ATTACHMENT 1 TO ESI's JULY 13, 2007
ORDER NO. 890 COMPLIANCE FILING
CLEAN VERSION OF THIRD REVISED VOLUME NO. 3
OF ESI OATT

ENTERGY SERVICES, INC.

AS AGENT FOR

ENTERGY ARKANSAS, INC.
ENTERGY GULF STATES, INC.
ENTERGY LOUISIANA, LLC
ENTERGY MISSISSIPPI, INC.
ENTERGY NEW ORLEANS, INC.

OPEN ACCESS

TRANSMISSION TARIFF

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I. COMMON SERVICE PROVISIONS

1. Definitions

1.1 Affiliate:

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

1.2 Ancillary Services:

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

1.3 Application:

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

1.4 Commission:

The Federal Energy Regulatory Commission.

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 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 Customer Bulk Transmission Load Ratio Share:

The ratio of the Transmission Customer's Network Load to the Entergy Transmission net area peak loads, as computed in accordance with Paragraph 3.c of Attachment H.

1.9 Delivering Party:

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

1.10 Designated Agent:

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

1.11 Direct Assignment Facilities:

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

1.12 Eligible Customer:

i. Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

ii. Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.13 ESI:

Entergy Services, Inc., a service company subsidiary of Entergy Corporation and agent for the Transmission Provider with respect to the administration of this Tariff. Obligations imposed by the provisions of this Tariff on the Transmission Provider may in actuality be fulfilled by ESI, even though not explicitly stated in those provisions.

1.14 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.

1.15 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.

1.16 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).

1.17 Independent Coordinator of Transmission or ICT:

A party that meets the independence criteria of Section 2 of Attachment S and contracts with the Transmission Provider to implement the provisions of Attachment S. Obligations imposed by provisions of this Tariff on the Transmission Provider may be fulfilled in whole or in part by the ICT in accordance with Attachments S-V, even though not explicitly stated in those Tariff provisions.

1.18 Interruption:

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

1.19 Load Ratio Share:

The Customer Bulk Transmission Load Ratio Share as defined in Section 1.8.

1.20 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.

1.21 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.

1.22 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.

1.23 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.

1.24 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.25 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 a 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.

1.26 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.

1.27 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.

1.28 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or

otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

1.29 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.

1.30 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.

1.31 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.

1.32 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.33 Part I:

Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.

1.34 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.

1.35 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.

1.36 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.37 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.

1.38 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.

1.39 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.

1.40 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.41 Pre-Confirmed Application:

An Application that commits the Transmission Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.42 Receiving Party:

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

1.43 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.

1.44 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.

1.45 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.

1.46 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.

1.47 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.

1.48 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.

1.49 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.

1.50 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.

1.51 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.

1.52 Transmission Provider:

The Entergy Corporation System operating companies, namely, Entergy Arkansas, Inc., Entergy Gulf States, Inc., Entergy Louisiana, LLC., Entergy Mississippi, Inc., and Entergy New Orleans, Inc., collectively or in any combination, including individually.

1.53 Transmission Provider's Monthly Transmission System Peak:

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.54 Transmission Service:

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

1.55 Transmission System:

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

2. Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability:

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

2.2 Reservation Priority For Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to the longer of a competing request by any new Eligible

Customer or five years and to pay the current just and reasonable rate, as approved by the Commission, for such service. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to [the acceptance by the Commission of the Transmission Provider's Attachment K], unless terminated, will become subject to the five year/one year requirement on the first rollover date after [the acceptance by the Commission of the Transmission Provider's Attachment K].

3. Ancillary Services

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

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

(iv) Operating Reserve - Supplemental, and (v) Generator Imbalance. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure

the Ancillary Services (discussed in Schedules 3, 4, 5, and 6, and Attachment P) from a third party or by self-supply when technically feasible.

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

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

The rates and/or methodology are described in Schedule 1.

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

The rates and/or methodology are described in Schedule 2.

3.3 Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Supplemental Reserve Service:

Where applicable the rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Attachment P.

3.8 Allocation of Revenue:

The revenue the Transmission Provider receives for providing Ancillary Services pursuant to the provisions of this Section 3, Schedules 1-6 and Attachment P will be allocated among the Entergy Operating Companies based on their Responsibility Ratios, as defined in the Entergy System Agreement and as set out in the Entergy System Bill for the most recently available month. The revenue the Transmission Provider receives pursuant to the provisions of Schedules 9 and 10 will be allocated among the Entergy Operating Companies based on their Responsibility Ratios, as defined in the Entergy System Agreement and as set out in the Entergy System Bill for the most recently available month.

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

4.1 Terms and Conditions:

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

The Transmission Provider shall post on its public website 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 an electronic link to these rules, standards and practices, and shall post 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 make available on its public website a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are posted on its website. 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 NAESB WEQ Business Practice Standards:

(i) Business Practices for Open Access Same-Time Information Systems (OASIS) (WEQ-001, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added October 3, 2005) including Standards 001-0.2 through 001-0.8, 001-2.0 through 001-9.6.2, 001-9.8 through 001-10.8.6, and Examples 001-8.3.A, 001-9.2.A, 001-10.2.A, 001-9.3.A, 001-10.3A, 001-9.4.1-A, 001-10.4.1-A, 001-9.4.2-A, 001-10.4.2-A, 001-9.5-A, 001-10.5-A, 001-9.5.1-A, and 001-10.5.1-A;

(ii) Business Practices for Open Access Same-Time Information Systems (OASIS) Standards & Communications Protocols (WEQ-002, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added on October 3, 2005) including Standards 002-1 through 002-5.10;

(iii) Open Access Same-Time Information Systems (OASIS) Data Dictionary (WEQ-003, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added on October 3, 2005) including Standard 003-0;

(iv) Coordinate Interchange (WEQ-004, Version 000, January 15, 2005, with minor correction applied on March 25, 2005, and additional numbering added on October 3, 2005) including Purpose, Applicability, and Standards 004-0 through 004-13, and 004-A through 004-D;

(v) Area Control Error (ACE) Equation Special Cases Standards (WEQ-005, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005 and additional numbering added on October 3, 2005) including Purpose Applicability and Standards 005-0 through 005-3.1.3 and 005-A;

(vi) Manual Time Error Correction (WEQ-006, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added on October 3, 2005) including Purpose, Applicability and Standards 006-0 through006-12; and

(vii) Inadvertent Interchange Payback (WEQ-007, Version 000, January 15, 2005, with minor corrections applied on March 25, 2005, and additional numbering added on October 3, 2005) including Purpose, Applicability and Standards 007-0 through 007-2 and 007-A.

4.3 Posting of Redispatch Costs:

The Transmission Provider shall post on OASIS its monthly average cost of redispatch for each internal congested transmission facility or interface over which (a) it provides for redispatch service using planning redispatch under the Tariff or (b) it provides and

invoices customers for reliability redispatch under the Tariff. The Transmission Provider also shall post a high and low redispatch cost for the month for each such transmission constraint. The Transmission Provider shall post such information regardless of whether a Transmission Customer is required to pay the exact costs of redispatch. In the case of planning redispatch, the costs posted shall be calculated based on the applicable Redispatch Rates under Attachment V of the Tariff.

5. Local Furnishing Bonds

5.1 Transmission Providers That Own Facilities Financed by Local Furnishing Bonds:

This provision is applicable only to Transmission Providers that have financed facilities for the local furnishing of electric energy with tax-exempt bonds, as described in Section 142(f) of the Internal Revenue Code ("local furnishing bonds"). Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Alternative Procedures for Requesting Transmission Service:

(i) If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any local furnishing bond(s) used to finance its facilities

that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

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

6. Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric

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

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

7. Billing and Payment

7.1 Billing Procedure:

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.

8. Accounting for the Transmission Provider's Use of the Tariff

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

8.1 Transmission Revenues:

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

8.2 Study Costs and Revenues:

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

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

9. Regulatory Filings

Unless otherwise specifically provided in this Tariff, 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.

10. Force Majeure and Indemnification

10.1 Force Majeure:

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

intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

11. Creditworthiness

11.1 Credit Review: For the purpose of determining the ability of a Transmission Customer to fulfill its financial obligations pursuant to the Tariff, the Transmission Provider shall require commercially reasonable credit review procedures described in both this Section 11 and Attachment L to the Tariff. A creditworthiness review shall be conducted for each Transmission Customer upon its initial request for Transmission Service, and thereafter generally annually, or

upon the anniversary of the Transmission Customer's Service Commencement Date, or upon reasonable request by the Transmission Customer. Provided, however, any time that a Transmission Customer experiences any credit downgrade that may place it below the standards specified in Section 11.2, the Transmission Provider reserves the right to re-evaluate the Transmission Customer's creditworthiness pursuant to this Section 11. Further, if in accordance with Section 11.3.3, the Transmission Provider determines that financial assurances that a Transmission Customer has previously provided pursuant to this Section 11 have become insufficient to protect the Transmission Provider against the risk of non-payment, Transmission Provider can require the Transmission Customer to increase such financial assurances.

11.2 Creditworthiness: Both new and existing Transmission Customers that, upon their application for Transmission Service and throughout the term of their Service Agreements, satisfy the criteria delineated in this Section 11.2 will be considered creditworthy by the Transmission Provider. Such Transmission Customers will not be required to submit financial assurances (including, with respect to new customers, the application deposits that would otherwise be required pursuant to either Sections 17.3 or 29.2 of the Tariff) in order to protect the Transmission Provider from the risk of non-payment. Pursuant to this Section 11.2, if applicable, a Transmission Customer is creditworthy if it has not,

pursuant to Section 7.3, Defaulted more than once in the last twelve (12) months and:

(i) has a Standard and Poor's ("S&P") Long-Term Issuer Credit Rating of BBB- (or better); or (ii) a Moody's Investor Service, Inc. ("Moody's") Long-Term Issuer Credit Rating of Baa3 (or better). In the event that a Transmission Customer or its guarantor is rated by both S&P and Moody's, then the Transmission Provider will use the lower of the two ratings; or

(ii) is a borrower from the Rural Utilities Service ("RUS") and has a "Times Interest Earned Ratio" of 1.05 (or better) and a "Debt Service Coverage Ratio" of 1.00 (or better) in the most recent calendar year, or is maintaining the Times Interest Earned Ratio and Debt Service Coverage Ratio as established in the Transmission Customer's RUS Mortgage. The Transmission Customer must provide appropriate documentation annually, or as agreed-upon by both parties; or

(iii) is a federal agency and its financial obligations under the Tariff are backed by the full faith and credit of the United States; or

(iv) is a municipal or state agency, or a rural electric cooperative (without RUS Debt) that: (a) if applicable, has been taking Transmission Service for one (1) year and has provided documentation that its financial obligations under

the Tariff are backed by the full faith and credit of the municipality or state in which it is established; or (b) has provided documentation that under the applicable laws of the state in which it is established, that its financial obligations under the Tariff are deemed to be operating expenses and that the agency or the electric cooperative is required by such applicable laws to devote its revenues first to the payment of its operating and maintenance expenses and the principal and interest of its outstanding obligations prior to payment of all other obligations; or

(v) the Transmission Customer provides a letter of unconditional and continuing guaranty from its parent company. Such letter of guaranty must be acceptable to the Transmission Provider as to form and substance and can be used only if the guarantor meets, at the time of execution and maintains during the life of the applicable Service Agreement, a minimum credit rating as stated in Section 11.2(i). However, to the extent that the guarantor is placed on watch for possible downgrade and has: (i) a S&P Long-Term Issuer Credit Rating of BBB (or below); or (ii) a Moody's Long-Term Issuer Credit Rating of Baa2 (or below), then the Transmission Customer will be required to provide additional financial assurances as provided in this Section 11. A draft, acceptable form of a continuing guaranty shall be posted on OASIS; or

(vi) the Transmission Customer has been in business for at least one (1) year and provides its most recent audited financial statements to the Transmission Provider which demonstrate that the Transmission Customer's creditworthiness is least equivalent to the standards underlying a S&P Long-Term Issuer Credit Rating of BBB- (or better) or a Moody's Long-Term Issuer Credit Rating Baa3 (or better) based on the standards described in Attachment L; provided that if the Transmission Customer is not found to be creditworthy pursuant to this Section 11.2(vi), then pursuant to Section 11.3.5, the Transmission Provider will inform the Transmission Customer of the reasons for that determination.

11.3 Creditworthiness Procedures: The Transmission Provider shall require financial assurances in accordance with the procedures set forth below:

11.3.1 New Transmission Service: Upon its execution of a Transmission Service Agreement, a new Transmission Customer (or an existing Transmission Customer requesting new service) that does not meet the creditworthiness requirements established in Section 11.2 shall either:

(i) provide an unconditional and irrevocable standby letter of credit, or an alternative form of security identified in Section 11.5, in an amount equal to two (2) times the estimated charges for

transmission and ancillary services including losses (rounded to the nearest thousand dollar

increment) for an average month for that type of service. Provided, however, uncreditworthy customers applying for Non-Firm Point-to-Point Transmission Service shall provide an unconditional and irrevocable standby letter of credit, or an alternative form of security identified in Section 11.5, in an amount equal to three (3) times the estimated charges for transmission and ancillary services including losses (rounded to the nearest thousand dollar increment) for an average month for that type of service. The estimated average monthly charge for Long-Term Firm Point-to-Point and Network Integration Transmission Service shall be based on the Long-Term Firm Point-to-Point Transmission Service rate for the reserved capacity or the load being served, respectively. Any letter of credit provided by a Transmission Customer must be acceptable to the Transmission Provider and consistent with the Commercial practices established by the Uniform Commercial Code. All costs associated with the issuance and maintenance of a letter of credit shall be paid by the

Transmission Customer. A draft, acceptable form of a letter of credit shall be posted on OASIS; or

(ii) arrange to prepay for Transmission Service as follows:

(a) For requests with a term greater than one month, the prepayment for the first month must be made when the Transmission Customer makes its reservation for that Transmission Service request, and no later than five (5) business days before the commencement of service. Prepayments for the subsequent months of service must be made no later than five (5) business days prior to the beginning of each month; (b) For service for one (1) month or less, the Transmission Customer shall pay the total charge for service when it makes the request, and no later than five (5) business days prior to the commencement of service. For Network Integration Transmission Service customers, the advance payment for each month shall be based on a reasonable estimate by the Transmission Provider of the charge for that month. The Transmission Provider shall pay interest on any prepayments made pursuant to this Section 11.3.1(ii) at the rates established in 18 C.F.R.§ 35.19a(2)(iii).

A detailed description of Transmission Provider's prepayment procedures are included in Attachment L.

Where applicable, all uncreditworthy customers applying for new service that fail to meet Section 11.2's creditworthiness criteria shall also pay the application deposits required by either Sections 17.3 or 29.2 of the Tariff.

11.3.2 Existing Transmission Customers: Any Transmission Customer that originally meets the creditworthiness requirements of Section 11.2 and subsequently fails to meet those requirements after it requests Transmission Service but before termination of that service shall:

(i) Within five (5) business days of receipt of a notice from the Transmission Provider, provide the Transmission Provider an acceptable form of financial assurance permitted by this Section 11 that is equal to the Transmission Customer's average monthly Transmission Services charge for the applicable Transmission Service; and

(ii) Within thirty-five (35) calendar days of such notification, provide the Transmission Provider either: (a) an unconditional and irrevocable letter of credit that is equal to two (2) times the Transmission Customer's average monthly Transmission Services charge for the applicable Transmission Service, including losses;

or (b) an equivalent alternate form of financial assurance pursuant to Section 11.5; or

(iii) arrange to prepay for Transmission Service in accordance with the procedures set forth in Section 11.3.1(ii). Provided, however, the Transmission Customer must provide the Transmission Provider payment for all outstanding Transmission Service charges no later than five (5) business days prior to the beginning of the next month.

The average monthly Transmission Service charge for Sections 11.3.2(i) and (ii) will be based on the Transmission Customer's charges during the preceding twelve (12) months for the applicable Transmission Service. If the Transmission Customer has not yet been purchasing service for twelve (12) months, then the average will be the higher of either: (a) the average of the monthly cost of service to date; or (b) the average value specified in Section 11.3.1.

11.3.3 Right to Protect Against Additional Risk of Non-payment:

All financial assurances calculated and collected pursuant to Sections 11.3.1 and 11.3.2 must be sufficient to protect the Transmission Provider from the risk of non-payment with respect to an uncreditworthy Transmission Customer during the entire term of such customer's

Transmission Service Agreement. Accordingly, after an uncreditworthy customer has provided the Transmission Provider financial assurances pursuant to Sections 11.3.1 or 11.3.2, the Transmission Provider will monitor the amount of such customer's Transmission Services charges to ensure that it has provided a sufficient amount of security to protect the Transmission Provider against the risk of non-payment. If a Transmission Customer is not in Default pursuant to Section 7.3, then the Transmission Customer shall provide the adjusted amount of financial assurances required pursuant to this Section 11.3.3 within thirty-five (35) calendar days of receipt of a notice from the Transmission Provider. A Transmission Customer will not be required to adjust its financial assurances pursuant to this Section 11.3.3 more than twice every twelve (12) months.

11.3.3.1 Adjustment of Financial Assurances Provided Pursuant to Section 11.3.1.

If a Transmission Customer provided security when initially applying for service pursuant to Section 11.3.1 and the Transmission Provider determines that the Transmission Customer's *actual* average monthly Transmission Services charges over any subsequent twelve (12) month period exceed the original average estimated charges for transmission and ancillary services upon which a financial assurance initially was

based, then the Transmission Customer must increase its financial assurance to be equal to three (3) times its current actual average monthly purchases of Transmission Service. The value of the actual average monthly purchases of Transmission Services evaluated pursuant to this Section 11.3.3.1 will be based on the preceding twelve (12) month period as measured from the date immediately prior to the Transmission Provider's credit re-evaluation. Pursuant to Section 11.3.1, the sum of any required security will include, where applicable, any application deposits required pursuant to Sections 17.3 or 29.2.

11.3.3.2 Adjustment of Financial Assurances Provided Pursuant to Section 11.3.2.

If a Transmission Customer provided security pursuant to Section 11.3.2 and the Transmission Provider determines that the customer's *actual* average monthly purchases of Transmission Services over a subsequent twelve (12) month period exceed the original monthly average for charges for transmission and ancillary services upon which the amount of a financial assurance initially was based, then the Transmission Customer must increase the amount of its financial assurance to be equal to three (3) times its actual average purchases of Transmission Service. The value of the actual average monthly purchases of Transmission Services evaluated pursuant to this Section

11.3.3.2 will be based on the preceding twelve (12) month period as measured from the date immediately prior to the Transmission Provider's credit re-evaluation.

