteria may vary for Non-Public Power

Entities and Public Power Entities.

Below are the formulas for the key ratios for the items used in determining the credit score.

***Formulas for Key Ratios***

Total Debt/ Total Capital = (Long Term Debt + Current Maturities + Commercial Paper + Other Short Term Borrowings) / (Long Term Debt + Current Maturities + Commercial Paper + Other Short Term Borrowings + Shareholders Equity (Including Preferred Stock) + Minority Interest)

Cash & Cash Equivalents/Total Assets = (Cash + Cash Equivalents (Excluding Restricted Cash)) / Total Assets

EBITDA Interest Coverage = (Adjusted Earnings from Continuing Operations before Interest, Taxes, Depreciation, and Amortization) / Gross Interest incurred before subtracting capitalized interest and interest income

Current Ratio = Total Current Assets / Total Current Liabilities

The methodology for determining the credit score for Non-Public Power Entities and Public Power Entities are described below.

**1. Non-Public Power Entities**

For a Non-Public Power Entity the credit score shall consist of the following quantitative and qualitative factors. The Transmission Customer shall receive a score for meeting or exceeding each qualitative or quantitative factor. A Non-Public Power Entity may receive a minimum score of zero (0) and a maximum score of six (6); a score of six is best.

- (i) Total Debt / Total Capitalization not more than 70%
- (ii) Cash & Cash Equivalents greater than .75% of Total Assets
- (iii) EBITDA Interest Coverage greater than 1.7 times
- (iv) Current Ratio Greater Than 1.0
- (v) Agency Ratings better than a Standard and Poor's ("S&P") Long-Term Unsecured Issuer Credit Rating of BBB-, or a Moody's Investor Service, Inc. ("Moody's") Long-Term Unsecured Issuer Credit Rating of Baa3
- (vi) Positive Payment Record with Transmission Provider

Note: For items (i), (ii), and (iv), the most recent quarterly financials

*statements will be utilized in calculating points. The annual audited financial statements will be used to compute Item (iii).*

## **2. Public Power Entities**

For a Public Power Entity, the credit score shall consist of the following quantitative and qualitative factors. The Transmission Customer shall receive one point for meeting or exceeding each qualitative or quantitative factor. A Public Power Entity may receive a minimum score of zero (0) and a maximum score of six (6); a score of six is best.

- (i) Total Debt / Total Capitalization less than 95%
- (ii) Cash & Cash Equivalents greater than .75% of Total Assets
- (iii) EBITDA Interest Coverage greater than 1.7 times
- (iv) Current Ratio Greater Than 1.0
- (v) Agency Ratings better than a Standard and Poor's ("S&P") Long-Term Unsecured Issuer Credit Rating of BBB-, or a Moody's Investor Service, Inc. ("Moody's") Long-Term Unsecured Issuer Credit Rating of Baa3
- (vi) Positive Payment Record with Transmission Provider

*Note: For items (i), (ii), and (iv), the most recent quarterly financial statements will be utilized in calculating points. The annual audited financial statements will be used to compute Item (iii).*

## **B. New or Existing Customers Determined Creditworthy**

The Customer will be determined to be creditworthy if it meets the following requirements:

- (i) Has received the minimum credit score for creditworthiness, which may vary for Non-Public Power Entities and Public Power Entities;
- (ii) Is not in default of any payment obligation under the Tariff; and
- (iii) Is not in bankruptcy proceedings.

A Customer that is determined to be creditworthy shall not be required to post any financial assurance to the Transmission Provider under these creditworthiness procedures or any deposit required by Section 7.3 of the Tariff.

### **1. Non-Public Power Entities**

A Non-Public Power Entity meets the creditworthiness requirements under this policy, and shall not be required to post any financial assurance to the Transmission Provider under these creditworthiness procedures or any deposit required by Section 7.3 of the Tariff, if it:

- (i) Has received a credit score of four (4) or higher;
- (ii) Is not in default of any payment obligation under the tariff;  
and
- (iii) Is not in bankruptcy proceedings.

## **2. Public Power Entities**

A Public Power Entity meets the creditworthiness requirements under this policy, and shall not be required to post any financial assurance to the Transmission Provider under these credit procedures or any deposit required by Section 7.3 of the Tariff, if it:

- (i) Has received a credit score of three (3) or higher;
- (ii) Is not in default of any payment obligation under the tariff;  
and
- (iii) Is not in bankruptcy proceedings.

## **C. New or Existing Customers Determined Not Creditworthy**

The Customer that does not meet the creditworthiness requirements in section III.B shall be subject to the following requirements to provide financial assurance.

- (i) For Transmission Service that is for greater than one month, provide financial assurance equal to twice the Customer's expected monthly charges for Transmission Service; or
- (ii) For Transmission Service that is for less than one month, prepay the expected charges for the Transmission Service.
- (iii) A Customer required to provide financial assurances, as determined by an initial credit evaluation, shall provide such financial assurances within 30 days of Transmission Provider's notice to the Customer. A Customer required to provide financial assurances, as determined by a credit re-evaluation, shall provide such financial assurances within 20 days of Transmission Provider's notice to the Customer.

The Customer, upon written request, may contest the determination of it not meeting the creditworthiness requirements and the amount of the required



financial assurance required. Such written requests shall include additional information to support the Customer's claim.

#### **D. Re-Evaluation**

Transmission Provider will review its credit evaluation for each Customer at least annually. Timely payments will be sufficient evidence for re-affirming the current credit arrangements; barring the reporting of any of the Material Changes outlined in Section II.5, the credit score evaluation will not be updated in this annual review. Transmission Provider, in its sole discretion, may conduct additional reviews and updates of its credit evaluation in response to new facts or occurrences that may bear upon the Customer's creditworthiness due to material changes in financial condition of the Customer or if the Customer fails to pay invoices from Transmission Provider on time. These updates will follow the procedures set forth in Section III.A of this policy.