11.3.3.3 Transmission Customer Right To Request A Credit Re- evaluation. Transmission Customers may make reasonable requests for the Transmission Provider to re-evaluate their creditworthiness pursuant to the relevant standard established in either Section 11.3.3.1 or 11.3.3.2. Based on such a re-evaluation, if appropriate, the Transmission Provider will reduce the amount of financial security requested from a Transmission Customer if an analysis of its transmission usage over the preceding twelve (12) month period indicates that the customer has provided security in excess of that required by this Section 11.

11.3.4 Right to Draw Upon Financial Assurances Upon Default: The Transmission Provider has the right to liquidate, or draw upon, all or a portion of a Transmission Customer's form of financial assurance(s) in order to satisfy a Transmission Customer's total net obligations to the Transmission Provider upon a Default pursuant to Section 7.3 of the Tariff. A Transmission Customer shall replace any liquidated, or drawn-upon, financial assurances pursuant to the timeframe delineated in Section 11.3.2.

11.3.5 Notice: The Transmission Provider's notification to a Transmission Customer will inform the Transmission Customer: (i) that it is not creditworthy pursuant to this Section 11, or in accordance with Section 11.3.3, that it must adjust previously provided financial assurances; (ii) why it is not creditworthy or why it must adjust previously provided financial assurances; (iii) that it must provide any required financial assurances by the deadlines specified in the notice; and (iv) that the Transmission Provider may take corrective actions, including suspension of service pursuant to Section 11.4, if the Transmission Customer fails to provide the required financial assurances by the specified deadlines. All notices sent to a Transmission Customer pursuant to this Section 11.3.5 shall be in writing and shall be sent to the Transmission Customer by telefax or overnight courier at the respective telephone number or courier address specified in the Transmission Customer's application for Transmission Service (or such other address as the Transmission Customer may have designated in writing to the Transmission Provider) and shall become effective upon actual receipt as evidenced by telefax confirmation sheet or tracking information provided by the overnight courier, as the case may be.

11.4 Suspension of Service: The Transmission Provider may suspend Transmission Service if:

(i) a Transmission Customer that is not in Default pursuant to Section 7.3 of this Tariff fails to provide the entirety of three (3) months of required financial assurances (or the entirety of any additional financial assurances required pursuant to Section 11.3.3 or 11.3.4) within thirty-five (35) calendar days after Transmission Provider's notification to such Transmission Customer pursuant to Section 11.3. Transmission Provider will provide at least thirty (30) calendar days written notice to the Commission before suspending Transmission Service; or

(ii) a Transmission Customer that is in Default pursuant to Section 7.3 of this Tariff fails to provide the entirety of the one month's requested financial assurance within five (5) business days after the Transmission Provider's notification to such Transmission Customer pursuant to Section 11.3. Transmission Provider will provide five (5) calendar days written notice to the Commission before suspending Transmission Service.

Any notices sent to the Transmission Customer and to the Commission pursuant to this Section 11.4 may be telefaxed/mailed concurrently. The suspension of service shall continue only for as long as the circumstances that entitle the Transmission Provider to suspend service continue. A Transmission Customer is

not obligated to pay for Transmission Service that is not provided as a result of a suspension of service. A detailed description of Transmission Provider's suspension procedures are included in Attachment L.

11.5. Alternative Forms of Financial Assurance: Transmission Customer may provide the following as acceptable alternative forms of financial assurance in the amounts specified in Sections 11.3.1 or 11.3.2:

(i) **Cash Deposit:** The Transmission Customer may provide a cash deposit that will be retained during the term of (and until full and final payment and performance of) any relevant Service Agreement. If a Transmission Customer has submitted multiple requests for Transmission Service, then the Transmission Provider may require a cash deposit for each Service Agreement.

Cash deposits submitted as a form of financial assurance will be held by the Transmission Provider and the Transmission Customer will be paid an interest rate that is equal to the interest rate earned on the escrow account in which the cash deposit is held. The cash deposit can be made by wiring immediately available funds to the Transmission Provider's account.

(ii) **Surety Bond:** The Transmission Customer may provide, and maintain in effect during the term of (and until full and final payment and performance

of) the applicable Service Agreement, a surety bond issued by a financial institution acceptable to Transmission Provider. If a Transmission Customer has submitted multiple requests for Transmission Service, then the Transmission Provider may require a surety bond for each Service Agreement. All costs associated with the issuance and maintenance of a surety bond shall be paid by the Transmission Customer. A draft, acceptable form of a surety bond shall be posted on OASIS.

11.6 Return of Financial Assurances upon Re-establishment of Creditworthiness:

If a Transmission Customer re-establishes creditworthiness pursuant to Section 11.2, then upon verification by Transmission Provider, all financial assurances will be returned (or terminated, if applicable) to the Transmission Customer with interest (if applicable), upon payment of all past due balances to the Transmission Provider pursuant to the Tariff.

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:

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

12.5 Rights Under The Federal Power Act:

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

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

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

13. Nature of Firm Point-To-Point Transmission Service

13.1 Term:

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

13.2 Reservation Priority:

(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. 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 with the same duration and pre-confirmation status (Pre-Confirmed or not confirmed), priority will be given to an Eligible

Customer's request that offers the highest price, followed by the date and time of the request.

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

simultaneous opportunities to exercise the right of first refusal. Duration, pre-confirmation status, price and time of response will be used to determine the order by which the multiple shorter duration requests 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 and in accordance with Attachment T. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27 and in accordance with Attachment T. 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. Except in the case of redispatch costs allocated to the Transmission Customer in accordance with Attachment V, which will not

be included in a Service Agreement, any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service:

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that

an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

(a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

(b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

(c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties, or as determined in accordance with Attachment V, 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, or as determined in accordance with Attachment V, 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, or as determined in accordance with Attachment V. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. In the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Provider shall bill and the Transmission Customer shall pay for all use of Transmission Services in excess of firm reserved capacity at a rate equal to two times the rate specified in Schedule 7. The Transmission Provider will credit revenues that it receives in excess of one times the rate specified in Schedule 7. The Transmission Provider shall disburse accumulated penalty revenues under this section, plus interest calculated in accordance with 18 C.F.R § 35.19a, only when the annual accumulated amount of unreserved use penalty revenues to be credited reaches $100,000. The annual period will commence on January 1 every year and end on December 31. Penalty revenues in one year will not be carried over into subsequent years. When the annual accumulated amount of unreserved use penalty revenues reaches $100,000, Transmission Provider will credit the revenues by dividing them equally among all

Long-Term Firm and Short-Term Firm Transmission Customers during the annual period that did not exceed their firm reserved capacity at any point during the annual period.

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 schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the

Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14. Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term:

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to 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 reservation before being preempted. A longer term competing

request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:

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

14.4 Service Agreements:

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. 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. In the event that a Transmission Customer (including Third-Party sales by the Transmission Provider) exceeds its non-firm reserved capacity at any Point of Receipt or Point of Delivery, the Transmission Provider shall bill and the Transmission Customer shall pay for all use of Transmission Services in excess of non-firm reserved capacity at a rate equal to two times the rate specific in Schedule 8. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily,

weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. 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. The Transmission Provider will use the NERC TLR procedures currently in effect and accepted by FERC where the TLR Procedures would effectively relieve the constraint. If multiple transactions require Curtailment or Interruption, to the

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

15. Service Availability

15.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability:

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study or service may be available in accordance with Attachment V.

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 K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27 in accordance with Attachment T. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

(b) If the Transmission Provider determines that it cannot accommodate a Completed Application for 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 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 stated in Schedules 7 and 8.

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 and Attachment T, whether or not the Transmission Customer takes service for the full term of its reservation;

(e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and

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

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the

Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17. Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to:

Interconnection Arrangements Administrator
Entergy Services, Inc.
P.O. Box 61000
New Orleans, LA 70161

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 contained in Attachment C to the Tariff. Requests by Transmission Customers for weekly or daily firm service also may be made in accordance with Attachment V hereto, which Attachment also shall apply to evaluations and replies to such requests for service. Except for service requested in

accordance with Attachment V, which must comply with the requirements of that Attachment, 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 C.F.R. § 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. Further, if the owner of a generating facility submits a written request to the Transmission Provider requesting the identity of a customer requesting service from the generating facility, the Transmission Provider will provide such information on a confidential basis. 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 whether the Transmission Customer commits to a Pre-Confirmed Request, i.e., will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and

(x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

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

17.3 Deposit:

Unless waived because of the establishment of creditworthiness pursuant to Section 11, 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. Transmission Provider also may require a deposit of the full charge for service requests made in accordance with Attachment V. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, if a request for service made in accordance with Attachment V is not granted, 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 or request for service that is not granted. 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 up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof. If the Eligible Customer does not pay this non-refundable reservation fee within 15 days of notifying the Transmission Provider it intends to extend the commencement of service, then the Eligible Customer's application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer

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

18. Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. Eligible Customers shall also provide any required financial assurances pursuant to Section 11.

18.2 Completed Application:

A Completed Application shall provide all of the information included in 18 C.F.R. § 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. Further, if the owner of a generating facility submits a written request to the Transmission Provider requesting the identity of a customer requesting service from that generating facility, the Transmission Provider will provide such information on a confidential basis. 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 whether the Transmission Customer commits to a Pre-Confirmed Request, i.e., 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 noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transfer Capability:

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

19. Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for service, other than a request submitted in Accordance with Attachment V, 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 not 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 a Transmission Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by a Transmission 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. Consistent with Attachments D, the Transmission Provider will post metrics concerning satisfaction of these deadlines on OASIS.

(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.

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.

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.

22. Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

(a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.

(b) The sum of all Firm and non-firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.

(c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.

(d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification On a Firm Basis:

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

23. Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service:

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall be at rates established by agreement with the

Assignee. The Assignee must execute a service agreement with the Transmission Provider prior to the date on which the reassigned service commences that will govern the provision of reassigned service. The Transmission Provider shall credit or charge the Reseller, as appropriate, for any differences between the price reflected in the Assignee's Service Agreement and the Reseller's Service Agreement with the Transmission Provider. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

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

liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

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

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

24.1 Transmission Customer Obligations:

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

24.2 Transmission Provider Access to Metering Data:

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

24.3 Power Factor:

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

25. Compensation for Transmission Service

25.1 Rates:

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.

25.2 Allocation of Revenues:

The revenue that the Transmission Provider receives for providing Transmission Service, pursuant to the provisions of Paragraphs 3 and 4 of Appendix A to Schedule 7, will be allocated among the Entergy Operating Companies based on their Responsibility Ratios, as defined in the Entergy System Bill for the most recently available month.

The revenue the Transmission Provider receives for providing Distribution Service pursuant to Paragraph 5 of Appendix A to Schedule 7 shall be assigned to the Entergy Operating Company whose corresponding facilities were utilized to delivery power to the Transmission Customer.

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.

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. The Transmission Customer shall be responsible for redispatch costs associated with service granted under Attachment V in accordance with that Attachment.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Network Integration Transmission Service pursuant to the applicable terms and conditions contained in the Tariff and Service Agreement. Network Integration Transmission Service allows the Network Customer to integrate, economically dispatch and regulate its current and planned Network Resources to serve its

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

28. Nature of Network Integration Transmission Service

28.1 Scope of Service:

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

28.2 Transmission Provider Responsibilities:

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to

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

28.3 Network Integration Transmission Service:

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

28.4 Secondary Service:

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other

requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as stated in Attachment H.

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. In the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load, the Transmission Provider shall bill and the Transmission Customer shall pay for all such Network Integration Transmission service of secondary service at a rate equal to two times the rate

specified in Schedule 7. The Transmission Provider will credit revenues that it receives in excess of one times the rate specified in Schedule 7. The Transmission Provider shall disburse accumulated penalty revenues under this section, plus interest calculated in accordance with 18 C.F.R. § 35.19a, only when the annual accumulated amount of penalty revenues pursuant to this section to be credited reaches $100,000. The annual period will commence on January 1 every year and end on December 31. Penalty revenues in one year will not be carried over into subsequent years. When the annual accumulated amount of penalty revenues pursuant to this section reaches $100,000, Tranmission Provider will credit the revenues by dividing them equally among all Network Customers during the annual period that did not use Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load at any point during the annual period.

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, (iv) the Eligible Customer satisfies Section 11's creditworthiness requirements, and (v) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, or requests in writing that the Transmission Provider file a proposed unexecuted Network Operating Agreement.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Provided, however, the Transmission Provider shall waive the requirement that a deposit accompany the Application for an Eligible Customer that has satisfied Section 11's creditworthiness requirements. 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;

- Description of purchased power designated as a Network Resource including source of supply, Control Area location, transmission arrangements and delivery

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(s) 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; and

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

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

30. Network Resources

30.1 Designation of Network Resources:

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

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable or in accordance with Attachment V. 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 or by complying with the requirements of Attachments T and V. This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff. Requests under Section 29 to designate new Network Resources for periods of less than one year shall be subject to the expedited procedures contained in Attachment C to 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. 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, or in the case of service pursuant to Attachment V, the Network Customer must satisfy the contractual requirements of that Attachment, in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider, to serve

its power and transmission customers. For facilities added by the Network Customer subsequent to May 14, 2007, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31. Designation of Network Load

31.1 Network Load:

The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider:

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. 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 and as set forth in Attachment T. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates:

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

32. Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study:

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

32.2 System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the

Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

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

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to

complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer 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, consistent with Attachment T 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.

33. Load Shedding and Curtailments

33.1 Procedures:

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

33.2 Transmission Constraints:

During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the

reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

33.3 Cost Responsibility for Relieving Transmission Constraints:

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

33.4 Curtailments of Scheduled Deliveries:

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

Agreement, or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 Allocation of Curtailments:

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 Load Shedding:

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

33.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to,

changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34. Rates and Charges

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

34.1 Monthly Charge:

The monthly charges for Network Integration Transmission Service will be the charges provided for in Attachment H.

34.2 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. The Network Customer also shall pay any redispatch costs allocated to it pursuant to Attachment V.

34.3 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.

34.4 Allocation of Revenues:

The revenue the Transmission Provider receives for providing Network Transmission Service pursuant to the provisions of Paragraph 3 of Appendix 1 to Attachment H will be allocated among the Entergy Operating Companies based on their Responsibility Ratios as defined in the Entergy System Agreement and as set out in the Entergy System Bill for the most recently available month. The revenue the Transmission Provider receives for

providing Distribution Service pursuant to Paragraph 4 of Appendix 1 to Attachment H shall be assigned to the Entergy Operating Company whose corresponding facilities were utilized to deliver power to the Transmission Customer.

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

The cost for Scheduling, System Control and Dispatch Service shall be a stated rate of 0.1 mill/kWh.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities and non-generation resources capable of providing this service that are under the control of the control area operator 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 (if the Transmission Provider is the Control area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

The total charges for the Reactive Power Supply and Voltage Control Service are a pass-through of the costs charged to the Transmission Provider.

A. Pass Through of Amounts Charged to and Paid by Entergy From Third-Party Generating Facilities for Inside the Bandwidth Reactive Power

Consistent with the Settlement Agreement reached in Docket Nos. EL06-2 and ER05-1432, effective as of June 1, 2006, Entergy has suspended the pass-through of amounts for inside the bandwidth reactive power pending the outcome of the proceedings in Docket Nos. ER05-482, ER05-977, ER05-1358, ER05-1394, ER05-1419.

B. Pass Through of Amounts Charged to and Paid by Entergy From Third-Party Generating Facilities for Outside the Bandwidth Reactive Power

Annually, Entergy will recover from all transmission customers the following costs charged to and paid by Entergy as the Transmission Provider from Third-Party Generating Facilities for outside the bandwidth reactive power: (1) reactive power service provided pursuant to rate schedules that are accepted or approved by the Commission; (2) reactive power service provided by municipals and cooperatives pursuant to rates accepted or approved by the Commission or rates that are otherwise legally enforceable; (3) out-of-pocket costs recoverable pursuant to a Commission-approved Interconnection Agreement; and (4) lost opportunity costs that are filed by a Third-Party Generating Facility pursuant to Section 205 of the Federal Power Act and approved by the Commission. These costs paid to Generating Facilities for Reactive Service provided outside the designated power factor bandwidth will be recovered by Entergy using the total energy transmitted under the OATT. Entergy Transmission will send out the Schedule 2 bills for outside the bandwidth reactive service once a year on March 15 for the previous calendar year.

Pass Through Charge for Reactive Service Outside the Bandwidth = Total of Payment Amounts for Calendar Year/PYKT stated on a $/kWh basis.

PYKT = Prior year total kWh transmitted on the Entergy transmission system, which is the sum for the Entergy Operating Companies of the Total kWh of Transmission for Others shown on FERC Form 1, Page 329 (Received), plus the sum of the Entergy Operating Companies' Total Distribution of Energy shown on FERC Form 1, page 401a, line 28.

SCHEDULE 3

REGULATION AND FREQUENCY RESPONSE SERVICE

Regulation and Frequency Response Service is the provision of generation and load response capability, including capacity, energy, and maneuverability, that is dispatched within a scheduling period by Entergy in order to meet the generation and demand balancing requirements for a Transmission Customer ("Transmission Customer"), and to correct mismatches between the Transmission Customer's actual loads and resources. Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered manually or automatically as necessary to follow moment-by-moment changes in load. The Transmission Customer must purchase Regulation and Frequency Response Service from Entergy according to the terms and conditions described below. The Transmission Customer may make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation and such alternative comparable arrangements, including any performance standards and when charges under this Schedule may apply, shall be set forth in the Service Agreement and/or Network Operating Agreement.

I. CALCULATION OF LOAD FOLLOWING CAPACITY

The amount of Load Following Capacity that a Transmission Customer must purchase will be fixed at 1.41% of a (i) Network Customer's integrated peak load measured in MW at the time of the monthly Entergy Control Area peak or (ii) a Point-to-Point Transmission Customer's capacity reservation.

II. CHARGES

The charges for Load Following Capacity provided by Entergy shall be as follows:

Monthly Rate	$1.94/kW-month
Weekly Rate	$0.448/kW-week
Peak Daily	$0.090/kW-day
Off-Peak Daily	$0.064/kW-day
Peak Hourly	$0.0056/kW-hourly
Off-Peak Hourly	$0.0027/kW-hourly

The total charge in any week shall not exceed the rate for weekly service times the maximum reservation of daily service in any day that week; and shall not exceed the rate for weekly service times the maximum reservation of hourly service in any hour in that week. The total charge in any day shall not exceed the rate for daily service times the maximum reservation of hourly service in that day.

SCHEDULE 4

ENERGY IMBALANCE SERVICE

Energy Imbalance Service is provided when a difference occurs between the load and the actual delivery of energy to that load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

I. DEFINITIONS

A. Avoided Cost – Avoided Cost shall be defined as incremental cost to Entergy of electric energy which, but for a positive Imbalance, Entergy would generate itself or purchase from another source.

B. Deficient Energy – A negative Imbalance that results from the net generation resources being less than the actual loads of a Transmission Customer

C. Entergy System Incremental Cost – The Entergy System Incremental Cost ("ESIC") shall be the most expensive source of energy generated or purchased by Entergy, excluding energy purchase with a duration of longer than a calendar month, any purchase with a duration of a calendar month that was purchased more than one calendar month prior to the beginning of the purchase, any multi-year energy purchases, and any Entergy generation that would not be operating in that hour but for transmission reliability purposes.

D. Excess Energy – A positive Imbalance that results from the net generation resources being more than the actual loads of a Transmission Customer.

E. Imbalance – A measure of the hourly difference between the generation resources and the actual loads of a Transmission Customer.

F. On-Peak Hours – On-Peak Hours shall be defined as the weekday hours commencing at 6:00 a.m. and ending at 10:00 p.m., central prevailing time.

II. RETURN IN-KIND AND IMBALANCE PRICING

The Transmission Provider shall establish a deviation band of +/- 1.5 percent (with a minimum of 2 MW integrated hourly) of the hourly metered energy (load) to be applied hourly to any energy imbalance that occurs. Parties should attempt to eliminate energy imbalances within the limits of the deviation band within thirty (30) days or within such other reasonable period of time as is generally accepted in the region and consistently adhered to by the Transmission Provider. If an energy imbalance is not corrected, within thirty (30) days or within such other reasonable period of time as is generally accepted in the region and consistently adhered to by the Transmission Provider, the Transmission Customer will compensate the Transmission Provider for such service. The charges for Energy Imbalance Service are set forth below. The charge for Energy Imbalance Service shall be determined hourly for each hour of the monthly billing period and shall be calculated as follows:

A. To the extent that the deviation between the Transmission Customer's hourly metered (actual delivered) energy and the energy actually supplied by Transmission Customer's resources in any hour is within plus or minus one and one-half percent (with a minimum of 2 MW integrated hourly) of the Transmission Customer's hourly metered (actual delivered) energy for that hour, such over-scheduled or under-scheduled energy shall be accumulated in: (i) an "On-Peak Account" for over- or under-scheduled energy occurring during the hours defined by NERC to be on-peak hours; or (ii) in an "Off-Peak Account" for over- or under-scheduled energy occurring during the hours defined by NERC to be off-peak hours.

B. To the extent that the deviation between the Transmission Customer's hourly metered (actual delivered) energy and the energy actually supplied by Transmission Customer's resources in any hour is greater than plus or minus one and one-half percent (with a minimum of 2 MW integrated hourly) of the Transmission Customer's hourly metered (actual delivered) energy for that hour: (i) Entergy shall provide the amount of energy delivered to Transmission Customer in excess of the one and one-half percent deviation during that hour at a rate equal 125% of ESIC; or (ii) Entergy shall purchase the amount of energy produced by Transmission Customer's resources in excess of the one and one-half percent (with a minimum of 2 MW integrated hourly) deviation band but less than 10% of the hourly metered energy or less than 20 MWH at a rate of 80% of Avoided Cost during that hour. Entergy shall purchase the amount of energy produced by Transmission Customer's resources greater than 10% of the hourly metered energy and greater than 20 MWh at a rate of 70% of Avoided Cost during that hour.

C. In addition to the return-in-kind settlement set forth in Section A, above, to the extent that the amount of energy accumulated in the Customer's "On-Peak Account" or the Transmission Customer's "Off-Peak Account" at the end of any hour exceeds six (6) percent of the Transmission Customer's hourly metered (actual delivered) energy during that hour: (i) Entergy shall provide and Transmission Customer shall purchase such energy exceeding the six (6) percent that was delivered to Transmission Customer in excess of the amount of energy produced by Transmission Customer's resources at a rate equal to 125% of ESIC; or (ii) Entergy shall purchase such energy exceeding six (6) percent that was produced by Transmission Customer's resources in excess of the amount of energy delivered to Customer at a rate of 70% of Avoided Cost.

D. Customer shall eliminate energy imbalances within the "On-Peak Account" and the "Off-Peak Account" at the end of the monthly billing period by purchasing or selling such energy. For any Excess Energy remaining in the on-peak account, that energy will be purchased at 70% of the average of the hourly on-peak Avoided Cost in that month. For any Excess Energy remaining in the off-peak account, that energy will be purchased at 70% of the average of the hourly off-peak Avoided Cost in that month. For any Deficient Energy remaining in the on-peak account, that energy will be priced at 125% of the average of the hourly ESIC for the on-peak hours in that month. For any Deficient Energy remaining in the off-peak account, that energy will be priced at 125% of the average of the hourly ESIC for the off-peak hours in that month.

III. CREDITING OF PENALTY REVENUES

The Transmission Provider will credit revenues that it receives in excess of the costs it incurs to accommodate energy imbalances ("penalty revenues") to the Transmission Provider's Native Load Customers and Transmission Customers who have not experienced energy imbalances under this Schedule. The credits shall be calculated and allocated as set out below.

A. The penalty revenues for which the Transmission Provider provides credits consist of the sum of the following amounts:

(i) for Deficient Energy in excess of the deviation band in an hour, the amount by which the Transmission Provider's revenues for such imbalance exceed ESIC times the customers quantity of Deficient Energy in that hour;

(ii) for Excess Energy in excess of the deviation band in an hour, the amount by which any payment to a Transmission Customer is less than Avoided Cost times the customers quantity of Excess Energy in that hour;

(iii) for each monthly net Deficient Energy account that a Transmission Customer settles by monetary payment pursuant to Section II.D above, the amount by which such payment by all Transmission Customers for such Deficient Energy in the month exceeds the product of the average ESIC for the hours in the month in which the Deficient Energy occurred and the MWh of Deficient Energy that were settled by monetary payments in that month; and

(iv) for each monthly net Excess Energy account that a Transmission Customer settles by monetary payment pursuant to Section II.D above, the amount by which such payment by Transmission Provider for such Excess Energy in the month is less than the product of the average Avoided Cost for the hours in the month in which the Excess Energy occurred and the MWh of Excess Energy that were settled by monetary payments in that month.

B. The imbalance penalty revenues calculated pursuant to Section III.A (i) and (ii) shall be credited based on the ratio of transmission usage of the Transmission Provider's Native Load Customers and each Transmission Customer that did not experience an energy imbalance under this Schedule in excess of the deviation band in an hour to the total transmission usage from the Transmission Provider's Native Load Customers and all Transmission Customers who did not experience energy imbalances under this Schedule in the hour. A Transmission Customer that experiences an energy imbalance in excess of the deviation band in an hour shall not receive a credit pursuant to this Section for that hour.

The imbalance penalty revenues calculated pursuant to Section III.A (iii) shall be credited based on the ratio of transmission usage from the Transmission Provider's Native Load Customers and each Transmission Customer that did not have net Deficient Energy under this Schedule in the month to the total transmission usage from the Transmission Provider's Native

Load Customers and all Transmission Customers who did not have net Deficient Energy under this Schedule in the month. A Transmission Customer that experiences net Deficient Energy in the month shall not receive a credit pursuant to this Section for that month.

The imbalance penalty revenues calculated pursuant to Section III.A (iv) shall be credited to based on the ratio of transmission usage from the Transmission Provider's Native Load Customers and each Transmission Customer that did not have net Excess Energy under this Schedule in the month to the total transmission usage from the Transmission Provider's Native Load Customers and all Transmission Customers who did not have net Excess Energy under this Schedule in the month. A Transmission Customer that experiences net Excess Energy in the month shall not receive a credit pursuant to this Section for that month.

C. The Transmission Provider shall only disburse accumulated penalty revenues, plus interest calculated in accordance with 18 C.F.R § 35.19a, when the annual refund obligation for Transmission Customers (exclusive of the Transmission Provider's Native Load Customers) reaches $100,000. The annual period will commence on January 1 every year and end on December 31. Penalty revenues in one year will not be carried over into subsequent years.

SCHEDULE 5

OPERATING RESERVE – Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Each Transmission Customer must have spinning reserves available in the amounts as set forth below, or purchase such spinning reserves from Entergy.

I. REQUIREMENTS

A. Every Transmission Customer must have available at least 2.18% of its daily peak load, based upon hourly-integrated values, as spinning reserves. Spinning reserves must be available to serve load immediately upon the loss of a generation resource owned by the Transmission Customer or another Customer within the Entergy Control Area, and spinning reserve service must be provided by generating units that are on-line and loaded at less than maximum output. Each Transmission Customer must specify its source of spinning reserves on a daily basis.

B. To the extent that a Transmission Customer self-supplies spinning reserves, the Customer must make available such spinning reserves to Entergy in real-time on a daily basis. If Entergy utilizes these spinning reserves, Entergy will pay the Transmission Customer for the energy at an amount equal to Entergy's System Incremental Cost, as defined in Schedule 4.

II. OPTION TO PURCHASE SPINNING RESERVES FROM ENTERGY

If a Transmission Customer does not wish to self-supply spinning reserves, Entergy will supply spinning reserves and a Transmission Customer must purchase an amount equal to 2.18% of (i) a Network Customer's integrated peak load at the time of the monthly Entergy Control Area Peak or (ii) the Point-to-Point Transmission Customer's capacity reservation. The charges for Spinning Reserve Service provided by Entergy shall be as follows:

Monthly Rate	$1.94/kW-month
Weekly Rate	$0.448/kW-week
Peak Daily	$0.090/kW-day
Off-Peak Daily	$0.064/kW-day
Peak Hourly	$0.0056/kW-hourly
Off-Peak Hourly	$0.0027/kW-hourly

The total charge in any week shall not exceed the rate for weekly service times the maximum reservation of daily service in any day that week; and shall not exceed the rate for weekly service times the maximum reservation of hourly service in any hour in that week. The total charge in any day shall not exceed the rate for daily service times the maximum reservation of hourly service in that day.

SCHEDULE 6

OPERATING RESERVES – Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency. Supplemental reserves must be available to serve load within 10 minutes of a contingency. Each Transmission Customer must have supplemental reserves available in the amounts as set forth below, or purchase such supplemental reserves from Entergy.

I. REQUIREMENTS

A. Every Transmission Customer must have available at least 2.17% of its daily peak load, based upon hourly-integrated values as supplemental reserves. Supplemental reserves must be available to serve load within 10 minutes upon the loss of a generation resource owned by the Transmission Customer or another Customer within the Entergy Control Area, and supplemental reserve service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load. Each Transmission Customer must specify its source of supplemental reserves on a daily basis.

B. To the extent that a Transmission Customer self-supplies supplemental reserves, the Customer must make available such supplemental reserves to Entergy in real-time on a daily basis. If Entergy utilizes these supplemental reserves, Entergy will pay the Transmission Customer for the energy at an amount equal to Entergy's System Incremental Cost, as defined in Schedule 4.

II. OPTION TO PURCHASE SUPPLEMENTAL RESERVES FROM ENTERGY

If a Transmission Customer does not wish to self-supply supplemental reserves, Entergy will supply supplemental reserves and a Transmission Customer must purchase an amount equal to 2.17% of (i) a Network Customer's integrated peak load at the time of the monthly Entergy Control Area Peak or (ii) the Point-to-Point Transmission Customer's capacity reservation. The charges for Supplemental Reserve Service provided by Entergy shall be as follows:

Monthly Rate	$1.94/kW-month
Weekly Rate	$0.448/kW-week
Peak Daily	$0.090/kW-day
Off-Peak Daily	$0.064/kW-day
Peak Hourly	$0.0056/kW-hourly
Off-Peak Hourly	$0.0027/kW-hourly

The total charge in any week shall not exceed the rate for weekly service times the maximum reservation of daily service in any day that week; and shall not exceed the rate for weekly service times the maximum reservation of hourly service in any hour in that week. The total charge in any day shall not exceed the rate for daily service times the maximum reservation of hourly service in that day.

SCHEDULE 7

Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth in Appendix A or Appendix B to this Schedule 7 unless the pricing provisions of Attachment T related to redispatch or the construction of new facilities apply.

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 services 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.

POINT-TO-POINT TRANSMISSION SERVICE CHARGES

1. Rate Structure

The Customer shall pay Companies for Long-Term Firm Point-to-Point, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service and Distribution Service, as applicable in accordance with the provisions of Paragraphs 3 - 7 of this Appendix A.

2. Loss Factors

The following loss factors shall be applied, as applicable, on a cumulative basis to adjust metered (or scheduled) loads and Customer's net generation and purchased power on the load side of the Customer's meter to the Entergy Transmission System input level for all purposes under this Appendix A:

Type of Service	Loss Factor
Transmission Service	1.03
Distribution Transformation Service	1.01
Distribution Line Service	1.02

However, lower loss factors shall be utilized for a customer's loads when the Customer satisfactorily demonstrates that the loss factors set out above are excessive.

3. Firm Transmission Service

a. Firm Transmission Service Charge

Customers may take Long-Term Firm Transmission Service by executing a Service Agreement with a term of one year or longer. Customers may take Short-Term Firm Transmission Service on a monthly, weekly, or daily basis. Customers may also take a combination of the above services, which shall be referred to hereinafter, collectively, as "Firm Transmission Service". The type of Firm Transmission Service to be utilized for any given transaction shall be set out in the Service Agreement.

Customers receiving Firm Transmission Service shall pay a Firm Transmission Service Charge monthly. The Firm Transmission Service Charge for any calendar month for each type of Firm Transmission Service provided in that month shall be equal to the Customer's Firm Transmission Billing Quantity for that service in that month, as defined in Paragraph 3.b below, multiplied by the corresponding Firm Transmission Service Rate in effect for that same month, as defined in Paragraph 3.c below. Should a Customer receive more than one type of Firm

Transmission Service in a month, the charges for each such service shall be determined and then aggregated to determine the Firm Transmission Service Charge for that month.

b. Firm Transmission Billing Quantity

The Firm Transmission Billing Quantity for each type of Firm Transmission Service provided in any calendar month shall be the Customer's corresponding Contract Quantity (kW) as set out in the then currently effective Service Agreement, or as otherwise agreed by the Company and the Customer. The Contract Quantity shall reflect adjustment for losses to the Entergy Transmission System input level. The Contract Quantity for Long-Term Firm Transmission Service and for Monthly, Weekly, and Daily Short-Term Firm Transmission Service shall be stated in kW.

c. Firm Transmission Service Rates

The following rates shall apply to the corresponding type of Firm Transmission Service, as set out in Paragraph 3.a above:

1) Long-Term Firm Transmission Service Rate

2) Monthly Short-Term Firm Transmission Service Rate

3) Weekly Short-Term Firm Transmission Service Rate

4) Daily On-Peak Short-Term Firm Transmission Service Rate

5) Daily Off-Peak Short-Term Firm Transmission Service Rate

The above rates shall be referred to hereinafter, collectively, as "Firm Transmission Service Rates" and, individually, as "Firm Transmission Service Rate".

The Firm Transmission Service Rate applicable to each type of Firm Transmission Service shall be determined by application of the corresponding Firm Transmission Service Rate formula contained in Attachment 1 to this Appendix A in accordance with the provisions of Paragraphs 6 - 7 below.

4. Non-firm Transmission Service

a. Non-firm Transmission Service Charge

Customers receiving Non-firm Transmission Service shall pay a Non-firm Transmission Service Charge monthly. The Non-firm Transmission Service Charge for any calendar month for Non-firm Transmission Service provided in that month shall be equal to the Customer's Non-firm Transmission Billing Energy for both Hourly On-Peak service and Hourly Off-Peak service in that month, as defined in Paragraph 4.b below, multiplied by the corresponding Non-firm Transmission Service Rates, as defined in Paragraph 4.c below, in effect for the periods in which the service was provided.

However, in no event shall a Customer taking Non-Firm Transmission Service in any month pay more for such Non-Firm Transmission Service

than that Customer would have paid for Short-Term Firm Transmission Service for the same period of service, i.e., day, week or month.

b. Non-firm Transmission Billing Energy

The Hourly On-Peak and Hourly Off-Peak Non-firm Transmission Billing Energy (kWh) for a Customer in any calendar month shall be the corresponding energy most recently scheduled by that Customer for delivery on a non-firm basis during the on-peak period and the off-peak period, respectively, during that same month, as reduced by the energy scheduled for periods during which the Company interrupts service and as adjusted for losses to the Entergy Transmission System input level. On-Peak hours are from the hour beginning at 6:00 AM and continuing until the hour ending at 10:00 PM Monday through Friday. All other hours are Off-Peak hours.

c. Non-firm Transmission Service Rates

The Maximum Hourly On-Peak Non-firm Transmission Service Rate and the Maximum Hourly Off-Peak Non-Firm Transmission Service Rate shall be determined by application of the corresponding Maximum Non-Firm Transmission Service Rate formula contained in Attachment 1 to this Appendix A in accordance with the provisions of Paragraphs 6 - 7 below. The Company and the Customer may agree to base charges for Non-Firm Transmission Service on any rate up to the applicable (i.e.

Hourly On-Peak or Hourly Off-Peak) Maximum Non-Firm Transmission Service Rate, but in no event shall the agreed upon rate exceed the applicable maximum rate.

5. Distribution Service

a. Distribution Service Charge

(i) Customers utilizing a Company's Distribution Facilities, as defined in Paragraph 5.b below, on January 18, 1996, shall pay a monthly Distribution Service Charge which shall be based upon the charges and billing units contained in currently existing service agreements for the same service. Where an existing customer is charged a rate that includes both distribution and transmission components, only the distribution component will be assessed as the distribution charge.