### **IV. RIGHT TO DRAW UPON FINANCIAL ASSURANCES UPON DEFAULT**

The Transmission Provider shall have the right to liquidate, or draw upon, all or a portion of a Customer's form of financial assurance(s) in order to satisfy a Customer's total net obligation to the Transmission Provider upon a default pursuant to Section 7.3 of the Tariff. A Customer shall immediately replace any liquidated, or drawn-upon, financial assurances.

### **V. NOTICES TO A CUSTOMER**

All notices sent to a Customer pursuant to these creditworthiness procedures shall be in writing and shall be sent to the Customer overnight courier and shall become effective upon actual receipt. Notices regarding that the Customer has been determined to not be creditworthy pursuant to these creditworthiness procedures shall include the amount of required financial assurance and that any required financial assurance is to be provided by the deadlines, consistent with section III.C, specified in the notice.

### **VI. ACCEPTABLE FORMS OF FINANCIAL ASSURANCE**

The following are acceptable forms of financial assurance. These forms of financial assurance may be submitted separately or in combination to equal the full amount of any required or provided financial assurance.

1. A cash deposit.
2. An unconditional and irrevocable letter of credit. All costs associated with the issuance and maintenance of a letter of credit shall be paid by the Customer.
3. An irrevocable and unconditional corporate guaranty from an entity that satisfies the creditworthiness requirements.

### **VII. RETURN OF FINANCIAL ASSURANCES UPON RE-ESTABLISHMENT OF**

## CREDITWORTHINESS

If a Customer re-establishes creditworthiness, then upon verification by Transmission Provider, all financial assurances will be returned (or terminated, if applicable) to the Customer with interest (if applicable), upon payment of all past due balances to the Transmission Provider pursuant to the Tariff.

Attachment R, Transmission Planning Process (2.0.0) A

## ATTACHMENT R

### Transmission Planning Process

#### 1. General

**1.1 Purpose and Objective.** This Transmission Planning Process shall be used for planning of the transmission system. The purpose of the Transmission Planning Process is to set forth the process by which the Transmission Provider will plan for the enhancement and expansion of the Transmission System to ensure that the Transmission System is planned to meet the needs of both the Transmission Provider and its Network and Firm Point-to-Point Transmission Customers on a comparable and nondiscriminatory basis. It is intended to be a coordinated, open and transparent planning process with the Network and Firm Point-to-Point Transmission Customers and other interested parties, including interconnected systems within its region. Pursuant to the process, the Transmission Provider shall develop the transmission plan (“the Plan”). The planning process also provides a mechanism for the recovery and allocation of planning costs.

**1.2 Identification of Connected Systems.** Transmission Provider is not electrically connected directly to the rest of the United States grid, but is connected indirectly through New Brunswick, Canada. Transmission Providers’ Transmission System is considered to be part of the New Brunswick System Operator Balancing Authority Area (“NBSO BAA”). Within the NBSO BAA, Transmission Provider’s Transmission System is part of a sub-control area, the Northern Maine ISA, which includes the transmission systems of Transmission Provider and Eastern Maine Electric Cooperative (“EMEC”). Regional transmission planning is coordinated under the FERC-approved Northern Maine ISA Tariff and Market Rules. In accordance with Section 5.4 of the Northern Maine ISA Tariff, local transmission planning under this tariff is consistent with and supports the regional planning process including, but not limited to, any cost allocations.

#### 1.3 Definitions.

**1.3.1** Terms capitalized and not otherwise defined in this Attachment R shall have the meanings set forth in Section 1 of the Tariff.

**1.3.2 Public Policy Requirements.** As used in this Attachment R, the term

“Public Policy Requirements” refers to federal or state laws or regulations, which are enacted statutes and regulations promulgated by a relevant jurisdiction, whether within a state or at the federal level. Public Policy Requirements also includes local laws and regulations passed by a local governmental entity, such as a municipal or county government.

## **2. Advisory Groups.**

**2.1 Establishment.** A Planning Advisory Group shall be established and open to participation by all transmission owners in the Northern Maine ISA, Transmission Provider’s customers, generators interconnected to the Transmission System, other suppliers, neighboring transmission providers and control areas, and state utility regulatory agencies and offices of public advocates in the State of Maine. Any of the above listed entities may designate a member to the Planning Advisory Group by providing written notice to Transmission Provider identifying the name of the entity represented by the member, the member’s name, address, telephone number, facsimile number, and electronic mail address. The entity may remove or replace such member at any time by written notices to the Transmission Provider. Each entity that participates in the Planning Advisory Group shall have one member of the group. Transmission Provider shall act as the facilitator of the Planning Advisory Group. Notices to the Transmission Provider pursuant to this section shall be provided to the Transmission Provider representative identified on the Transmission Provider’s internet website.

**2.2 Role of Planning Advisory Group.** The Planning Advisory Group’s role is to provide input and feedback to Transmission Provider during the development of the Plan. This input and feedback shall be provided through meetings, which may include meetings held via email or through other written means.

### **2.3 Meetings.**

**2.3.1 Frequency of Meetings.** The Planning Advisory Group, at a minimum, shall hold meetings biennially. Members shall be able to attend such biennial meetings in person or via teleconference. To the extent additional meetings may be warranted, such meetings may be held in person, or via telephone conference, electronic mail, or other written means. For example, certain meetings, if appropriate, may consist of the Transmission Provider soliciting written comments via email or other written means; and the Planning Advisory Group providing such written comments, if any, to the Transmission Provider. A meeting shall be held (i) as specified in the Plan, (ii) when the Transmission Provider deems a meeting is necessary, either upon its own or other entity’s request, or (iii) at the request of a majority of the Planning Advisory Group.