(ii) Customers not utilizing a Company's Distribution Facilities on January 18, 1996, as defined in Paragraph 5.a(i) above, and which commence utilization of a Company's Distribution Facilities after January 18, 1996, shall pay a monthly Distribution Service Charge determined as follows:

1) the Distribution Facilities serving the Customer shall be determined on a direct assignment basis;

2) the Company's gross investment in the directly assigned facilities, as determined in (1) above shall be multiplied by 1.5% to determine the monthly Distribution Service Charge. The directly assigned investment shall be revised whenever new delivery points are added or major additions are made at existing delivery points.

b. Distribution Facilities

Distribution Facilities for a Company shall consist of all distribution facilities of that Company for which the corresponding investment consists of the balances in FERC Accounts 360 - 370.

6. Initial Rates

The Firm Transmission Service Rate and the Non-firm Transmission Service Rates ("Rates") that are to be initially effective shall be based upon the most currently available historical calendar year data.

7. Redetermination of Rates

The Rates shall then be redetermined each year based on actual data for the immediately prior calendar year. The redetermined Rates shall become effective for bills rendered on or after June 1 of that year for service during the preceding calendar month and shall remain in effect for twelve months. Each annual redetermination of the Rates shall be submitted to the FERC in an informational filing on or about May 1 of each year and shall consist of the following:

(1) Comparison of the redetermined Rates with the previously effective Rates

(2) Calculation of the redetermined Rates

(3) Workpapers showing (a) the source of all data utilized, and (b) other supporting documentation as specified in the Offer of Partial Settlement filed in FERC Docket No. ER95-112-000 on January 18, 1996.

Each annual filing shall reflect the most accurate data available at the time of filing. However, data as reported in the operating companies' Each annual filing shall reflect the most accurate data available at the time of filing. However, data as reported in the operating companies' FERC Form 1's for the applicable calendar year shall be used to the extent possible. Data required under the rate formula that is not reported in the respective operating companies' FERC Form 1 for the applicable calendar year shall be supported with appropriate documentation which shall be included in the workpapers accompanying each annual redetermination filing. Data, including FERC Form 1 data, shall be subject to challenge as set forth below.

A copy of each annual filing shall also be provided to each Customer. The FERC Staff, Customers, and Companies shall have 120 days after each such filing to review the redetermination of the Rates and file a complaint at the FERC

concerning such redetermination. The FERC Staff and the Customers shall have 60 days after each such filing to serve discovery requests on the Company. Such discovery shall be of the same nature as discovery in cases set for hearing before the FERC, but shall be limited to what is appropriate to determine if the Company has properly applied the rate formulas, if the data included in the formula rate redetermination is proper, and if application of the rate formulas is consistent with Commission policy.

The redetermined Rates shall be subject to refund or surcharge until the latest of (1) the end of the review period, if at such time there is no outstanding, unresolved complaint pursuant to this section; (2) the final resolution of any complaint filed pursuant to this section; or (3) any required corrections have been made. Any errors in data or application of the formulas in Attachment 1 to this Appendix A that are detected by any party during the review period shall be corrected by Companies as soon as possible after the end of the review period. A corrected filing of the redetermined Rates shall then be submitted to the FERC with a copy to each Customer. After final acceptance by the FERC of the redetermined Rates, Companies shall make any required refund or surcharge to each Customer on the next normal monthly billing.

GENERAL NOTES

1. THE TEST YEAR SHALL BE THE CALENDAR YEAR USED TO DETERMINE THE VALUE OF THE VARIOUS PARAMETERS IN THE FOLLOWING FORMULA.

2. EXCEPT WHERE INDICATED OTHERWISE, THE COST CONCEPTS CONTAINED IN THIS ATTACHMENT 1 ARE TO BE DETERMINED BY SUMMING THE CORRESPONDING VALUES FOR THE VARIOUS ENTERGY OPERATING COMPANIES.

3. ALL RATE BASE ITEMS REFLECT 13-MONTH AVERAGE BALANCES FOR THE TEST YEAR. THE COST OF CAPITAL IS TO BE DETERMINED AS OF THE END OF THE TEST YEAR.

4. ALL EXPENSE ITEMS UNLESS OTHERWISE SPECIFIED REFLECT TOTAL TEST YEAR AMOUNTS.

5. IN THE EVENT EITHER THE STATUTORY STATE OR FEDERAL CORPORATE INCOME TAX RATES CHANGE AFTER THE ANNUAL RATE REDETERMINATION IS SUBMITTED IN ANY YEAR, THEN THE RATES SHALL BE REDETERMINED ON AN INTERIM BASIS TO REFLECT SUCH TAX RATE CHANGE. ALL OTHER PARAMETERS SHALL REMAIN UNCHANGED. THE REDETERMINED RATES SHALL BECOME EFFECTIVE COMMENCING WITH THE BILLING MONTH IN WHICH THE TAX RATE(S) CHANGE. ANY SUCH REDETERMINATION SHALL BE SUBMITTED TO THE FERC AND THE CUSTOMER(S) AND SHALL CONSIST OF THE FOLLOWING:

   (A) TRANSMITTAL LETTER SETTING OUT BASIS FOR THE CHANGE

   (B) COPY OF DOCUMENTATION SUPPORTING THE CHANGE IN STATUTORY TAX RATE(S)

   (C) COMPARISON SHOWING EFFECT OF THE CHANGE ON AFFECTED CUSTOMERS

   (D) REDETERMINATION OF THE RATES REFLECTING THE REVISED TAX RATE(S)

COMMON PARAMETERS

COST OF CAPITAL

CC = BEFORE TAX COST OF CAPITAL

$$CC = D * DR + \frac{PF * PR + CE * CR}{TX}$$

WHERE:

D = EMBEDDED COST RATE OF LONG-TERM DEBT

DR = DEBT CAPITALIZATION RATIO

PF = EMBEDDED COST RATE OF PREFERRED STOCK

PR = PREFERRED STOCK CAPITALIZATION RATIO

CE = 0.1100

CR = COMMON EQUITY CAPITALIZATION RATIO

TX = COMPOSITE CORPORATE AFTER TAX RATE

TX = (1 - S)(1 - F)

WHERE:

S = AVERAGE EFFECTIVE STATUTORY STATE CORPORATE INCOME TAX RATE FOR THE ENTERGY OPERATING COMPANIES AS WEIGHTED BY NET TRANSMISSION PLANT INVESTMENT IN THOSE OPERATING COMPANIES[1]

F = STATUTORY FEDERAL CORPORATE INCOME TAX RATE

[1] THE EFFECTIVE STATE TAX RATE FOR A COMPANY OPERATING IN MORE THAN ONE STATE SHALL BE THE ARITHMETIC AVERAGE OF THE EFFECTIVE TAX RATE FOR THOSE STATES

COMMON PARAMETERS (Cont'd)

ACCUMULATED DEFERRED INCOME TAXES

ADIT = ACCUMULATED DEFERRED INCOME TAXES

ADIT = ADTL + ITC

WHERE:

ADTL = THE BALANCES IN ACCOUNTS 190, 281, 282, AND 283 AS REDUCED BY (1) ANY AMOUNTS ASSOCIATED WITH REGULATORY ASSETS OR LIABILITIES CREATED BY THE ACTION OF A RETAIL REGULATOR AND (2) OTHER AMOUNTS NOT GENERALLY AND PROPERLY INCLUDABLE FOR COST OF SERVICE PURPOSES

ITC = ACCUMULATED DEFERRED INVESTMENT TAX CREDIT - 3% PORTION ONLY

PLANT RATIO

TPR = TRANSMISSION PLANT RATIO

$$TPR = \frac{TPLT}{PPLT + TPLT + DPLT + GPLT}$$

WHERE:

PPLT = PRODUCTION PLANT IN SERVICE

TPLT = TRANSMISSION PLANT IN SERVICE

DPLT = DISTRIBUTION PLANT IN SERVICE

GPLT = GENERAL PLANT IN SERVICE–EXCLUDING COAL MINING EQUIPMENT

LABOR RATIO

TLR = TRANSMISSION LABOR RATIO

$$TLR = \frac{TL}{PXAG}$$

WHERE:

TL = TRANSMISSION PAYROLL CHARGED TO O&M EXPENSE

PXAG = PAYROLL CHARGED TO O&M EXPENSE, EXCEPT ADMINISTRATIVE AND GENERAL O&M EXPENSE

COMMON PARAMETERS (Cont'd)

A&G EXPENSE

AG = INCLUDABLE ADMINISTRATIVE AND GENERAL O&M EXPENSE

AG = AGXP - EEI - EPRI - RRE

WHERE:

AGXP = TOTAL ADMINISTRATIVE AND GENERAL O&M EXPENSE

EEI = EDISON ELECTRIC INSTITUTE EXPENSES

EPRI = ELETRIC POWER RESEARCH INSTITUTE EXPENSES

RRE = RETAIL REGULATORY EXPENSES

OTHER TAX RATE

OTR = OTHER TAX RATE

$$OTR = \frac{TXO - PYTX - RTX}{PPLT + TPLT + DPLT + GPLT}$$

WHERE:

TXO = TAXES OTHER THAN INCOME TAXES (ACCOUNT 408.1)

PYTX = PAYROLL RELATED TAX EXPENSE

RTX = RETAIL RELATED TAXES[1]

PPLT = PRODUCTION PLANT IN SERVICE

TPLT = TRANSMISSION PLANT IN SERVICE

DPLT = DISTRIBUTION PLANT IN SERVICE

GPLT = GENERAL PLANT IN SERVICE–EXCLUDING COAL MINING EQUIPMENT

[1] INCLUDES, BUT NOT LIMITED TO, GROSS RECEIPTS TAX, FRANCHISE TAXES, REGULATORY ASSESSMENT TAXES/FEES, USE TAXES, OCCUPATION TAXES AND ALL OTHER SIMILAR TAXES LEVIED ON THE BASIS OF RETAIL CUSTOMERS, RETAIL MWH SALES, OR RETAIL REVENUES.

LONG-TERM FIRM TRANSMISSION SERVICE RATE

LFTSR = LONG-TERM FIRM TRANSMISSION SERVICE RATE ($/kW-MONTH)

$$LFTSR = \frac{TRB * CC + (TPLTXS/TPLT) * (- TREV - FREV + TXP - TPR * ITCWO / TX)}{12 * TKW}$$

WHERE:

TRB = TRANSMISSION RATE BASE

TRB = TPLTXS - TDRXS + (TPLTXS/TPLT) * [TLR * (GPLT - GDR) + TPR * (MS + PPT - ADIT)] + URA

WHERE:

TPLTXS = TRANSMISSION PLANT IN SERVICE EXCLUDING STEP-UP TRANSFORMERS

TDRXS = TRANSMISSION ACCUMULATED DEPRECIATION EXCLUDING STEP-UP TRANSFORMERS (1)

TPLT = TRANSMISSION PLANT IN SERVICE (2)

TLR = TRANSMISSION LABOR RATIO

GPLT = GENERAL PLANT IN SERVICE - EXCLUDING COAL MINING EQUIPMENT

GDR = GENERAL PLANT ACCUMULATED DEPRECIATION - EXCLUDING COAL MINING EQUIPMENT

TPR = TRANSMISSION PLANT RATIO

MS = MATERIALS AND SUPPLIES

PPT = PREPAID TAXES AND INSURANCE

ADIT = ACCUMULATED DEFERRED INCOME TAXES

URA = UNAMORTIZED REGULATORY ASSET (3)

CC = BEFORE TAX COST OF CAPITAL

NOTE:

1) Transmission depreciation shall be adjusted by Table C amounts for reductions of the 13-Month Average Depreciation Expense for AFUDC previously capitalized and funded with transmission customer prepayments.
2) Transmission plant shall be adjusted for the unamortized balance of transmission customer prepayments in the "B" sub-account of FERC Account 253, but limited to prepayments received for construction (*i.e.*, excluding tax gross-ups and accrued interest) and adjusted for AFUDC previously capitalized and funded by transmission customer prepayments.
3) This variable contains a value(s) that results from a FERC order(s) that requires deferral and amortization over a future period such as Table B – Unamortized Rate Base Asset for Accrued Interest for transmission customer prepayments.

LONG-TERM FIRM TRANSMISSION SERVICE RATES (Cont'd)

TREV = SHORT-TERM FIRM AND NON-FIRM TRANSMISSION SERVICE REVENUE RECEIVED UNDER SCHEDULES 7 AND 8, INCLUDING, AS APPLICABLE, IMPUTED SHORT-TERM FIRM AND NON-FIRM TRANSMISSION REVENUES ASSOCIATED WITH ENTERGY'S OFF-SYSTEM SALES BASED ON THE APPROPRIATE SHORT-TERM FIRM OR NON-FIRM TRANSMISSION SERVICE RATE

MREV = FACILITIES REVENUE ASSOCIATED WITH TRANSMISSION FACILITIES WHICH ARE DIRECTLY ASSIGNED TO CUSTOMERS AND FOR WHICH COSTS ARE NOT RECOVERED THROUGH A CONTRIBUTION-IN-AID,.

TXP = TOTAL TRANSMISSION EXPENSE

TXP = TOM - TEQ + TLR * AG + TDX + TLR * GDX + OTR * TPLT + TLR * PYTX + RA

WHERE:

TOM = TRANSMISSION O&M EXPENSE EXCLUSIVE OF SYSTEM CONTROL AND DISPATCHING EXPENSE IN FERC ACCOUNT 561 (1)

TEQ = TRANSMISSION EQUALIZATION EXPENSE INCURRED UNDER SCHEDULE MSS-2 OF THE ENTERGY SYSTEM AGREEMENT

AG = INCLUDABLE ADMINISTRATIVE AND GENERAL O&M EXPENSE

TDX = TRANSMISSION DEPRECIATION EXPENSE (2)

GDX = GENERAL PLANT DEPRECIATION EXPENSE

OTR = OTHER TAX RATE

PYTX = PAYROLL RELATED TAX EXPENSE

RA = REGULATORY ASSET RELATED EXPENSE (3)

ITCWO = INVESTMENT TAX CREDIT WRITE-OFF

TX = COMPOSITE CORPORATE AFTER TAX RATE

TKW = THE ENTERGY SYSTEM NET AREA PEAK DEMAND (kW) FOR THE TEST YEAR ("ENTERGY PEAK"), WHICH SHALL INCLUDE THE LOAD PLACED ON THE ENTERGY TRANSMISSION SYSTEM AT THE TIME OF THE ENTERGY PEAK BY ENTERGY'S INTERRUPTIBLE RETAIL CUSTOMERS, AS INCREASED BY FIRM TRANSMISSION SERVICE, INCLUDING FIRM OFF-SYSTEM SALES, UNDER AGREEMENTS WITH TERMS EXCEEDING 12 MONTHS, WHICH ARE NOT INCLUDED IN THE ENTERGY PEAK. (4)(5)

NOTE:

1) AMOUNTS IN FERC ACCOUNT 565 SHALL BE INCLUDED ONLY TO THE EXTENT SUCH AMOUNTS REPRESENT PAYMENTS FOR THE USE OF TRANSMISSION FACILITIES OF OTHERS THAT SUPPORT ENTERGY'S TRANSMISSION SYSTEM.
THE VARIABLE "TOM" SHALL BE ADJUSTED TO EXCLUDE THE INDEPENDENT COORDINATOR OF TRANSMISSION ANNUAL COSTS WHICH SHALL BE RECOVERED VIA SCHEDULE 10.
2) TRANSMISSION EXPENSE SHALL BE ADJUSTED BY THE TABLE C AMOUNTS – ACCUMULATED DEPRECIATION EXPENSE FOR AFUDC PREVIOUSLY CAPITALIZED AND FUNDED BY TRANSMISSION CUSTOMER PREPAYEMENTS.
3) THIS VARIABLE CONTAINS A VALUE(S) THAT RESULTS FROM AN ORDER(S) THAT REQUIRES DEFERRAL AND AMORTIZATION OVER A FUTURE PERIOD SUCH AS TABLE B AMORTIZATION OF INTEREST EXPENSE FOR TRANSMISSION CUSTOMER PREPAYMENTS ACCRUED AND PAID INTEREST.
4) FIRM TRANSMISSION SERVICE, INCLUDING FIRM OFF-SYSTEM SALES, UNDER AGREEMENTS NOT INCLUDED IN THE ENTERGY PEAK SHALL UTILIZE CAPACITY RESERVATION AMOUNTS SET BY CONTRACT, WHERE APPLICABLE - INCLUDING FOR FIRM OFF-SYSTEM SALES THAT PORTION OF THE CAPACITY RESERVATION AMOUNTS SET BY CONTRACT NOT OTHERWISE INCLUDED IN THE ENTERGY PEAK - AND METERED OR SCHEDULED LOADS AT THE TIME OF THE ENTERGY PEAK OTHERWISE.
5) FIRM DELIVERIES ARE TO BE ADJUSTED FOR LOSSES TO THE TRANSMISSION SYSTEM INPUT LEVEL UTILIZING THE APPLICABLE LOSS FACTORS SET OUT IN PARAGRAPH 2 OF APPENDIX A.

SHORT-TERM FIRM TRANSMISSION SERVICE RATES

MFTSR = MONTHLY FIRM TRANSMISSION RATE ($/kW-MONTH)

$$MFTSR = \frac{12 * LFTSR * TKW + (TPLTXS / TPLT) * TREV}{12 * TKW}$$

WHERE:

LFTSR = LONG-TERM FIRM TRANSMISSION SERVICE RATE AS DEFINED ON PAGES 5 AND 6 OF THIS ATTACHMENT 1

TKW = THE ENTERGY SYSTEM NET AREA PEAK DEMAND (kW) FOR THE TEST YEAR ("ENTERGY PEAK"), WHICH SHALL INCLUDE THE LOAD PLACED ON THE ENTERGY TRANSMISSION SYSTEM AT THE TIME OF THE ENTERGY PEAK BY ENTERGY'S INTERRUPTIBLE RETAIL CUSTOMERS, AS INCREASED BY FIRM TRANSMISSION SERVICE, INCLUDING FIRM OFF-SYSTEM SALES, UNDER AGREEMENTS WITH TERMS EXCEEDING 12 MONTHS, WHICH ARE NOT INCLUDED IN THE ENTERGY PEAK.