**2.3.2 Notice of Meetings.** Transmission Provider shall provide notice of the Planning Advisory Group meetings by electronic mail to members of the Planning Advisory Group and shall post notice on the Transmission

Provider's Transmission Access Page on the Transmission Provider's internet website. Such notice shall be provided at a minimum one week prior to the meeting. A calendar of meetings and other significant events in the Transmission Planning Process shall be posted on the Transmission Access Page.

**2.3.3 Purpose of Meetings.** The Planning Advisory Group meetings shall provide an opportunity for the group members to provide input regarding: (i) data gathering and customer input into study development; (ii) review of study results; (iii) review of draft transmission plans; and (iv) coordination of draft plans with those of neighboring transmission providers.

**2.3.4 Mechanism to Invite Affected Entities to Participate in Meetings.** If Transmission Provider identifies particular entities that may be affected by the development of potential projects, or other significant events, identified in the planning process, Transmission Provider shall notify the entity and invite them to participate in the related planning meetings.

### **3. The Plan: Scope and Contents.**

**3.1 Scope of the Plan.** The Plan shall provide a biennial assessment of the Transmission System needs in a consolidated manner, and the Plan is designed to maintain the reliability of the Transmission System in an economic and environmentally acceptable manner, while taking into account needs driven by public policy ("Public Policy Requirements"). The Plan will be developed to meet the specific service requests of Transmission Customers and otherwise treat similarly-situated customers comparably in transmission system planning.

**3.2 Contents of the Plan.** The Plan shall utilize at least a five year planning horizon, and reflect at least five year capacity and load forecasts. The Plan shall reflect transmission enhancements and expansions, load and energy forecasts, including expected demand response, and generation additions and retirements for at least the ensuing five years. The Plan shall also consider transmission needs driven by Public Policy Requirements. The Plan shall identify, based on the results of the planning studies a list of proposed transmission enhancements and expansions for at least each of the ensuing five years that are determined by Transmission Provider to be appropriate at the time of the issuance of the Plan. The Plan also shall include a list of transmission enhancements and expansions identified in the prior Plan that have not been completed at that time.

**3.3 Additions and Removals of Transmission Enhancements and Expansions.** Transmission Provider may add or remove transmission enhancements and expansions from the Plan at any time in a given year in accordance with the procedures specified in Section 4.9, and in doing so shall consult with and consider input from the Planning Advisory Group, within the scope of its respective functions.

- 3.4 Other Principles.** The Plan shall be designed and implemented to (i) avoid unnecessary duplication of facilities; (ii) avoid the imposition of unreasonable costs upon the Transmission Provider and customers; (iii) take into account the legal and contractual rights and obligations of Transmission Provider and the transmission-related legal and contractual rights and obligations of any other entity; (iv) provide for coordination with existing transmission systems and with appropriate interregional and local expansion plans; and (v) consider transmission needs driven by Public Policy Requirements.
- 3.5 Status of Identified Upgrades or Alternatives.** The status of upgrades or alternatives identified in the Plan shall be reflected in future plans. Transmission Provider will post, at least annually, the status of upgrades and alternatives identified in the Plan on the Transmission Provider's internet website. Transmission Provider will provide such notification of updated status only to the extent there are upgrades or other alternatives identified by a Plan for which notification of in-service status has not previously been provided. The status of identified upgrades or alternatives will be reflected in future plan development (*i.e.*, whether the upgrade or alternative is in-service, under construction, planned, proposed, or concept).
- 3.6 Coordination of the Plan.** Transmission Provider is not interconnected with other FERC-jurisdictional transmission systems. Transmission Provider participates in the regional planning process of the Northern Maine ISA. The Transmission Provider shall develop its Plan in coordination with the Northern Maine ISA and interconnected transmission systems, including adjacent Canadian systems that are members of Northeast Power Coordinating Council ("NPCC"). Representatives of such entities have the opportunity to participate in the Planning Advisory Group. Transmission Provider shall convene periodic meetings of the Planning Advisory Group to focus to provide input and feedback to the Transmission Provider concerning such coordination. Additionally, Transmission Provider participates in several regional forums and processes, including some directed by the MPUC. With respect to coordination with the Northern Maine ISA, the Plan shall be part of Transmission Owner's obligation to plan and maintain its transmission facilities and to advise the Northern Maine ISA of its plans for the short-term and long-term development of Transmission Provider's transmission system, consistent with Section 9.1.2 of Market Rule 9 of the Northern Maine ISA.

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

- 4.1 Process Diagram.** The flow chart provided in Exhibit 1 to this Attachment R summarizes the steps of the planning process.
- 4.2 Initiation of the Plan.** Transmission Provider shall solicit input on the regional needs for the updated or new Plan from members of the Planning Advisory Group. The Planning Advisory Group shall meet to perform its respective functions with the preparation of the Plan. Drafts of the Plan shall be provided to

the Planning Advisory Group and input from the Planning Advisory Group shall be received and considered in preparing and revising subsequent drafts.

**4.3 Studies.** Transmission Provider shall conduct studies for the development of the Plan consistent with the provisions of Section 8.

**4.4 Assumptions and Methodology Used in Developing the Plan.** Transmission Provider shall establish assumptions used in developing the Plan as described below. Transmission Provider will use data received from the operation of the transmission system, the Northern Maine ISA system planning process, customers, and other sources.

**4.4.1 Methodology.** The methodology used to evaluate system upgrades for the planning horizon is based on power-flow analysis principles. This methodology is used to insure that any proposed system reinforcements pose no significant adverse impact on the stability, reliability, and operating characteristics of the Transmission System. Steady state thermal and voltage analyses and stability analyses will examine system performance first without proposed reinforcements to provide a baseline. System performance will then be re-evaluated with several alternative reinforcements and compared with the previous baseline to determine the impact of proposed reinforcements upon system reliability. Transmission design criteria insure that the transmission system is designed with sufficient transmission capability to serve forecasted loads under the various contingencies listed below. When alternative plans for reinforcing the transmission system exist resulting in equal reliability, these alternative plans will be evaluated based on least-cost.

- (a) Stability Assessment (NPCC A-2 document, section 5.1): The Stability of the transmission system shall be maintained during and following the most severe of contingencies including, but not limited to, (1) a permanent 3-phase fault, (2) simultaneous phase to ground faults, (3) a permanent phase to ground fault, (4) loss of any element without a fault, etc.
- (b) Steady State Assessment (NPCC A-2 document, section 5.2): The design of the transmission system shall be in accordance with the voltage control procedures. Adequate reactive power resources and appropriate controls shall be installed.
- (c) Fault Current Assessment (NPCC A-2 document, section 5.3): The system design shall insure that equipment capabilities are adequate for fault current levels with all transmission and generation facilities in service for all potential operating conditions.
- (e) Economic Assessment: Alternatives for each reliability and/or

economic driven upgrade will be evaluated using least-cost planning principles.

**4.4.2 Criteria Used.** Studies will be performed in accordance with NERC Reliability Standards TPL-001 through TPL-004, the NPCC Document A-2 “*Basic Criteria for Design and Operation of interconnected Power Systems,*” NPCC Document A-6, and any other reliability criteria, including regional or local applicable criteria in establishing assumptions.

**4.4.3 Process for Establishing Assumptions.** Transmission Provider uses industry standard assumptions, but the Planning Advisory Group may augment these industry standard assumptions and methodology consistent with local and regional needs as necessary.

**4.5 Methodology for Determining Import and Export Capability in Regional Studies.** Transmission Provider determines the import and export capability as described in Attachment C to the Tariff regarding the methodology for assessment of available transfer capability.

**4.6 Criteria for the Design of New Facilities or the Qualification of Demand Resources.** The design of new facilities and qualifications of demand resources shall be consistent with the criteria listed in section 4.4.2 of this Attachment R and the Northern Maine ISA Market Rule 9.

**4.7 Procedures for Consideration of Needs Driven by Public Policy Requirements.** Transmission Provider will identify those transmission needs that are driven by Public Policy Requirements by surveying local, state and federal Public Policy Requirements which may be applicable, and discussing such requirements at meetings held among the Planning Advisory Group. The Transmission Provider and the Planning Advisory Group shall identify those transmission needs driven by Public Policy Requirements which will be selected for further evaluation in accordance with Section 8.4.2.

The Transmission Provider will present to the Planning Advisory Group, and receive comments regarding, the results of the studies that the Transmission Provider performs in evaluating transmission needs driven by Public Policy Requirements that have been identified through the process described in this Section 4.7, as well as the results of the studies evaluating transmission needs driven by Public Policy Requirements that have been requested in accordance with Section 8.4. These results will be presented at the next biennial meeting after the Transmission Provider performs the studies.

**4.8 Software or Analytical Tools Used in the Planning Process.** The software and analytical tools used in the planning process include Transmission 2000 which is a load flow software program.

**4.9 Development of the Plan.** Transmission Provider shall be responsible for the development of the Plan and for conducting studies on which the Plan is based.

The Planning Advisory Group shall provide input and review drafts of the Plan.

#### **4.9.1 Draft Plan and Briefing Paper.**

- (a) Upon completion of the studies and analysis, Transmission Provider shall prepare a draft Plan with recommended enhancement and expansion. Transmission Provider shall develop a briefing paper regarding the draft recommended Plan that describes the Plan. The briefing paper may include a description of any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the needs. The descriptions in the briefing paper may be in the form of diagrams. Transmission Provider shall provide both the draft Plan and briefing paper to the Planning Advisory Group for review and comment. A meeting of the Planning Advisory Group will be held to receive comments on the draft Plan. Such meeting may be held in person, or via teleconference, electronic mail, or other written means, at the discretion of the Transmission Provider. Interested parties may submit comments on the recommended Plan to the Transmission Provider.
- (b) The draft Plan shall identify economically justified enhancements, expansions, or system reinforcements that relieve transmission constraints. The evaluation shall be premised on the goals of maintaining reliability, reducing congestion where economically justified, and considering needs driven by Public Policy Requirements.
- (c) Any member of the Planning Advisory Group may provide comments on the recommended plan and may offer alternatives. If the Transmission Provider, after review of any offered alternatives, adopts an alternative it shall make any necessary changes to the recommended plan.
- (d) At the request of a majority of the Planning Advisory Group, Transmission Provider will circulate one additional draft of the Plan and briefing paper to the Planning Advisory Group for review and comment. At the Transmission Provider's discretion, additional drafts of the draft Plan and briefing paper may be circulated to the Planning Advisory Group for review and comment.
- (e) Prior to finalizing the Plan, Transmission Provider will provide the Planning Advisory Group with detailed reasons in writing for including each transmission upgrade in the Plan, or modifying the status of a transmission upgrade from the most recent Plan.



**4.9.2 Final Plan.** Transmission Provider, upon consideration of the input and advice from the Planning Advisory Group shall develop a proposed final Plan and briefing paper. Upon approval of the proposed final Plan by the Transmission Provider Board of Directors, it shall become the final Plan. The briefing paper may include a description of any needs, the underlying assumptions, applicable planning criteria, and methodology used to determine the need. The descriptions in the briefing paper may be in the form of diagrams.

**4.9.3 Publication of Final Plan.** Transmission Provider shall publish the final Plan and briefing paper on the Transmission Provider internet website. The final Plan also will be distributed to the Planning Advisory Group.

**4.10 Procedures for Interim Modification to the Plan.** Transmission Provider in consultation with the Planning Advisory Group may modify the Plan on an interim basis as necessary to reflect additions or removal of transmission upgrades. Such interim modifications to the Plan shall be posted on Transmission Provider's internet website.