TPLTXS = TRANSMISSION PLANT IN SERVICE EXCLUDING STEP-UP TRANSFORMERS

TPLT = TRANSMISSION PLANT IN SERVICE

TREV = SHORT-TERM FIRM AND NON-FIRM TRANSMISSION SERVICE REVENUE RECEIVED UNDER SCHEDULES 7 AND 8, INCLUDING, AS APPLICABLE, IMPUTED SHORT-TERM FIRM AND NON-FIRM TRANSMISSION REVENUES ASSOCIATED WITH ENTERGY'S OFF-SYSTEM SALES BASED ON THE APPROPRIATE SHORT-TERM FIRM OR NON-FIRM TRANSMISSION SERVICE RATE

WFTSR = WEEKLY FIRM TRANSMISSION SERVICE RATE ($/kW-WEEK)

$$WFTSR = \frac{12 * MFTSR}{52}$$

DPFTSR = DAILY ON-PEAK FIRM TRANSMISSION SERVICE RATE ($/kW-DAY) (1)(2)

$$DPFTSR = \frac{12 * MFTSR}{260}$$

DOFTSR = DAILY OFF-PEAK FIRM TRANSMISSION SERVICE RATE ($/KW-DAY)(1)(2)

$$DOFSTR = \frac{12*MFTSR}{365}$$

NOTE:
1) On-Peak days are Monday through Friday. Off-Peak days are Saturday and Sunday.
2) The total charge in any week for Daily On-Peak and Daily Off-Peak Firm Transmission Service shall not exceed the Weekly Short-Term Firm Transmission Service rate multiplied by the maximum daily capacity reservation during such week.

MAXIMUM NON-FIRM TRANSMISSION SERVICE RATES

HPNTSR = HOURLY ON-PEAK NON-FIRM TRANSMISSION SERVICE RATE ($/kWh) (1)(2)

$$HPNTSR = \frac{12 * LFTSR * TKW + (TPLTXS / TPLT) * TREV}{4{,}160 * TKW}$$

HONTSR = HOURLY OFF-PEAK NON-FIRM TRANSMISSION SERVICE RATE ($/kWh) (1)

$$HONTSR = \frac{12 * LFTSR * TKW + (TPLTXS / TPLT) * TREV}{8{,}760 * TKW}$$

WHERE:

LFTSR = LONG-TERM FIRM TRANSMISSION SERVICE RATE AS DEFINED ON PAGES 5 AND 6 OF THIS ATTACHMENT 1

TKW = THE ENTERGY SYSTEM NET AREA PEAK DEMAND (kW) FOR THE TEST YEAR ("ENTERGY PEAK"), WHICH SHALL INCLUDE THE LOAD PLACED ON THE ENTERGY TRANSMISSION SYSTEM AT THE TIME OF THE ENTERGY PEAK BY ENTERGY'S INTERRUPTIBLE RETAIL CUSTOMERS, AS INCREASED BY FIRM TRANSMISSION SERVICE, INCLUDING FIRM OFF-SYSTEM SALES, UNDER AGREEMENTS WITH TERMS EXCEEDING 12 MONTHS, WHICH ARE NOT INCLUDED IN THE ENTERGY PEAK .

TPLTXS = TRANSMISSION PLANT IN SERVICE EXCLUDING STEP-UP TRANSFORMERS

TPLT = TRANSMISSION PLANT IN SERVICE

TREV = SHORT-TERM FIRM AND NON-FIRM TRANSMISSION SERVICE REVENUE RECEIVED UNDER SCHEDULES 7 AND 8, INCLUDING, AS APPLICABLE, IMPUTED SHORT-TERM FIRM AND NON-FIRM TRANSMISSION REVENUES ASSOCIATED WITH ENTERGY'S OFF-SYSTEM SALES BASED ON THE APPROPRIATE SHORT-TERM FIRM OR NON-FIRM TRANSMISSION SERVICE RATE

NOTE:
1) On-peak hours are from the hour beginning at 6:00 a.m. and continuing until the hour ending at 10:00 p.m. Monday through Friday. All other hours are off-peak hours.
2) The hourly on-peak non-firm transmission rate is a ceiling rate capped at the respective firm rate. The total charge in any day for hourly service shall not exceed the weekly rate multiplied by the maximum hourly capacity reservation during such day. In addition, the total demand charge in any week pursuant to a reservation of hourly or daily service shall not exceed the weekly rate multiplied by the maximum hourly capacity reservation in any hour during such week.

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 in accordance with the provisions of Section 4 of Appendix A to Schedule 7 of this Tariff.

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 of the Transmission System.

SCHEDULE 9

Recovery of
Regional Transmission Organization and
Independent Coordinator of Transmission
Development and Start-Up Costs

The transmission customer shall compensate the Transmission Provider each month in accordance with the provisions in Appendix 1 attached to this Schedule 9.

Recovery of Regional Transmission Organization And Independent Coordinator of Transmission Development and Start-Up Costs

1. Rate Structure

   The transmission customer ("Customer") shall pay the Transmission Provider ("Provider" or "Company") each month for recovery of Regional Transmission Organization and Independent Coordinator of Transmission Development and Start-Up Costs ("Pre-Op Costs") in accordance with the provisions of this Appendix 1.

2. Transmission Service

   a. Transmission Service Charge

      Customers receiving transmission service under Part II or Part III of the Transmission Provider's Open Access Transmission Tariff ("Tariff") shall pay a Pre-Op Costs Transmission Service Charge monthly. The Pre-Op Costs Transmission Service Charge for any calendar month shall be equal to the Customer's Pre-Op Costs Transmission Billing Quantity for transmission service in that month, defined in Paragraph 2.b. below, and multiplied by the Pre-Op Costs Transmission Service Rate as defined in Paragraph 2.c, below. Should a Customer receive more than one type of transmission service in a month, the charges for each such service shall be determined and then aggregated to determine the Pre-Op Costs Transmission Service Charge for that month. An imputed Pre-Op Costs Transmission Service Charge will be calculated for all other customers receiving transmission service during that same month.

The total Pre-Op Costs Service Charge for any month shall be the sum of the Transmission Service Charge for customers receiving transmission service under Part II or Part III of the Tariff plus the imputed Transmission Service Charge for all other customers receiving transmission service during that same month.

b. Transmission Billing Quantity

The Pre-Op Costs Transmission Billing Quantity for each type of transmission service provided to the Customer in any calendar month shall be the energy associated with the Customer's transmission service as determined from the Service Agreement(s) under which the Customer is receiving transmission service, or as otherwise agreed by the Company and the Customer. The Pre-Op Costs Transmission Billing Quantity shall be stated in MWh and reflect an adjustment for losses to the Entergy Transmission System input level.

c. Transmission Service Rate

The Pre-Op Costs Transmission Service Rate ("Rate") applicable to each type of transmission service for any calendar month shall be the sum of twelve (12) months of projected levelized recovery of the Pre-Op Costs Revenue Requirement divided by the total energy transmitted by the Entergy Transmission System in calendar year 2005, where the energy is expressed in MWh and includes adjustment for losses to the Entergy Transmission System input level.

The Rate shall be determined by application of the Pre-Op Costs Rate formula contained in Attachment 1 to this Appendix 1 in accordance with the provisions of Paragraphs 3 and 4 below.

The Rate will remain in effect for the Term of Recovery of this Schedule 9, except that the Rate for the final month of recovery may be lowered to more closely align revenues received under this Schedule 9 during the Term of Recovery with total actual Pre-Op Costs.

3. Term of Recovery

The Pre-Op Costs Term of Recovery is projected to be 48 months, but may be shortened or lengthened as necessary to align revenues received under this Schedule 9 during the Term of Recovery with total actual Pre-Op Costs.

4. Revenue Requirement

The levelized recovery value of the monthly Pre-Op Costs Revenue Requirement shall be determined by application of the Pre-Op Costs Revenue Requirement formula contained in Attachment A to this Appendix 1 and in accordance with the provisions of Paragraph 2 and 3 above.

GENERAL NOTES

1. THE TERM OF RECOVERY IS 4 YEARS (48 MONTHS) STARTING WITH THE FIRST (1^{ST}) FULL MONTH OF ICT OPERATIONS, BUT MAY BE SHORTENED OR LENGTHENED AS NECESSARY TO ALIGN REVENUES RECEIVED UNDER THIS SCHEDULE DURING THE TERM OF RECOVERY WITH TOTAL ACTUAL PRE-OP COSTS .

2. ACTUAL PRE-OP COSTS THROUGH SEPTEMBER 2006 AND PROJECTED ADDITIONAL PRE-OP COSTS SHALL BE USED TO PROJECT PRE-OP COSTS FOR RATE DEVELOPMENT. RECOVERY WILL BE BASED ON TOTAL ACTUAL PRE-OP COSTS.

3. EXCEPT WHERE INDICATED OTHERWISE, THE COST CONCEPTS CONTAINED IN THIS ATTACHMENT 1 ARE TO BE DETERMINED BY SUMMING THE CORRESPONDING VALUES FOR THE VARIOUS ENTERGY OPERATING COMPANIES OR, WHERE REFERENCED, ARE VALUES DETERMINED IN SCHEDULE 7 AND ATTACHMENT H AND APPLIED HEREIN.

4. IN THE EVENT EITHER THE STATUTORY STATE OR FEDERAL CORPORATE INCOME TAX RATES CHANGE DURING THE TERM OF RECOVERY, THEN THE REVENUE REQUIREMENT SHALL BE REDETERMINED TO REFLECT SUCH TAX RATE CHANGE. ALL OTHER PARAMETERS SHALL REMAIN UNCHANGED. THE REDETERMINED REVENUE REQUIREMENT SHALL BECOME EFFECTIVE COMMENCING WITH THE BILLING MONTH IN WHICH THE TAX RATE(S) CHANGED. ANY SUCH REDETERMINATION SHALL BE SUBMITTED TO THE FERC AND THE CUSTOMER(S) AND SHALL CONSIST OF THE FOLLOWING:
   A) TRANSMITTAL LETTER SETTING OUT BASIS FOR THE CHANGE
   B) COPY OF DOCUMENTATION SUPPORTING THE CHANGE IN STATUTORY TAX RATE(S)

C) REVENUE REQUIREMENT COMPARISON SHOWING EFFECT OF THE RATE CHANGE ON AFFECTED CUSTOMERS

D) REDETERMINATION OF THE REVENUE REQUIREMENT REFLECTING THE REVISED TAX RATE(S)

PRE-OP COSTS TRANSMISSION SERVICE RATE

PCRR = PRE-OP COSTS REVENUE REQUIREMENT (1)

PCRR = AMORT + PABB * CC + AFUDCTG

WHERE:

AMORT = MONTHLY AMORTIZATION EXPENSE

PABB = MONTHLY BALANCE OF UNAMORTIZED PRE-OP COSTS

CC = BEFORE TAX COST OF CAPTIAL (2)

AFUDCTG = MONTHLY AMORTIZATION EXPENSE OF INCOME TAX GROSS-UP FOR EQUITY AFUDC VALUE

PCTSR = PRE-OP COSTS TRANSMISSION SERVICE RATE

PCTSR = 12 * PCRR / 2005 MWH (3)

NOTES:

(1) CALCULATED AS A MONTHLY LEVELIZED RECOVERY AMOUNT OVER THE 48-MONTH PROJECTED RECOVERY PERIOD

(2) BEFORE TAX COST OF CAPITAL AS DETERMINED IN SCHEDULE 7 AND ATTACHMENT H FOR THE 2005 CALENDAR YEAR.

(3) FOR THE INITIAL RATE DETERMINATION, ACTUAL 2005 MWH TRANSMITTED BY THE ENTERGY TRANSMISSION SYSTEM, INCLUDING LOSSES TO THE INPUT LEVEL

SCHEDULE 10

Recovery of
Independent Coordinator of Transmission
Operation Costs

The transmission customer shall compensate the Transmission Provider each month in accordance with the provisions in Appendix 1 attached to this Schedule 10.

Recovery of
Independent Coordinator of Transmission
Operations Costs

1. Rate Structure

   The transmission customer ("Customer") shall pay the Transmission Provider ("Provider" or "Company") each month for recovery of Independent Coordinator of Transmission Operations Costs ("ICT Op Costs") in accordance with the provisions of this Appendix 1.

2. Transmission Service

   a. Transmission Service Charge

      Customers receiving transmission service under Part II or Part III of the Transmission Provider's Open Access Transmission Tariff ("Tariff") shall pay an ICT Op Costs Transmission Service Charge monthly. The ICT Op Costs Transmission Service Charge in any calendar month shall be equal to the Customer's ICT Op Costs Transmission Billing Quantity for transmission service in that month, as defined in Paragraph 2.b. below, multiplied by the ICT Op Costs Transmission Service Rate, as defined in Paragraph 2.c. below. Should a Customer receive more than one type of transmission service in a month, the charges for each such service shall be determined and then aggregated to determine the ICT Op Costs Transmission Service Charge for that month. An ICT Op Costs Transmission Service Charge will be imputed for all other customers receiving transmission service during that same month.

The total ICT Op Costs Transmission Service Charge for any month shall be the sum of the ICT Op Costs Transmission Service Charge for customers receiving transmission service under Part II or Part III of the Tariff plus the imputed ICT Op Costs Transmission Service Charge for all other customers receiving transmission service during that same month.

b. Transmission Billing Quantity

The ICT Op Costs Transmission Billing Quantity for each type of transmission service provided to the Customer in any calendar month shall be the energy associated with the Customer's transmission service as determined from the Service Agreement(s) under which the Customer is receiving transmission service, or as otherwise agreed by the Company and the Customer. The ICT Op Costs Transmission Billing Quantity shall be stated in MWh and reflect adjustment for losses to the Entergy Transmission System input level.

c. Transmission Service Rate

For transmission service billings rendered prior to June 2008,[1] the ICT Op Costs Transmission Service Rate ("Rate") applicable to each type of transmission service shall be the ICT base contract amount for calendar year 2007 plus any projected additional ICT Op costs for calendar year 2007 divided by the total energy transmitted by the Entergy Transmission System in calendar year 2005, where the energy is expressed in MWh and includes an adjustment for losses to the Entergy Transmission System input level.

[1] No rate redetermination will be made for this Schedule 10 in 2007 due to the short time the initial rate would be in effect.

For transmission service billings rendered in June 2008 and beyond, the Rate applicable to each type of transmission service for any calendar month shall be updated on or about May 1, 2008 and annually thereafter. The Rate shall be the immediately previous calendar year's total ICT Op Costs[2] plus a true-up amount[3] divided by the total energy transmitted by the Entergy Transmission System in the prior calendar year, where the energy is expressed in MWh and includes an adjustment for losses to the Entergy Transmission System input level. The true-up amount is the immediately previous calendar year's actual ICT Op Costs less the sum of the actual and imputed collections under this Schedule 10 during the immediately previous calendar year.

The ICT Op Costs Transmission Service Rate (Rate) applicable to each type of transmission service shall be determined by application of the ICT Op Costs Transmission Service Rate formula contained in Attachment A to this Appendix 1 in accordance with the provisions of this Schedule 10.

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[2] To minimize over-collection or under-collection of ICT costs, known or projected cost decreases or increases may be added to the prior year's ICT Op Costs for the Rate redetermination.

[3] For the filing in 2008, the true-up amount shall be calculated for the first month of ICT operations through December 31, 2007. For all annual filings thereafter, the true-up amount shall be calculated for the immediately previous calendar year.

3. Recovery of ICT Op Costs

Recovery of ICT Op Costs will begin with transmission service billings issued for the first (1st) full month of ICT operations and will continue monthly thereafter for services provided by the ICT or its successors.

INDEPENDENT COORDINATOR OF TRANSMISSION OPERATION COSTS

GENERAL NOTES

1. RECOVERY OF ICT OP COSTS WILL BEGIN WITH BILLINGS RENDERED FOR THE FIRST (1^{ST}) FULL MONTH OF ICT OPERATIONS AND WILL CONTINUE MONTHLY THEREAFTER FOR RECOVERY OF COSTS BILLED BY THE ICT OR ITS SUCCESSORS.

2. THE INITIAL RATE WILL BE DEVELOPED USING TOTAL PROJECTED ANNUALIZED ICT OP COSTS FOR CALENDAR YEAR 2007 AND WILL REMAIN IN EFFECT UNTIL REDETERMINED RATES ARE IMPLEMENTED IN JUNE 2008. THEREAFTER, RATES WILL BE REDETERMINED ANNUALLY ON OR ABOUT MAY 1 USING THE PRIOR CALENDAR YEAR'S TOTAL ICT OP COSTS, AS ADJUSTED FOR KNOWN OR PROJECTED CHANGES IN ICT OP COSTS, PLUS OR MINUS A TRUE-UP AMOUNT FOR UNDER-COLLECTIONS OR OVER-COLLECTIONS.

3. FOR THE FILING IN 2008, THE TRUE-UP AMOUNT SHALL BE CALCULATED FROM THE FIRST MONTH OF ICT OPERATIONS THROUGH DECEMBER 31, 2007. FOR ALL ANNUAL FILINGS THEREAFTER, THE TRUE-UP AMOUNT SHALL BE CALCULATED FOR THE IMMEDIATELY PREVIOUS CALENDAR YEAR.

INDEPENDENT COORDINATOR OF TRANSMISSION OPERATION COSTS

ICT OP COSTS TRANSMISSION SERVICE RATE

ICTTSR = ICT OP COSTS SERVICE RATE ($/MWH)

$$ICTTSR = \frac{OPCOS}{MWH}$$

WHERE:

OPCOS = ICT OP COSTS

OPCOS = ACOS + ADJ + TUA

ACOS = PRIOR YEAR ANNUAL ICT OP COST (1)

ADJ = ADJUSTMENT (2)

TUA = TRUE-UP AMOUNT (3)

MWH = TOTAL MWH TRANSMITTED BY THE ENTERGY TRANSMISSION SYSTEM FOR THE PREVIOUS CALENDAR YEAR INCLUDING ADJUSTMENT FOR LOSSES TO THE ENTERGY TRANSMISSION SYSTEM INPUT LEVEL (4)

NOTES:

(1) THE 2007 CALENDAR YEAR PROJECTED ANNUALIZED ICT OP COSTS WILL BE USED FOR THE INITIAL RATE CALCULATION
(2) ADJUSTMENT FOR KNOWN OR PROJECTED CHANGES IN ICT OP COSTS
(3) THE ACTUAL ICT OP COSTS LESS THE SUM OF THE ACTUAL AND IMPUTED COLLECTIONS
(4) 2005 MWH WILL BE USED FOR THE INITIAL RATE CALCULATION

ATTACHMENT A

**FIRM POINT-TO-POINT
TRANSMISSION SERVICE AGREEMENT**

BETWEEN

**ENTERGY SERVICES, INC.
ACTING AS AGENT FOR
ENTERGY ARKANSAS, INC.,
ENTERGY GULF STATES, INC.,
ENTERGY LOUISIANA, LLC,
ENTERGY MISSISSIPPI, INC., AND
ENTERGY NEW ORLEANS, INC.**

AND

[CUSTOMER]

1.0 This Service Agreement, dated as of _____, is entered into, by and between Entergy Services, Inc. (Entergy Services), acting as agent for Entergy Arkansas, Inc., a corporation organized and existing under the laws of the State of Arkansas, Entergy Gulf States, Inc., a corporation organized and existing under the laws of the States of Louisiana and Texas, Entergy Louisiana, LLC, a limited liability company organized and existing under the laws of the State of Texas, Entergy Mississippi, Inc., a corporation organized and existing under the laws of the State of Mississippi, and Entergy New Orleans, Inc., a corporation organized and existing under the laws of the State of Louisiana (collectively, the "Transmission Provider"), and [Customer], a corporation organized and existing under the laws of the State of _____ ("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, or has satisfied the creditworthiness requirements of Section 11 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:

Interconnection Arrangements Administrator
Entergy Services, Inc.
P.O. Box 61000
New Orleans, LA 70161

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.