**4.11 Transmission Provider Technical Contact.** Transmission Provider shall identify on its internet website an individual or individuals to be the technical point of contact regarding questions about the modeling criteria, assumptions, and data underlying the Plan.

## **5. Disclosure of Criteria, Assumptions, and Data.**

**5.1 Availability of Information.** Transmission Provider shall make available to the Planning Advisory Group, subject to applicable confidentiality or Critical Energy Infrastructure Information ("CEII") protections, a description of how its assumptions regarding transmission, generation, and demand resources are developed, including details regarding the types of resource, rating or size responsiveness and other operating information. Such information shall be available to customers and other stakeholders at all stages of the planning process.

**5.2 Process for Access to Underlying Data.** Interested parties may request access to underlying data or assumptions used for transmission planning, such as power flow base cases and associated files needed for transmission planning through a written request to Transmission Provider. Such information generally will contain confidential information or CEII and be subject to the protections for the provision of such information.

**5.3 Discussion of Assumptions.** Members of the Planning Advisory Group shall have the opportunity to question and discuss principal assumptions used in the planning process. The process shall be through meetings of the Planning Advisory Group. Such meetings, if appropriate, may be held via email or other solicitation of written comments.

**5.4 Requests For Additional Calculations.** Upon request by a majority of the

Planning Advisory Group, Transmission Provider will run up to one additional calculation using the proprietary software mentioned in Section 4.7. Additional calculations may be run at Transmission Provider's discretion.

**5.5 Notification of Changes or Updates in Data Bases.** Transmission Provider shall notify interested parties of changes or updates in the data bases used for transmission planning, including whether the changes were made independently by Transmission Provider or in response to a stakeholder concern. Such notification shall be made via email to members of the Planning Advisory Group or a posting on OASIS.

## **6. Supply of Data.**

**6.1 Information Exchange.** The information exchange required by this Attachment R pertains to information that relates to planning, not other studies performed in response to interconnection or transmission service requests. Transmission Provider and Transmission Customers shall, at a minimum, follow the Commission-approved Modeling, Data and Analysis Reliability Standards specific requirements for generator owners, transmission owners, and load-serving entities to provide data to planning authorities, resource planners, and regional reliability organizations.

**6.2 Information to be Provided.** Transmission Provider shall solicit Transmission Customers and other interested parties, including, but not limited to electric utility regulatory agencies and consumer advocates in the State of Maine, to provide information required by, or anticipated to be useful to, Transmission Provider in its preparation of the Plan.

### **6.3 Transmission Customers Supply of Data.**

**6.3.1 Obligations.** Both Network and Point-to-Point Transmission Service Customers shall provide requested data to Transmission Provider. A Transmission Customer may provide additional data it considers would be helpful for the planning process.

**6.3.2 Types of Data.** Transmission Customers shall provide, at a minimum, the following data, unless the Transmission Provider notifies Transmission Customers otherwise:

- (a) Generators shall provide planned additions or upgrades (including status and expected in-service dates), planned retirements, and environmental restrictions.
- (b) Demand response resources shall provide existing and planned demand resources and their impacts on demand and peak demand.
- (c) Network Customers shall provide forecast information for load and resource requirements over the planning horizon and identification

of demand response reductions.

- (d) Point-To-Point Transmission Service Customers shall provide projections of need for service over the planning horizon, including transmission capacity, duration, and receipt of delivery points.

**6.3.3 Process for Providing Data.** Transmission Customers shall submit the required data, to the maximum extent practical and subject to the confidentiality procedures, if applicable, by email to Transmission Provider as identified on the Transmission Provider's internet website or through File Transfer Protocol ("FTP") to the Transmission Provider Transmission Access Page.

**6.3.4 Schedule for Providing Data.** Transmission Customers shall submit the required data to Transmission Provider at least once a year by January 31<sup>st</sup> for the immediately preceding calendar year. Transmission Provider may require additional information during the planning process. Transmission Customers may submit additional information during the planning process.

**6.3.5 Notice of Material Changes.** Transmission Customers are required to provide Transmission Provider with written notice of material changes in any information previously provided to Transmission Provider relating to its load, its resources, or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide service.

## **7. Dispute Resolution Procedures.**

**7.1 Overview.** The dispute resolution process to address procedural and substantive planning issues shall be a two-step process of negotiation and alternative dispute resolution in that order. However, all affected parties shall retain any rights they may have under section 206 of the Federal Power Act to file a complaint with the Commission.

**7.2 Negotiation.** Any dispute between Transmission Provider and another entity involving either a procedural or substantive planning issue shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the other entity for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days, or such other period mutually agreed upon, such dispute may be submitted to mediation in accordance with the mediation procedures set forth below.

**7.3 Alternative Dispute Resolution.** If a dispute is not resolved through the negotiation procedures set forth in section 7.2, the parties shall initiate confidential mediation procedures or any other form of alternative dispute resolution upon the agreement of parties. Such form of alternative dispute resolution shall not include binding arbitration. If the parties agree upon

initiating mediation, the parties to the dispute shall select a mediator, who shall be a neutral third-party. The mediator may be from the private sector, a Commission administrative law judge, or a mediator from the Commission's Dispute Resolution Service. Each party shall be responsible for its own costs incurred during the mediation or alternative dispute resolution process and, if applicable, an equal percentage of the costs of the mediator chosen by the parties.

If a party identified exigent circumstances reasonably requiring expedited resolution of the dispute, such party may file a complaint with the Commission or seek other appropriate redress before a court of competent jurisdiction.

## **8. Planning Study Procedures.**

**8.1 Study Cycle.** Transmission Provider shall initiate system enhancement and expansion studies (the planning studies) at least once every two years. A more targeted study shall be conducted if: (i) required to address a need identified by Transmission Provider in its on-going evaluation of the Transmission System's economic and operational adequacy and performance; (ii) required as result of Transmission Provider's assessment of the Transmission System's compliance with NERC and/or NPCC reliability requirements, such as listed under section 4.4.2; or (iii) constraints or available transfer capability shortages are identified by Transmission Provider, possibly as a result of generation additions or retirements, or evaluation of load forecasts. A planning study also may be initiated for any other circumstances which may warrant such a study. Economic planning studies or studies evaluating transmission needs driven by Public Policy Requirements also may be conducted pursuant to procedures below.

**8.2 Notice of Initiation.** Transmission Provider shall provide written notice of the initiation of a system enhancement and expansion study to all members of the Planning Advisory Group. Transmission Provider shall consult with the Planning Advisory Group to prepare the study's scope, assumptions, and procedures.

**8.3 Scope of Studies.** In general, enhancement and expansion studies shall include:

- (a) An identification of existing and projected limitation on the Transmission System's physical, economic, and/or operational capability or performance, with accompanying simulations to identify the costs of controlling those limitations.
- (b) Evaluation and analysis of potential enhancements and expansions, including alternatives thereto, needed to mitigate such limitations.
- (c) Identification, evaluation and analysis of potential enhancements and expansions for the purpose of supporting competition on the Transmission System.
- (d) Identification, evaluation and analysis of potential transmission

enhancements and expansions driven by Public Policy Requirements.

- (e) Engineering studies needed to determine the effectiveness and compliance (with reliability and operating criteria) of recommended enhancements and expansions.

**8.4 Economic and Public Policy Planning Studies.** Transmission Provider shall undertake economic and public policy planning studies on behalf of native load or OATT customers. Economic planning studies shall evaluate potential upgrades or other investments that could reduce congestion or integrate new resources and loads on an aggregated or regional basis. Public policy studies shall evaluate cost-effective means of meeting transmission needs driven by Public Policy Requirements. Generally, the studies will be conducted in connection with other planning studies.

**8.4.1 Requests.** Stakeholders may submit written requests for economic or public policy planning studies to Transmission Provider. Such requests shall specify in detail the specific proposed project to be the subject of the requested economic or public policy planning study. Requests for such studies to be considered in the development of the current Plan must be received by April 1 of the year of the Plan. Requests received after that date will be considered for the development of subsequent Plans, unless withdrawn by the requester. The requests shall be posted on OASIS, subject to the confidentiality provisions. Transmission Provider shall respond within 30 days of receiving the request, to confirm receipt of the request and inform the requester whether the request is deficient.

**8.4.2 High Priority Economic or Public Policy Planning Studies.** Transmission Provider and the Planning Advisory Group, together, shall identify up to a maximum of two high priority economic or public policy planning studies with no minimum of such studies, that will be performed on behalf of stakeholders within a calendar year. This includes the study of transmission needs driven by Public Policy Requirements that have been identified in accordance with Section 4.7.

**8.4.3 Clustering of Studies.** At the discretion of Transmission Providers, such studies shall be clustered or batched or incorporated with the other planning studies.

**8.4.4 Data Requirements.** Requesting parties with unique economic planning studies shall be required to provide data as required by the Transmission Provider. To the extent Transmission Provider deems appropriate, Transmission Provide shall use generic industry data in place of customer-specific data.

**8.4.5 Recovery of Economic or Public Policy Planning Study Costs.**

**8.4.5.1 High Priority Economic or Public Policy Planning Study Costs.**

Transmission Provider's costs associated with performing the high priority economic or public policy planning studies, identified pursuant to section 8.4.2, shall be recovered from Transmission Customers on a load-ratio share basis through the Transmission Provider OATT.

**8.4.5.2 Non-High Priority Economic or Public Policy Planning Study Costs.** Stakeholders requesting economic or public policy planning studies that are not determined to be high-priority planning studies shall be responsible for the costs associated the study. A deposit of \$25,000 shall be provided by requester prior to initiation of such study. The requester shall be responsible for the actual costs of the study. At the completion of the study, Transmission Provider shall either refund the amount of deposit in excess of the costs of the study or collect from the requester the amounts of the study costs in excess of the deposit.

#### **8.4.6 OASIS Posting for Public Policy Requirements.**

The Transmission Provider shall post on its OASIS site a list of all transmission needs driven by Public Policy Requirements, either those identified by stakeholders in accordance with Section 8.4.1 or by the Transmission Provider in accordance with Section 4.7, together with an explanation of those items selected for further evaluation and an explanation of why other suggested transmission needs were not evaluated.

### **9. Cost Allocation of New Facilities.**

#### **9.1 Reliability, Economic, and Public Policy Projects.**

**9.1.1 Reliability Projects.** The costs of reliability projects that are identified in the planning studies shall be allocated to all Transmission Customers on a load-ratio share basis consistent with Attachment J to this Tariff.

**9.1.2 Economic Projects.** The costs of economic projects that specifically benefit individual customers that are identified in the planning studies shall be allocated to the entities that benefit from the projects, as described below.

**9.1.2.1** There is a first presumption that the party that requires or requests the economic project is the beneficiary of the project and will pay all costs associated with the economic project.

**9.1.2.2** However, if production cost benefits related to an economic project exceed the costs of the economic project, then the presumption is that Transmission Customers will be beneficiaries and the costs shall be allocated to all Transmission Customers on a load-ratio

share basis consistent with Attachment J to this Tariff.

**9.1.3 Public Policy Projects.** The costs of Public Policy Projects, those transmission projects that are driven by Public Policy Requirements, that specifically benefit individual customers that are identified in the planning studies shall be allocated to the entities that benefit from the projects, as described below.

**9.1.3.1** There is a first presumption that the party that requires or requests the Public Policy Project is the beneficiary of the project and will pay all costs associated with the Public Policy Project.

**9.1.3.2** If the Public Policy Project was initially identified through the process outlined in Section 4.7, and the project only benefits a specific customer or customers, those customers will be provided an opportunity to fund the Public Policy Project in accordance with Section 9.1.3.1.