Entergy Services, Inc.:

By:_____ _____ _____
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): _____

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: _____
_____
_____
_____
_____
_____
_____

8.5 The charges for Recovery of Regional Transmission Organization and Independent Coordinator of Transmission Development, Start-Up and Operations Costs are as provided for in Entergy's Open Access Transmission Tariff, Schedules 9 and 10.

ATTACHMENT A-1
Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Long-Term Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Entergy Services, Inc.), 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, as identified below, of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee and appropriately specified in this Service Agreement. Such negotiated terms and conditions 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 or charge the Reseller, as appropriate, for any difference between the price reflected in the Assignee's Service Agreement and the Reseller's Service Agreement with the Transmission Provider.

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.

Entergy Services, Inc.:

Interconnection Arrangements Administrator
Entergy Services, Inc.
P.O. Box 61000
New Orleans, LA 70161

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:

8.5 The charges for Recovery of Regional Transmission Organization and Independent Coordinator of Transmission Development, Start-Up and Operations Costs are as provided for in Entergy's Open Access Transmission Tariff, Schedules 9 and 10.

9.0 Name of Reseller of the reassigned transmission capacity:

ATTACHMENT B

NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE AGREEMENT

BETWEEN

**ENTERGY SERVICES, INC.
ACTING AS AGENT FOR
ENTERGY ARKANSAS, INC.,
ENTERGY GULF STATES, INC.,
ENTERGY LOUISIANA, LLC,
ENTERGY MISSISSIPPI, INC., AND
ENTERGY NEW ORLEANS, INC.**

AND

[CUSTOMER]

1.0 This Service Agreement, dated as of _____, is entered into, by and between Entergy Services, Inc. (Entergy Services), acting as agent for Entergy Arkansas, Inc., a corporation organized and existing under the laws of the State of Arkansas, Entergy Gulf States, Inc., a corporation organized and existing under the laws of the States of Louisiana and Texas, Entergy Louisiana, LLC, a limited liability company organized and existing under the laws of the State of Texas, Entergy Mississippi, Inc., a corporation organized and existing under the laws of the State of Mississippi, and Entergy New Orleans, Inc., a corporation organized and existing under the laws of the State of Louisiana (collectively, the "Transmission Provider"), and [Customer], a corporation organized and existing under the laws of the State of ("Transmission Customer").

2.0 The Transmission Customer has: (i) been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff (ii) filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff, and (iii) has satisfied the creditworthiness requirements of Section 11 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:

Interconnection Arrangements Administrator
Entergy Services, Inc.
P.O. Box 61000
New Orleans, LA 70161

Transmission Customer:

_____
_____
_____
_____

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

8.0 The charges for Recovery of Regional Transmission Organization and Independent Coordinator of Transmission Development, Start-Up and Operations Costs are as provided for in Entergy's Open Access Transmission Tariff, Schedules 9 and 10.

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

Entergy Services, Inc.:

By:_____ _____ _____
Name Title Date

Transmission Customer:

By:_____ _____ _____
Name Title Date

ATTACHMENT C
Methodology To Assess
Available Transfer Capability

1. GENERAL

1.1 Division of Responsibilities

The division of responsibilities between the Transmission Provider and the Independent Coordinator of Transmission ("ICT") in performing duties related to the procedures described herein is controlled by Attachment S to the Tariff, including the ICT Protocols appended to Attachment S.

The term "Entergy" is used to delineate the requirements or procedures applicable to the Transmission System and the Tariff generally, but is not used to delineate the division of responsibilities. Instead, the term "Transmission Provider" is used to delineate those duties that will be performed by Entergy personnel, as opposed to the ICT.

1.2 Applicability

In accordance with Attachment S and the ICT Protocols, the ICT shall apply the procedures set forth herein on a non-discriminatory basis to evaluate Available Transfer Capability ("ATC") for the following transmission service requests ("TSRs") under this Tariff: (1) Short-Term Firm Point-To-Point Transmission Service; (2) Non-Firm Point-To-Point Transmission Service; (3) requests by existing Network Customers to designate new Network Resources for a duration of less than one year; and (4) Secondary Service requests by existing Network Customers under Section 28.4 of the Tariff. For all other requests, the ICT shall apply the procedures set forth in Attachment D, including TSRs for: (1) Long-Term Firm Point-To-Point Transmission Service; (2) Network Integration Transmission Service by new Network Customers; (3) new Network Resources of one year or more for existing Network Customers; and (4) requests by existing Network Customers to designate Network Resources and obtain rollover rights.

The ICT will respond to a valid Application for Transmission Service under this Tariff by performing studies pursuant to this Attachment C to assess whether sufficient transmission capability exists to accommodate the service requested in the Application. These studies will be made using a flow-based approach to determine the capability of the interconnected network to accommodate the request for Transmission Service ("AFC Process"). Requests for Point-to-Point Transmission Service will be made from source(s) to sink(s) as required by Attachment M, and requests for Network Service will be made by designating Network Resources, secondary resources and/or Network Load as required by Section 30 of the Tariff. If a TSR is denied, the ICT, upon request, will provide information to support the reason for the denial and the Transmission Provider will maintain such information for five (5) years. Flowcharts of the AFC Process are included in Exhibit 1 to this Attachment C.

2. Criteria for Flowgates and Transmission Facilities

2.1 Criteria for Initial Selection of Monitored Flowgates

The AFC process determines ATC by monitoring the impact of TSRs on certain specified flowgates. A flowgate represents a constrained transmission facility that exceeds 100% of its rating during a power transfer. A flowgate can be either: (1) a single transmission facility (monitored element); or (2) a set of transmission facilities that includes monitored elements and contingent elements.

In selecting the initial set of monitored flowgates, the Transmission Provider included flowgates that violated: (1) 100% loading of a transmission facility rating for normal operation; (2) 100% loading of a transmission facility rating during first contingency conditions; (3) 92% of nominal voltage under single contingency conditions for transmission substation voltages below 230 kV; (4) a 92% to 96% nominal voltage under single contingency conditions for EHV stations (230 kV and above); and (5) 100% of the stability rating (as established by specific stability studies) under normal operation or single contingency event.

The Transmission Provider used criteria based upon NERC Reliability Standards TPL-001-0 through TPL-004-0 and the Southeastern Electric Reliability Council's ("SERC") supplement to that standard to define when a transmission facility exceeds 100% of its rating. In determining whether a facility met NERC criteria, the Transmission Provider reviewed its existing power flow studies, including Generator Operating Limit (GOL) studies, TTC/ATC studies, system impact studies and studies performed in the real time environment. These studies were performed by using a base case power flow model to simulate a series of contingency analyses and monitoring all transmission facilities above a select voltage level depending upon the study being performed. To the extent that a particular facility exceeded 100% of its rating in previous studies or in real time operating conditions, the Transmission Provider considered the frequency and severity of those occurrences when determining whether the flowgate should be monitored. The ICT shall post the Master List of Flowgates (Master List) on OASIS.

2.2 Criteria for Adding/Removing Monitored Flowgates

The ICT or the Transmission Provider may propose to modify the Master List by including new flowgates or excluding existing flowgates. For modifications proposed by the Transmission Provider, the Transmission Provider will document and supply to the ICT all studies, analyses and research conducted in connection with the proposed change. The ICT will review and validate all proposed changes to the Master List to ensure that such changes are consistent with the criteria outlined below. For purposes of this Section 2.2, the responsibility of the ICT to "review and validate" shall mean that the ICT will review the inputs and results of any study or analysis and confirm that the study results reasonably reflect the application and product of the criteria specified in this Section 2.2.

2.2.1 Adding New Flowgates. The Transmission Provider will use the following process to add new flowgates to the Master List. The ICT will review and validate that new flowgates are added to the Master List in accordance with the following criteria:

2.2.1.1 When, through operational experience, a flowgate violates (1) 100% loading of the rating of a transmission facility for normal operation; (2) 100% loading of the rating of a transmission facility during first contingency conditions; (3) 92% of nominal voltage under single contingency conditions for transmission substation voltages below 230 kV; (4) a 92% to 96% nominal voltage under single contingency conditions for EHV stations (230 kV and above); and (5) 100% of the stability rating (as

established by specific stability studies) under normal operation or single contingency event, the Transmission Provider shall add the identified flowgate to the Master List and the ICT will update the Master List on OASIS. 2.2.1.2. When new facilities, including but not limited to generation units, transmission facility additions or upgrades, are added to the Transmission System, the Transmission Provider will perform studies to identify additional flowgates to add to the Master List, in accordance with the criteria listed in Section 2.2.1.1 - 2.2.2.3. When a new transmission facility is added that relieves an existing flowgate listed on the Master List, the Transmission Provider will perform studies to determine whether a flowgate should be identified to replace the unconstrained flowgate on the List of Flowgates, in accordance with the criteria listed in this Section 2.2.1.1.

2.2.1.2 Flowgates outside of the Transmission System may also be included in the list of flowgates to be monitored as necessary. These flowgates will generally be taken from the NERC Book of Flowgates and will be coordinated with the neighboring transmission provider as necessary. These external flowgates are used to determine transfer capability values that may be limited by flowgates external to the Transmission System.

2.2.2 Removing Flowgates

The Transmission Provider will use the following process to remove flowgates from the Master List. The ICT will review and validate that the removal of flowgates from the Master List is in accordance with the following process:

2.2.2.1 On an annual basis, the Transmission Provider will review the AFC logs to determine which flowgates have not limited service on the Transmission System.

2.2.2.2 From the resulting list of flowgates identified in Section 2.2.2.1, the Transmission Provider will derive a subset of flowgates with loading levels that do not exceed 60 percent of their rating. This step will identify the Proposed Removal Candidate Flowgates.

2.2.2.3 The Transmission Provider will review the Proposed Removal Candidate Flowgates against real-time reliability data to determine whether any of the Proposed Removal Candidate Flowgates must be retained for reliability concerns on the Transmission System. This step will identify the post-contingent loading level of each Proposed Removal Candidate Flowgate.

2.2.2.4 The resulting list of Removal Candidate Flowgates will be sorted by post-contingent loading level and prioritized for removal from the Master List. If the number of Removal Candidate Flowgates identified through this removal review process exceeds the number of flowgates added to the Master List in the review year, the Transmission Provider will remove the same number of flowgates as were added to the Master List in the review year. If fewer Removal Candidate Flowgates are identified by the removal review process than were added during the review year, the Transmission Provider will remove the entire list of Removal Candidate Flowgates from the Master List and expand the total number of flowgates on the Master List as necessary to maintain reliability of the Transmission System. The Transmission

Provider will provide the ICT with an updated Master List and the ICT will post such updated Master List to the Entergy OASIS.

As indicated in 2.2.2.4, the process is designed to retain a constant number of flowgates (approximately 300 flowgates) on the Master List. Expansion of this total number of flowgates may be necessary as system conditions change on the Transmission System.

3. CALCULATION OF AFC VALUES

3.1 Base Case Models

The AFC process generates a base case model that simulates anticipated system conditions. The base system conditions include projected load, generation dispatch, system configuration/outages, and base flow transactions. RFCalc produces power flow models representing three distinct time periods: (1) hourly models in the Operating and Planning Horizons for Hour 1 to Hour 168; (2) daily models in the Planning Horizon for Day 8 to Day 31; and (3) monthly models in the Study Horizon for Month 2 to Month 18. In accordance with Sections 8.1 and 8.2 of the Transmission Service Protocol, the Transmission Provider maintains and services the AFC Software.

The power flow model used to determine constrained facility base flow and Response Factors for the Operating and Planning Horizons is based on the Transmission Provider's EMS and a state estimator snapshot of the real-time system. The power flow model for the Study Horizon uses off-line power flow studies, such as PSS/E and MUST. During the resynchronization process, the base case models are modified to reflect additional transactions as discrete injections and withdrawals. Using these models as the starting point, RFCalc applies the formulas described below to compute the AFC value on each monitored flowgate. Under Sections 6 and 8 of the Transmission Service Protocol, the Transmission Provider is responsible for supplying data inputs and information necessary for creating hourly, daily and monthly base case models. The ICT will be responsible for reviewing and validating the data inputs, information and base case models.

For purposes of this Section 3, the responsibility of the ICT to "review and validate" shall mean that the ICT will take reasonable steps to ensure that the data inputs are properly loaded and reflected in either RFCalc or the Transmission Provider's modeling processes and that the resultant AFC values (i) reasonably reflect the application and product of RFCalc or the Transmission Provider's modeling processes and (ii) are reasonably consistent with the current topology of the Transmission System.

3.2 AFC Formula for Non-firm Transmission Service Requests

OASIS Automation computes Non-Firm AFC for both the Operating and Planning Horizons. Non-Firm AFC is the capacity that remains on a constrained facility after subtracting power flows for service to Native Load Customers, Network Customers, Firm Point-to-Point Customers, Non-Firm Point-to-Point Customers and other firm and non-firm transactions. Non-Firm AFC is computed in the Planning Horizon using the same power flow solution as used for Firm AFC, with the exception that the effects of non-firm reservations will not be removed from base flows by OASIS Automation. After the power flow model has been solved for a time segment, OASIS Automation/RFCalc takes the base flows of constrained facilities and adjusts them to remove a percentage of the counter-flows from both firm and non-firm reservations. The adjustment to remove a percentage of counter-flows only applies to the most limiting facilities for a source/sink pair. After

adjusting base flows for the effects of firm and non-firm reservations, OASIS Automation uses the following formula to determine Non-Firm AFC:

$$\text{Non-Firm AFC} = \text{Rating} - \text{TRM} - \text{Base Flow}_{\text{NON-FIRM}}$$

Where:

Non-Firm AFC	=	the amount of non-firm transfer capability over that flowgate that remains available for additional transmission service reservations above and beyond existing uses of the transmission system
Rating	=	the capability of a flowgate in a time period
TRM	=	Transmission Reliability Margin
Base Flow (Non-Firm)	=	the expected firm and non-firm power flow through a Flowgate in a time period with all pertinent flows included in the power flow base case

3.3 AFC Calculation Horizons

AFC values are calculated for three different time periods: (1) the Operating Horizon, which includes all hours of the current day (Day 1) and, after 12:00 p.m., all hours of the next day (Day 2); (2) the Planning Horizon, which extends from the end of the Operating Horizon through the thirty-first day (Day 31); and (3) the Study Horizon, which extends from the end of the Planning Horizon through the eighteenth month (Month 18).

3.3.1 Operating Horizon

In the Operating Horizon, the Non-Firm AFC values for each flowgate are calculated by OASIS Automation, which uses Response Factors and base flow calculated by RFCalc. The topology for the base case model for the first three hours in the Operating Horizon is generated by Entergy's State Estimator. The relevant unit commitment and load forecast inputs are incorporated into the model. Beyond the first three hours, RFCalc creates the base case model using Entergy's EMS as modified to take into account outages, unit commitment, load forecasts and other system conditions. Using the power flow models and Non-Firm AFC formula discussed above, OASIS Automation calculates Non-Firm AFC values for all hours of Day 1 and, after 12:00 p.m., all hours of Day 2. This calculation is performed for Non-firm AFC values only. Firm AFC values are not calculated for the Operating Horizon because requests for firm Transmission Service must be submitted by 12:00 p.m. on the day prior to commencement of such service. Therefore, because firm service cannot be requested during the Operating Horizon, only Non-Firm AFCs are calculated for that horizon. All Non-Firm AFC values and Response Factors for the Operating Horizon are calculated and updated at least on an hourly basis to reflect changing system conditions, including additional confirmed Transmission Service reservations and schedules.

3.3.2 Planning Horizon

In the Planning Horizon, Firm and Non-Firm AFC values for each flowgate are calculated by OASIS Automation, which uses Response Factors and base flow calculated by RFCalc. The base case model is generated by RFCalc using data from Entergy's EMS as modified to take into account outages, unit commitment, load forecasts and other system conditions. OASIS Automation calculates hourly Firm and

Non-Firm AFC values for each flowgate for Day 2 through Day 7 and daily Firm and Non-Firm AFC values for Day 3 to Day 31. OASIS Automation updates both Firm AFC and Non-Firm AFC values for the Planning Horizon at least every day to reflect changing system conditions, including additional confirmed Transmission Service reservations. In between such updates, Non-Firm and Firm AFC values are decremented algebraically to reflect subsequent Transmission Service reservations.

3.3.3 Study Horizon

In the Study Horizon, the ICT, using data inputs and power flow models developed by the Transmission Provider and reviewed and validated by the ICT, calculates monthly Response Factors and AFC values by conducting off-line power flow studies, such as PSS/E and MUST. The off-line planning models are developed on a rolling eighteen-month basis and are representative of monthly peak-hour conditions. The OASIS Automation software calculates both Firm and Non-firm AFC values for the Study Horizon and updates those values at least on a monthly (currently weekly) basis to reflect changing system conditions and additional confirmed transmission reservations. In between such updates, Non-Firm and Firm AFC values are decremented algebraically to reflect subsequent Transmission Service reservations.

3.4 AFC Formula for Firm Transmission Service Requests

OASIS Automation computes Firm AFC for the Planning and Study Horizons. Firm AFC is not available for the Operating Horizon, and therefore, is not computed for this time frame. Firm AFC is the capacity that remains on the constrained facility after subtracting power flows for service to Native Load Customers, Network Customers, Firm Point-to-Point Customers and other firm transactions.

For the Planning Horizon, Firm AFC will be determined at least once a day during the daily resynchronization by solving a power flow model that includes both firm and non-firm transmission reservation and is based on data from the Transmission Provider's Emergency Management System (EMS). For the Study Horizon, Firm AFC will be determined on a monthly basis by solving an off-line power flow models that include both firm and non-firm transmission reservations. The flows on constrained facilities should represent base flows that serve Native Load Customers, Network Customers, Firm Point-to-Point Customers and other firm transactions.

After the power flow model has been solved for a time segment, OASIS Automation takes the base flows of constrained facilities and adjusts them to remove the effects of non-firm reservations from the most limiting facilities that were evaluated in the power flow model. OASIS Automation/RFCalc also takes the base flows of constrained facilities and adjusts them to remove a percentage of the counter-flows from firm reservations. The adjustment to remove a percentage of counter-flows only applies to the most limiting facilities for a source/sink pair. After adjusting base flows for the effects of firm and non-firm reservations, OASIS Automation uses the following formula to determine Firm AFC:

$$\text{Firm AFC} = \text{Rating} - \text{TRM} - \text{CBM} - \text{Base Flow}_{\text{FIRM}}$$

Where:

Firm AFC	=	the amount of firm transfer capability over that flowgate that remains available for additional transmission service reservations above and beyond existing uses of the transmission system
Rating	=	the capability of a flowgate in a time period
TRM	=	Transmission Reliability Margin
CBM	=	Capacity Benefit Margin
Base Flow (Firm)	=	the expected firm power flow through a flowgate in a time period with all pertinent flows included in the power flow base case

3.5 Resynchronization of AFC Values

AFC values will be resynchronized: (i) every hour during the Operating Horizon; (ii) at least every day for the Planning Horizon; (iii) and no less than every month during the Study Horizon. Resynchronizations may occur more frequently if necessary. The ICT may also direct resynchronizations of AFC values pursuant to Section 8.3 of the Transmission Service Protocol.

For the Operating and Planning Horizons, RFCalc incorporates all the data inputs during the resynchronization process to develop power flow models that define each time point included in the Operating and Study horizons. During the resynchronization process, prior commitment and confirmed TSRs are modeled into the base case as discrete injections and withdrawals, and new base flows are determined from these models. Using the new base flow amounts and models, RFCalc recalculates the base flow value on each monitored flowgate in the Master List. For the Study Horizon, this process is performed by an off-line AFC calculator. When a new TSR is accepted between resynchronizations, the "Most Limiting Flowgates"[1] that are significantly impacted by that particular request will be updated on OASIS by algebraically decrementing the appropriate AFC values. At the time of the next resynchronization, the TSRs that have been confirmed since the last resynchronization will then be modeled as physical injections and withdrawals in the same manner of all other previously granted service requests.

[1] Although the AFC process will monitor approximately 300-500 flowgates, OASIS Automation will use a more limited set of flowgates, as determined by RFCalc, to evaluate individual TSRs. The Most Limiting Flowgates are the fifteen flowgates with the lowest effective ATC values for the TSR at issue.

4. INPUTS TO BASE CASE MODELS AND THE AFC FORMULAS

4.1 Base Flow

The Base Flow calculation for Firm AFC values takes into account all existing firm Transmission Service, including capacity reserved for: (1) Firm Point-to-Point Transmission Service; (2) service to Network and Native Load customers; and (3) other firm Transmission Service, such as service under pre-Order No. 888 grandfathered agreements. The Base Flow calculation will also take into account any relevant counterflows.

Entergy models the output of QF/Cogeneration units to a level sufficient to meet any host load requirements. To the extent there is a firm or non-firm reservation from a QF, it will be handled the same as a firm or non-firm reservation from any other source on the Transmission System.

Under Sections 6 and 8 of the Transmission Service Protocol, the Transmission Provider is responsible for supplying the data inputs and information necessary for creating the hourly, daily and monthly base case models. RFCalc utilizes this data to create hourly and daily models, while the Transmission Provider creates monthly models for use with off-line power flow applications, such as PSSE/MUST. The ICT is responsible for reviewing and validating the data inputs, information and base case models supplied by the Transmission Provider. The ICT's "review and validation" responsibility shall obligate the ICT to take reasonable steps to ensure that the data inputs are properly loaded and reflected in the Transmission Provider's modeling processes and that the resultant AFC values (i) reasonably reflect the application and product of these modeling processes and (ii) are reasonably consistent with the current topology of the Transmission System.

To account for all existing firm uses of the Transmission System, assumptions must be made for the load forecast, unit commitment, scheduled outages, counterflows, and net interchange. The actual dispatch on the Transmission System may differ from the expected dispatch modeled in the AFC process due to uncertainties involving unplanned unit outages and unplanned derates, Qualified Facility puts, load forecasting, and short-term purchases by Network Customers.

4.2 Load Forecast

For the Operating Horizon and the Planning Horizon, Entergy’s System Planning Organization (SPO) and all other AFC process participants will be provided with a secure Web-based portal to upload the load forecast data. Pursuant to Section 4.2.1, SPO and all Network Customers will be required to submit load forecast data for their respective loads through this portal. If a Network Customer does not supply load forecast data for a particular time period, historical data will be used to create a load forecast for purposes of calculating AFC values. SPO supplies a load forecast for the load served by Entergy. All other Network Customers supply a load forecast for their own load. To the extent that RFcalc must calculate a load for load areas not included in the SPO supplied load forecast, this is accomplished by assigning these non-forecasted areas a factor, and then applying the scaling factor to calculate the area load based on an assumed forecast area.

For the Study Horizon, the load forecast is based on inputs received from SPO for the Entergy Control Area. For Network Customers and Control Areas that are embedded in footprint of the Transmission System, the Transmission Provider uses load forecast data to the extent it is supplied by the host entity. If no such data is available, the Transmission Provider defines the load level for these Control Areas/Network Customers based on a scaling factor using the peak load forecast as reference. External Control Area

loads are at levels defined by the VAST[2] study group models or the Multi-regional Model Working Group (MMWG). To the extent an external Control Area supplies load forecast data to the Transmission Provider, this data will supersede data from the VAST or MMWG model.

4.2.1 Unit Commitment and Dispatch Forecasts – Planning and Operating Horizons

Generation unit commitment and dispatch will be modeled in the Planning and Operation Horizons pursuant to the process described below once all necessary software modifications have become operational. Because the software modifications necessary for the Default Format dispatch methodology described below will be operational first, this methodology will be used exclusively until the remaining software modifications are completed.

4.2.1.1 Generation Data Required for Modeling Service to Network/Native Load

For the Operating and Planning Horizons, SPO and all other Network Customers will be provided with a secure Web based portal to upload generation unit commitment and dispatch. SPO and all Network Customers will be required to submit generation data for their respective loads through this portal. All generation and load files must be submitted each weekday morning no later than the time specified by the ICT, so that updated dispatch information can be incorporated into AFC calculations for that day. More frequent updates will be accommodated if available. All data files submitted by SPO and Network Customers will be treated as confidential information belonging to the customer submitting that information. Network Customers will be required to use secure digital certificates to log-in to the web portal and will only have access to their own data. The files themselves will not be posted on OASIS, but the dispatch levels produced by the AFC process will be included in the AFC models posted on OASIS. Customer dispatch files referenced herein are only projections of anticipated unit commitment/dispatch decisions that often will not reflect the real-time operating status of units.

SPO and all other customers will have the option of submitting dispatch information in three formats: (a) Stack Format, (b) the Hourly Format and (c) the Unit Commitment Format. The choice of which format to use will be left to the customer. RFcalc and other supporting software will pre-process all dispatch files provided by customers and SPO. If RFcalc determines that any of the files submitted by a customer or SPO do NOT meet the applicable requirements, RFcalc will dispatch the resources according to the Default Format. The pre-processing function performed by RFcalc will ensure that various requirements are met, including (but not limited to): (i) the format of the files are correct; (ii) all reservations specified in the files are confirmed reservations for firm Network Service; (iii) hourly dispatch levels and PMAX values are consistent with designated Network Resource capacity; (iv) sufficient Network Resources have been provided to meet network or native load; and (v) hourly dispatch values for individual units are reflective of the facility in question in terms of minimum and maximum run levels and ability of the unit to ramp over the entire range of run levels. After RFcalc confirms that the Stack, Hourly and UC Format files for each customer meets the applicable requirements, RFcalc will follow the sequential process described in Section 4.2.1.2 below to build power flow models and dispatch generation to serve network and native load.

A. Stack Format

Customers that choose the Stack Format option will be required to submit the following information:

[2] The VAST study group is comprised of engineers from Entergy, Southern Company, TVA, and VACAR who coordinate power flow model development for the SERC subregion.

- Forecasted hourly load for each hour of the next 11 days, (Days 1-11) and forecasted peak-hour load for each day of the next 24 days (Days 12-35);
- Three separate lists (or "stacks") of OASIS reservations for all confirmed Network Resources (short-term and long-term), with each list arranged in the dispatch order preferred by the customer with the resource to be dispatched first-listed-first and the resource to be dispatched last-listed-last. A separate stack should be submitted for each of the following periods: (1) the peak hours (HE[3] 7 - 22) for each day of the next 11 days; (2) the off-peak hours (HE 1-6, 23-24) for the next 11 days; and (3) the peak hours for the next 24 days. The reservations listed in each stack will be identified by OASIS ID numbers;[4] and
- The sum total of the OATT reservation capacity listed in the Stack Format file must be at least equal to the highest forecasted load plus losses in each hour of the three periods identified above.

B. Hourly Format

Network Customers that choose the Hourly Format option will be required to submit the following information:

- Forecasted hourly load for each hour of the next 11 days, (Days 1-11) and forecasted peak-hour load for each day of the next 24 days (Days 12-35);
- Forecasted hourly dispatch for each hour of the next 11 days, (Days 1-11) and for the peak-hour load for each day of the next 24 days (Days 12-35). The forecasted hourly and peak-hour dispatch must be provided on a reservation-specific basis and can only include confirmed reservations for short-term and long-term designated Network Resources. Network Resources that do not currently have an OASIS ID number will be required to obtain an OASIS ID number that will be used for purposes of this option; and
- The forecasted hourly dispatch listed in the Hourly Format file must be equal to the forecasted load plus losses for each time point.

C. Unit Commitment Format

Customers that choose the Unit Commitment (UC) Format option will be required to submit the following information:

- Forecasted hourly load for each hour of the next 11 days, and forecasted peak-hour load for each day of the next 24 days;
- A UC Format file that contains the customer's designated long-term Network Resources and the following information for those resources: minimum and maximum run levels, resource availability (*i.e.,* outage schedule) and a forecasted hourly dispatch of those resources for each hour of the next 11 days, (Days 1-11) and for the peak-hour load for each day of the next 24 days (Days 12-31). The forecasted hourly dispatch does not have to equal total Network Load and losses and cannot include resources for which firm Transmission Service has not been reserved. The UC Format file dispatch

[3] "HE" denotes Hour Ending.

[4] Where the designated network resource is a power purchase contract that is being sourced from a unit directly interconnected with the Transmission System, the OASIS ID number used must be specific to that generating unit.

should be based on long-term confirmed firm service only and should not include any capacity reserved via short-term service requests;

- One or more Stack Format files containing the customer's OASIS reservations for short-term confirmed Network Resources arranged in dispatch order. As with the Stack Format option, the customer will submit a separate "stack" for each period (peak during the next 11 days, off-peak during the next 11 days, and peak for the next 24 days) for which the Hourly Format file is insufficient to meet load plus losses in any hour; and
- The UC and Stack Format files, when combined, must provide sufficient resources to meet forecasted network load and losses in each hour of the three periods identified above.

4.2.1.2 Modeling Service to Network/Native Load Using Customer-Supplied Data

After RFcalc confirms that the Stack, Hourly and UC Format files meet the applicable requirements, RFcalc will dispatch generation to meet Network Load in the following manner. Regardless of the format selected, generation will be modeled to serve load in the following order: (1) Network Customers outside of the Entergy Control Area; (2) Network Customers and "grandfathered" customers within the Entergy Control Area; (3) Network Customers with a Control Area with load included in the SPO load; and (4) SPO load.

- For customers that choose the Hourly Format, RFCALC will dispatch the reservations as specified in the file. All reservations (or portions thereof) that are not dispatched in the Hourly Format file but that are still available for scheduling by the customer on a firm basis will be treated as "Excess Reservations." If the dispatch provided in the Hourly Format file is insufficient to meet the loads and losses of the customer, or is in excess of load and losses for the customer, the default option will be used except for customer who are full or partial requirement customers of SPO and have option of reserving additional service. For these full or partial requirement customers the hourly dispatch is not required to be equal to load and losses and any unbalanced portion of their load will be balanced with SPO resources.

- For customers that choose the Stack Format, RFcalc will dispatch the reservations sequentially in the dispatch order until the load requirements are met. Once RFcalc has dispatched the reservations such that generation meets load and losses, any remaining reservations (or portions thereof) will be treated as "Excess Reservations" under Section 4.2.2.1 below. If the dispatch provided in the stack is not sufficient to meet the load and losses of the Network Customer, then depending upon the type of Network Customer, RFcalc will take the following approach to balance the remaining load and losses:

  1. For customers that are full or partial requirement customers of SPO and have the option of reserving additional service, their remaining load will be balanced by using SPO resources.

  2. For customers that are not full or partial requirement SPO customers, RFcalc will look for additional confirmed reservations on OASIS. These will be confirmed reservations sinking into the Network Customer but not specified in the stack. These reservations should be modeled in reverse queue order (*i.e.* the last queued should be modeled first). If after modeling the customer's stack and remaining confirmed oasis reservations, and the load of the Network Customer is still not met, RFcalc will utilize the AGC[5] units in the Control Area in which the Network Customer load resides to meet the remaining load. If after exhausting all AGC units up to their PMAX, the load is still not met, RFcalc will adjust the NI of the Control Area to

[5] For purposes of the AFC Process, AGC are those generation units that are designated in the model for load balancing but do not necessarily have automatic generation control capability.

balance the load. If the NI adjustment also fails to meet the load the Powerflow may diverge for that particular timepoint.

- For customers that choose the UC Format, RFcalc will dispatch the available Network Resources at the hourly levels specified in the UC Format file. RFcalc will use the reservations identified in the Stack Format file to meet load to the extent that the dispatch of the UC Format file does not fully serve the load and losses. While modeling reservations specified in the stack order. RFcalc will check if the reservation is a long-term reservation. A long-term reservation is any reservation which is for a period greater than one year. If the reservation is long-term, then RFcalc will only dispatch the portion of the reservation not specified in the UC Format file. If there are any reservations remaining after load has been met, those reservations will be treated as "Excess Reservations" as described in Section 4.2.2.1 below. If both the UC Format file dispatch and the reservation stack are not sufficient to meet the load and losses of the customer, depending upon the type of customer, RFcalc will take the following approach to balance the remaining load and losses:

  1. For customers that are full or partial requirement customers of SPO and have the option of reserving additional service, their remaining load will be balanced by using SPO resources.

  2. For customers that are not full or partial requirement SPO customers, RFcalc will look for additional confirmed reservations on OASIS. These will be confirmed reservations sinking into the customer but not specified in the stack. These reservations should be modeled in reverse queue order (*i.e.* the last queued should be modeled first). If after modeling customer stack and remaining confirmed OASIS reservations, the load of the customer is still not met, RFcalc will utilize the AGC units in the Control Area in which Network Customer load resides to meet the remaining load. If after exhausting all AGC units up to their PMAX and the load is still not met, RFcalc will adjust the NI of the Control Area to balance the load. If the NI adjustment also fails to meet the load, the Powerflow may diverge for that particular timepoint.

4.2.2 Modeling Service to Network/Native Load Using the Default Format

RFcalc will dispatch OATT reservations and Network Resources according to the Default Format during any resynchronization where a valid Hourly, Stack or UC Format file is not available, as described below. This includes instances where a Network Customer or SPO does not provide any file or the file does not meet the applicable requirements.

Under the Default Format, if the load data is provided by a customer RFcalc will utilize it. If the load data is not provided RFcalc will derive the load by using a scale factor against the SPO load.
In the Default Format option, if the customer has provided a UC Format file RFcalc will first model the UC Format file dispatch and then look for all confirmed OASIS reservations (Network and Point-to-Point) sinking into the customer to meet the remaining load of the customer. RFcalc will model these reservations in reverse queue order. While modeling reservations in reverse queue order, RFcalc will check if the reservation is a long-term reservation. If the reservation is long-term, then RFcalc will only dispatch the portion of the reservation not specified in UC Format file.

If the customer has not provided a UC Format file, then RFcalc will model the confirmed reservations (Network and Point-to-Point) sinking into the customer in reverse queue order. RFcalc can partially model a reservation to satisfy load requirements.

If after modeling all confirmed reservations (Network and Point-to-Point) as specified above, and the load of the customer is still not met, and the customer is not a full or partial requirement customer of SPO, RFcalc

will first dispatch the AGC generators in the Control Area where the customer load resides. These generators can be dispatched up to their MW max limit. If after this step the load has still not been met, RFcalc will change the NI of the Control Area where the customer load resides to meet the load. If changing the NI also does not meet the load the Powerflow for that timepoint may diverge. For customers who are full or partial requirement customers of SPO, their unbalanced load will be balanced by using SPO resources.

4.2.2.1 Treatment of Excess Reservations for Network/Native Load

Under the procedures described above in Section 4.2.1.1, there will be instances where reservations that have been confirmed are not modeled or "dispatched" in the base case. These reservations are referred to as "Excess Reservations." To prevent overselling, RFcalc will algebraically decrement the impact of Excess Reservations on the two proxy flowgates (PMAX and TIECAP). For those reservations that are partially dispatched in the base case model (*i.e.,* not at full output), the un-modeled impact of those reservations will be decremented against these two flowgates also. The impact of Excess Reservations would *not* be decremented against the other flowgates included in the list of the Most Limiting Flowgates.

4.2.2.2 Modeling Point-to-Point Service

RFcalc will model most firm point-to-point reservations (imports and exports) at their respective reservation levels. There are some customers that serve load using grandfathered point-to-point reservations. For these specific point-to-point reservations that sink to Network Load, RFcalc will utilize the process described in Section 4.2.2.1.