**9.1.3.3** However, if production cost benefits related to a Public Policy Project exceed the costs of the Public Policy Project, then the presumption is that Transmission Customers will be beneficiaries and the costs shall be allocated to all Transmission Customers on a load-ratio share basis consistent with Attachment J to this Tariff.

**9.2 New Facilities Identified Through Requests for Service.** The costs of new facilities required because of individual requests for service shall be allocated pursuant the applicable Tariff procedures governing such requests for service.

**9.3 Stakeholder Involvement in Cost Allocation Process.** Transmission Provider shall determine, with input from the Planning Advisory Group, what projects are reliability and economic projects.

## **10. Recovery of Planning Costs.**

**10.1 Transmission Provider's Planning Costs.** Transmission Provider's planning costs, to the extent not specifically recovered pursuant to other provisions in this Attachment R shall be recovered from Transmission Customer's customers on a load-ratio share basis through the formula rate.

## **11. Confidentiality and Critical Energy Infrastructure Information.**

**11.1 Confidential Information.** 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, 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. Confidential information may be information either provided by the Transmission Provider or to the Transmission Provider.

**11.2 Critical Energy Infrastructure Information.** CEII is defined in the Commission's regulations, 18 C.F.R. § 388.113(c)(1). CEII means information about proposed or existing critical infrastructure that: (1) relates to the production, generation, transportation, transmission, or distribution of energy; (2) could be useful to a person in planning an attack on critical infrastructure; (3) is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. 552; and (4) does not simply give the general location of the critical infrastructure. Critical infrastructure means existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters. Changes to these definitions adopted by FERC in its regulations shall be deemed to be incorporated herein.

**11.3 Process for Obtaining Access to Confidential Information.**

**11.3.1 Access to Confidential Information.** Entities with a right or need for the confidential information, shall submit a written request for access to confidential information. A party seeking access to confidential information shall satisfy Transmission Provider that its access to the confidential information is required and execute the non-disclosure agreement. The forms of non-disclosure agreement will be posted on Transmission Provider's website as part of Transmission Providers procedure for disclosure of confidential information. Transmission Provider will seek agreement from entities that provided information marked as confidential prior to release of such information.

**11.3.2 Disclosure to FERC, its Staff, State Commission and Other Authorized Parties.** If FERC or its staff, during the course of an investigation or otherwise, requests information from Transmission Provider that is otherwise required to be maintained in confidence pursuant to this Attachment R, Transmission Provider 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, Transmission Provider must, consistent with 18 C.F.R. § 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. To the extent applicable, Transmission Provider shall provide notice to the party that provided the confidential information to Transmission Provider when it is notified by FERC or its staff that a request to release confidential information has been received by FERC. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner, consistent with applicable state rules and regulations.



**11.3.3 Breach and Liability.** A party that fails to observe and follow the terms of this Section 11 and any non-disclosure agreement will be a breaching party. Transmission Provider shall have no responsibilities for and damages or liability or equitable remedies resulting from another party's breach of its non-disclosure agreement or the provisions of this section.

**11.3.4** The provisions of this section 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).

#### **11.4 Process for Obtaining Access to CEII.**

**11.4.1 Access to CEII.** Transmission Provider has a procedure for disclosure of CEII posted on its internet website. To obtain access to CEII, entities shall follow those posted procedures and execute the appropriate non-disclosure agreement. The forms of non-disclosure agreement are included in the posted procedures.

**11.4.2 Disclosure to FERC, its Staff, State Commission and Other Authorized Parties.** Disclosure to FERC, its staff, and other authorized parties will be consistent with Transmission Provider's CEII procedures posted on Transmission Provider's internet website. If FERC or its staff, during the course of an investigation or otherwise, requests CEII information from Transmission Provider, Transmission Provider 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, Transmission Provider must, consistent with applicable rules and regulations, request that the information be treated as CEII by FERC and its staff.

**11.4.3 Breach and Liability.** A party that fails to observe and follow the terms of this Section 11 and any non-disclosure agreement will be a breaching party. Transmission Provider shall have no responsibilities for and damages or liability or equitable remedies resulting from another party's breach of its non-disclosure agreement or the provisions of this section.

**Exhibit 1 to Attachment R - Planning Process Flow Chart**

**ATTACHMENT S**

**SMALL GENERATOR INTERCONNECTION PROCEDURES (SGIP)**

**(For Generating Facilities No Larger Than 20 MW)**

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Attachment 1 - Glossary of Terms

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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) 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 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 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) actual or estimated peak load and minimum load data, including daytime minimum load as described in section 2.4.4.1.1 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. If a single phase, distance from the three-phase circuit.
  - 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 the 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 2.4.4 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.

Fast Track Eligibility for Inverter-Based Systems		
Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline <sup>1</sup> and ≤ 2.5 Electrical Circuit Miles from Substation <sup>2</sup>
< 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

1/ 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.

2/ 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.

## 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.
- 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
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase,	Pass screen

	line-to-neutral	
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- 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 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 Business Days after the determination.
- 2.2.4 If the proposed interconnection fails the screens, and the Transmission Provider does not or 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) 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, 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 2.4.4.1. 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 station service load, only the net injection into the Transmission Provider's electric 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 is 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 2.4.4.1, 2.4.4.2, and 2.4.4.3 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 2.4.4.1, 2.4.4.2, and 2.4.4.3 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 the proposed interconnection would require more than

interconnection facilities or minor modifications to the Transmission Provider's system to pass the supplemental screens in sections 2.4.4.1, 2.4.4.2, and 2.4.4.3 above, the Transmission Provider shall notify the Interconnection Customer, at the same time it notifies the Interconnection Customer with the supplemental review results, that the Interconnection Request shall be evaluated under the section 3 Study Process unless the Interconnection Customer withdraws its Small Generating Facility.

### **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 larger than 2 MW but no larger than 20 MW, (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 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.

## Attachment 1

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

**Interconnection Customer** - Any entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider's Transmission System.

**Interconnection Facilities** - The Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to the Transmission

Provider's Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

**Interconnection Request** - The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a 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 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 and/or storage for later injection 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.

**Attachment 2**

**SMALL GENERATOR INTERCONNECTION REQUEST**

(Application Form)

Transmission Provider: \_\_\_\_\_

Designated Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

An Interconnection Request is considered complete when it provides all applicable and correct information required below. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request.

**Preamble and Instructions**

An Interconnection Customer who requests a Federal Energy Regulatory Commission jurisdictional interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to the Transmission Provider.

**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\*)  
Number\*)

(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

Primary frequency response operating range for electric storage resources:

Minimum State of Charge: \_\_\_\_\_

Maximum State of Charge: \_\_\_\_\_

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
----------------	-------------------

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

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): \_\_\_\_\_

$I^2t$  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.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: \_\_\_\_\_

Type: \_\_\_\_\_ Accuracy Class: \_\_\_\_\_ Proposed Ratio Connection:  
\_\_\_\_\_

Manufacturer: \_\_\_\_\_

Type: \_\_\_\_\_ Accuracy Class: \_\_\_\_\_ Proposed Ratio Connection:  
\_\_\_\_\_

Potential Transformer Data (If Applicable):

Manufacturer: \_\_\_\_\_

Type: \_\_\_\_\_ Accuracy Class: \_\_\_\_\_ Proposed Ratio Connection:  
\_\_\_\_\_

Manufacturer: \_\_\_\_\_

Type: \_\_\_\_\_ Accuracy Class: \_\_\_\_\_ Proposed Ratio Connection:  
\_\_\_\_\_

**General Information**

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, and protection and control schemes. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW. Is One-Line Diagram Enclosed? \_\_\_ Yes \_\_\_ No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address) \_\_\_\_\_

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes. Is Available Documentation Enclosed? \_\_\_ Yes \_\_\_ No

Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).

Are Schematic Drawings Enclosed? \_\_\_ Yes \_\_\_ No

**Applicant Signature**

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer: \_\_\_\_\_

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

## **Attachment 3**

### **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

## **Attachment 4**

### **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.

## **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”)**

- 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. Per SGIP section 1.5, documentation of site control must be submitted with the Interconnection Request. 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 (describe) \_\_\_\_\_

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)

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: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Electrician:

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

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

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 follow all applicable insurance requirements imposed by the state in which the Point of Interconnection is located. All insurance policies must be maintained with insurers 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 consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.

### **9.3 Permanent Disconnection**

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 or 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.

**Attachment 6**

**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

- 16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.
- 16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

## 18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

## 19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

## 20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

## 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]

[Insert 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.

**Attachment 7**

**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

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement

shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

#### 17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

#### 18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

#### 19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

#### 20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring

Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally

binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

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 THEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Transmission Provider]

[Insert name of Interconnection Customer]

\_\_\_\_\_  
Signed: \_\_\_\_\_

\_\_\_\_\_  
Signed: \_\_\_\_\_

Name (Printed): \_\_\_\_\_

Name (Printed): \_\_\_\_\_

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

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

**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.

**Attachment 8**

**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 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 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 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

16.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

16.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this Agreement shall, if requested, be provided in writing.

## 17.0 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

## 18.0 No Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

## 19.0 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

## 20.0 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

20.1 The creation of any subcontract relationship shall not relieve the hiring

Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

20.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

#### 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]

[Insert 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?

---

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

receive back feed power

Generation Testing Date: \_\_\_\_\_

Commercial Operation Date: \_\_\_\_\_

**SMALL GENERATOR  
INTERCONNECTION AGREEMENT (SGIA)  
(For Generating Facilities No Larger Than 20 MW)**

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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 Applicability.**

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 Purpose.**

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 No Agreement to Purchase or Deliver Power.**

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 Limitations.**

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 Article 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 Area 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 overvoltage 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 and Primary Frequency Response

##### 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.
- 1.8.4 Primary Frequency Response. Interconnection Customer shall ensure the primary frequency response capability of its Small 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 Small 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 Small 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 Small 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 Small



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 Small Generating Facility has been tested and confirmed during commissioning. Once Interconnection Customer has synchronized the Small Generating Facility with the Transmission System, Interconnection Customer shall operate the Small Generating Facility consistent with the provisions specified in Sections 1.8.4.1 and 1.8.4.2 of this Agreement. The primary frequency response requirements contained herein shall apply to both synchronous and non-synchronous Small Generating Facilities.

1.8.4.1 Governor or Equivalent Controls. Whenever the Small Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Small 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 Small 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 Small Generating Facility's governor or equivalent controls to a minimum whenever the Small Generating Facility is operated in parallel with the Transmission System.

1.8.4.2 Timely and Sustained Response. Interconnection Customer shall ensure that the Small 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 Small 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 Small 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.

1.8.4.3 Exemptions. Small Generating Facilities that are regulated by the United States Nuclear Regulatory Commission shall be exempt from Sections 1.8.4, 1.8.4.1, and 1.8.4.2 of this Agreement. Small 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 1.8.4, but shall be otherwise exempt from the operating requirements in Sections 1.8.4, 1.8.4.1, 1.8.4.2, and 1.8.4.4 of this Agreement.

1.8.4.4 Electric Storage Resources. Interconnection Customer interconnecting an electric storage resource shall establish an operating range in Attachment 5 of its SGIA 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 1.8.4, 1.8.4.1, 1.8.4.2 and 1.8.4.3 of this Agreement. Attachment 5 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 Attachment 5 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 1.8.4.2 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.

- 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 carrier 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:

	<b>Milestone/Date</b>	<b>Responsible Party</b>
(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.