4.2.2.3 Modeling Unconfirmed Reservations

Reservations (both Point-to-Point and new Network Resources) that are in accepted mode and counteroffered will not be modeled in base flows after resynchronization. Reservations that are in accepted or counter offer mode will be algebraically decremented against the two proxy flowgates (PMAX and TIECAP) and the remaining top-thirteen flowgates until such time as they are withdrawn, rejected or confirmed. All reservations that are in study mode will be algebraically decremented against the two proxy flowgates (PMAX and TIECAP) and the remaining top-thirteen flowgates. Once an accepted request is confirmed, it will only be modeled if included in the customer's dispatch files or until such time as RFcalc requires modeling of those reservations to meet the customer's load. When an accepted request is confirmed in between resynchronizations, it will continue to be decremented against the two proxy flowgates (PMAX and TIECAP) and the remaining top-thirteen flowgates until such time there is an RFCalc and OASIS Automation resync. Confirmed reservations for Network Resources that are not modeled by RFcalc will be treated as Excess Reservations and will be decremented against the two proxy flowgates (PMAX and TIECAP) but not the remaining top-fifteen flowgates.

4.2.3 Unit Commitment and Dispatch – Planning Horizon and Study Horizon

Unit commitment and dispatch is based on information provided by SPO and other Network Customers. For the Entergy Operating Companies serving Entergy native load, the Network Resources of the Entergy Operating Companies are set to meet Entergy's native load based in part on information provided by the entity responsible for serving that load, *i.e.,* Entergy's SPO group. This information varies depending on the time horizon in question. Additional information from other sources that is used to determine unit commitment includes updated data regarding Network Resources, purchases and sale transactions, and

net interchange. Unit commitment and dispatch assumptions for months 2 through 18 are derived from power flow models prepared using PSS/E and MUST software tools and data provided by SPO. These same issues discussed above with respect to differences between simulated operations (here, in PSS/E MUST) and actual operations are present in these time horizons also. The process for developing unit commitment and dispatch assumptions for the Study Horizon is further described in this Section 4.2.3.

4.2.4 Outages

Entergy's AFC analysis accounts for planned transmission facility outages scheduled for construction and maintenance activities and unplanned transmission facility outages. For the first three hours of the Operating Horizon, the transmission topology is supplied to RFCalc straight from the EMS. The Transmission Provider adjusts the EMS topology for hours 4 through day 31, based on planned transmission facility outage schedules. Planned outages are posted on the Entergy OASIS. In the Study Horizon, the Transmission Provider factors planned outages into the off-line model development. Entergy posts outage information on the OASIS as described in Section 9.3.

4.2.5 Counterflow

The Base Flow calculation also takes into account any relevant counterflows as discussed below in section 4.6.

4.2.6 Net interchange

Net Interchange ("NI") describes the amount of power estimated to flow between Entergy and the external Control Areas modeled in the AFC analysis. NI for the Entergy Control Area is defined by total exports to external Control Areas minus total imports into the Entergy Control Area. For the Entergy Control Area, all the reservations/schedules with external Control Areas are available from the OASIS and therefore can be used to define NI for the Entergy Control Area. Thus, the NI for the Entergy Control Area is computed by using all reservations and schedules which are modeled to balance the loads and bilateral transactions with external areas. For some external Control Areas which are Network Customers or small areas, the NI is computed by using the reservations/schedules available from the OASIS in the same manner as NI computations for Entergy. For some larger external Control Areas, Entergy only has information on reservations/schedules between Entergy and the external Control Area. Therefore, the NI for each time point for external Control Areas has to be derived using available information. The process used for deriving the NI for these large external Control Areas is described below:

- For the Operating Horizon and the Planning Horizon, RFCalc derives NI for some large external Control Areas each period in the analysis by taking actual, current NI information, the transaction between Entergy and the external Control Area and adding an estimate of the change in NI. The actual, current NI is identified using the real-time state estimator ("SE") model solution for the current hour (the hour in which the calculation is made). Since the real-time state estimator solution represents actual system conditions, it is assumed to be an accurate representation of the NI across all Control Areas in the model. The estimated change in NI is based on information from Entergy's OASIS. An estimate of NI in the current hour is based on all scheduled OASIS reservations across the interfaces for the current hour. An estimate of NI for a future hour is based on all OASIS reservations and schedules that are across control area boundaries and are modeled by RFCALC to balance the load and generation. The estimated change in NI is the difference between the estimate for the current hour scheduled interchange and the net sum of all schedules and reservations modeled by RFCALC for load balancing and

the power crossing the interface between Entergy and the subject external Control Area for the future hour. The NI estimate used in the AFC analysis is the sum of the actual NI for the current real-time hour and the estimated change in NI.

The NI for Day 8 through 31 is derived in a similar fashion to the method described for the Operation Horizon through Day 7. However, the NI in months 2 through 18 for external Control Areas is derived from models developed by the VAST study group model development efforts.

4.3 Modeling Assumptions

Set forth below are the modeling assumptions for the Operating, Planning and Study Horizons. To the extent practicable, these assumptions are consistent with the assumptions used for operations and system planning.

4.3.1 Operating and Planning Horizons

RFcalc creates the base case model using EMS as modified to take into account outages, unit commitment, load forecasts, and upon the effectiveness of Section 4.2.1, reservation priority data, hourly dispatch information, and other system conditions. Additional inputs to the EMS models for the Operating Horizon (12-36 hours, depending on proximity to noon) include all firm schedules and all confirmed non-firm reservations. The data is received from various sources, including: (i) Transmission Automated Outage Request System ("TAORS") for transmission outages; (ii) Transmission Consolidated Outage System (“COS”) (iii) SPO inputs for unit commitment and dispatch and load forecasts (iv) Network Resources and load forecasts from other Network Customers; (v) purchase and sales transactions from OASIS ; and (v) schedules from the scheduling system.

The provision of unit commitment data (or Designated Network Resource ("DNR") levels) is submitted through OASIS TSRs. New TSRs are entered with a designation that the unit is a new DNR or an increase in the designation of an existing DNR. Existing TSRs are undesignated in order to reduce a designation or to de-list a DNR. Other factors affecting the generation dispatch include: (i) unplanned unit outages and unplanned de-rating of transmission facilities; (ii) Qualifying Facility (“QF”) puts; (iii) load forecasting (iv) and short-term purchases by Network Customers.

When modeling generation outages, RFCalc assumes: (1) all Network Resource oil and gas generators are in service if they are not on planned maintenance, emergency or long term outage; (2) Network Resource generators other than oil and gas are in service if the dispatch for the generator in the unit commitment file is non-zero; and (3) all merchant facilities, Independent Power Producers and Qualifying Facilities ("IPP"), are in service.

When modeling load, RFcalc assumes system load for hourly models to be the hourly integrated value for each hour supplied by SPO and other Network Customers. Load data includes hourly load forecasts for the next 11 days, and daily peak load forecasts from Day 12 to Day 35. If a Network Customer does not provide load forecasts, historical information is used. Forecasts for Tennessee Valley Authority (“TVA”) and the Southern Companies (“Southern”) are received from TVA and Southern via the SDX data exchange. Load forecasts for other companies surrounding the Entergy Control Area, including AECI, CSWS, AMRN, EDE, LAFA, SPA, OKGE, LAGN and LEPA,[7] are obtained from SPP via an FTP site. Some of these load forecasts are scaled by the Transmission Provider to match the equivalent model while maintaining the

[7] A NERC Control Area acronym list can be obtained at: http://www.nerc.com/~filez/ctrlarealist.htm.

shape of load curve. Load forecasts for external areas other than those listed above are derived by using a scaling factor.

Subsystem files for hourly models only include units that are online and have an assigned participation factor. Therefore, these units are the only participants in the transfer because RFCalc specifically uses units that are online in the calculation of response factors.

Transmission outages, both planned and unplanned, for facilities with voltage levels 115 kV or more, are included in AFC operating and planning models. Outages of bus breakers and power transformers are manually inserted into the models.

4.3.2 Study Horizon

Pursuant to Section 6.2 of the Transmission Service Protocol, the Transmission Provider provides to the ICT and other modeling group participants such data and information as may be necessary to prepare and update the monthly models used in the Study Horizon. The Transmission Provider creates the monthly models used in the Study subject to the ICT's review and validation pursuant to Sections 6.1 and 6.2 of the Transmission Service Protocol. The ICT reviews and validates the data inputs provided by the Transmission Provider to ensure that the data inputs and resulting models are consistent with the Transmission Provider's criteria.

When developing generation dispatch data inputs for monthly models, the Transmission Provider assumes IPP units in the Study Horizon models are dispatched to the level of the reservations that are active for that facility. The Transmission Provider also assumes QF/cogeneration units are dispatched to the level of the load at the facility. If there are any reservations from the QF/cogeneration units, such reservations are added to the units dispatch level. In the absence of any OASIS reservations, the net injection from the QF is zero MWs. Network Resource units are dispatched economically using the ECDI function of PSS/E to create a least-cost dispatch for each case. When necessary to enforce zonal import limits, the case is dispatched by zones rather than by area. When this occurs, an IDEV file that recreates the dispatch is saved.

When developing topology data inputs for monthly models, the Transmission Provider assumes all 500kV lines that are scheduled out of service for one day are modeled out of service for the entire month, and all 115kV – 230kV lines that are scheduled out of service for at least five days are modeled out of service for the entire month. The Transmission Provider schedules multiple lines as out of service when the outages overlap or when non-overlapping outages have no impact on one another. The Transmission Provider also models critical lines as out of service even if the lines are not out of service for the required time framebut should be modeled out of service to better reflect the system conditions for the month. The Transmission Provider updates line outages in models at least once a month and the ICT posts the updates on OASIS. OASIS Study Horizon model postings are updated once a week with new creation times, but newly retrieved line outages information is not included in this update.

When developing load data inputs for monthly models, the Transmission Provider assumes Entergy's load for each month is the peak value forecasted by SPO for the month. Cogeneration, industrial, and auxiliary load is assumed to be constant for every month. LAGN, SMEPA, ETEC, MDEA, SRMPA, and TVA embedded loads are added to the case based on either a load forecast, or monthly factors of the peak value. DENL's load is scaled for each month based on load forecast. CLECO, LAGN, and DERS loads in the non-peak models for each season are scaled by a factor. The LAFA load is modeled based on the load forecast data for each month.

There are no assumptions with respect to imports in the monthly models except for the Amite South import limit, which is held to a value of approximately 2000 MW.

When developing transaction data inputs for monthly models, the Transmission Provider models all monthly transactions in the appropriate month. Transactions which serve embedded loads, such as LAGN, SMEPA, ETEC, SRMPA, TVA, and MDEA, will match the value of the embedded load for the month. Transactions between CLECO and LAFA are adjusted so that the Bonin generator only generates 1 MW. Transactions which serve DENL match the load in DENL minus 20 MW of their own generation. Transactions which serve DERS match the load in the Control Area. Long term firm contracts are assumed to expire if not renewed one year prior to the end date of the contract. If the date of the monthly model creation is greater than one year before the end of the contract, rollover rights are assumed. If the date of the monthly model creation is within one year of the transaction end date, and a renewal has not been confirmed, the transaction is removed from the models representing the months after the end date of the contract. Transaction data and all other topology in models are updated and posted on OASIS at least once a month. Transaction data is typically updated weekly in models. Thus, the posting dates on OASIS typically change weekly for Study Horizon models.

When developing unit commitment data inputs for monthly models, the Transmission Provider assumes all units that are offline for at least two weeks are out of service for the entire month. However, if two units in the same region are out of service at non-overlapping intervals during the month, only one unit is modeled offline. IPP units that have reservations are placed on-line, but if the facility has multiple units at one station, only the units that are required to meet the level of reservations are set on-line.

For CLECO, the Transmission Provider models Sterlington 7, Patterson 3 & 4, Moses, Lynch, Monroe, Mabelvale, Ritchie, and Lake Catherine 1, 2, & 3 units as out of service at all times if there is already a sufficient amount of generation. The Natchez unit is also modeled offline.

The formula for determining the amount of generation in the base case is only used for IPPs/QF and base loaded units of Entergy. The value is calculated by adding the MW of base case to the MW of transmission reserved to the MW of transmission scheduled. All other data inputs match the respective models.

There are three separate types of units modeled in the monthly loadflow models (Study Horizon) and the unit commitment and dispatch process varies with each type of unit. The three unit types are IPP units, cogeneration units, and Network Resource units (all other units). The IPP units are dispatched to the level of the reservations that are active for that facility. Cogeneration units are dispatched to the level of the load at the facility so that the host load is served entirely by the cogeneration unit. If there are any reservations from the units, those are added to the dispatch level of the units. In the absence of any OASIS reservations, the net injection from the cogeneration unit into the Entergy system is zero MW. The third type of unit is the Network Resource unit, which utilizes some PSS/E software logic in determining dispatch levels. The Network Resource units are dispatched economically using the ECDI function of PSS/E. An ECDI file containing heat rate and fuel cost information is passed to PSS/E and PSS/E sets the level of generation according to the economic information, so that the case achieves a least cost dispatch.

4.4 TRM

Transmission Reliability Margin (TRM) is the amount of transmission transfer capability needed to provide a reasonable level of assurance that the system will remain reliable. TRM accounts for the inherent uncertainty in system conditions and its associated effects on AFC calculation, and the need for operating flexibility to ensure reliable system operation as system conditions change. The current value of TRM used by Entergy for the purposes of short-term AFC calculations for eighteen months or less is zero.

4.5 Capacity Benefit Margin

Capacity Benefit Margin (CBM) is the amount of firm transmission transfer capability preserved by the transmission provider for Load-Serving Entities (LSEs), whose loads are located on that Transmission Service Provider's system, to enable access by the LSEs to generation from interconnected systems to meet generation reliability requirements. Preservation of CBM for an LSE allows that entity to reduce its installed generating capacity below that which may otherwise have been necessary without interconnections to meet its generation reliability requirements. The transmission transfer capability preserved as CBM is intended to be used by the LSE only in times of emergency generation deficiencies. A CBM value of "zero" will be used in calculating AFC values and in reviewing TSRs on the Transmission System, unless Entergy submits a Section 205 filing for a higher value.

4.6 Counter-Flows

RFCalc adjusts the base flow associated with a particular flowgate by removing a percentage of counterflow impacts in the calculation of AFC values. Transmission Provider includes 100% of counterflows created by firm and non-firm reservations when evaluating TSRs in the Operating, Planning and Study Horizons. In the Operating and Planning Horizon, Entergy will include 100% of counterflows created by firm schedules when evaluating TSRs in the Operating Horizon.

The Transmission Provider will review scheduling data and other operational experience on a bi-annual basis to determine the viability of the established counterflow percentages and will provide to the ICT all studies, analysis and research conducted in connection with any proposed change to the counterflow calculation. The ICT will independently review and validate, and shall post on OASIS notice of, any such change prior to effectiveness. For purposes of this Section 4.6, the responsibility of the ICT to "review and validate" shall mean that the ICT will review the inputs and results of any study or analysis provided by the Transmission Provider and shall confirm that the results reasonably reflect the application and product of such studies and analyses.

The formula used for adjusting base flows to take into account counterflows is described below:

$$Adjusted\ Base\ Flow_{\ Flowgate1} = Original\ Base\ Flow_{Flowgate1} + (CF_1 * X^{'})$$

Where,

X = Positive Flow

$X^{'}$ *= CounterFlow*

$$Original\ Base\ Flow_{Flowgate1} = X - X^{'}$$

CF_1 *= Counter Flow factor*

$$AFC_{\ Flowgate1} = TTC_{Flowgate1} - Adjusted\ Base\ Flow_{\ Flowgate1}$$

4.7 Transmission Facility Ratings

4.7.1 Introduction

A transmission facility consists of all elements carrying load between circuit breakers or the comparable switching devices. Transformers with both primary and secondary windings energized at 69 kV or above are subject to these criteria. All circuit ratings are computed with the system operated in its normal state (all lines and buses in-service, all breakers with normal status, all loads served from their normal source). The circuit ratings are specified in "MVA" and are taken as the minimum ratings of all of the elements in series. The minimum circuit rating is determined as described in these criteria and Entergy maintains transmission right-of-way to operate at this rating. However, Entergy may use circuit ratings higher than these minimums. Each element of a circuit has both a normal and an emergency rating and is defined as follows:

NORMAL RATING: Normal circuit ratings specify the level of power flow that facilities can carry continuously without damage or loss of life to the facility involved.

EMERGENCY RATING: Emergency circuit ratings specify the level of power flow that a facility can carry for the time sufficient for adjustment of transfer schedules, generation dispatch, or line switching in an orderly manner with acceptable loss of life to the facility involved.

In many instances these two ratings for Entergy facilities will be identical for power flow model purposes and the emergency rating is used for contingency evaluation.

4.7.2 Power Transformer

Power transformer loading guidelines are established in ANSI/IEEE C57.91-1995, IEEE Guide for Loading Mineral-Oil-Immersed Power Transformers rated 55°C or 65°C Winding. Every transformer has a temperature rise capability based on its nameplate rating (either 55°C or 65°C). These temperature rise amounts reflect the average winding temperature rise over a 30°C ambient that a transformer may operate on a continuous basis and still provide normal life expectancy.

The normal circuit rating for power transformers is its highest nameplate rating. The nameplate rating includes the effects of forced cooling equipment if it is available. For multi-rated transformers (ONAN/ONAF, ONAN/ONAN/ONAF, ONAN/OFAF/OFAF, ONAN/ONAF/OFAF, etc.) with all or part of forced cooling inoperative, nameplate rating used is based upon the maximum cooling available. Normal thermal life expectancy will occur with a transformer operated at continuous nameplate rating.

When operated for one or more load cycles above nameplate rating, the transformer insulation deteriorates at a faster rate than normal. The emergency circuit rating for power transformers is normally a minimum of 100% of its highest nameplate rating.

4.7.3 Overhead Conductor

Entergy conductor ratings are based on the "IEEE Standard for Calculation of Bare Overhead Conductor Temperature and Ampacity. Under Steady-State Conditions," ANSI/IEEE Standard 738-1993. (Prior to the promulgation of the ANSI/IEEE standard, conductor ratings were based on the "House and Tuttle" method, which formed the basis for the ANSI/IEEE standard.) The ANSI/IEEE standard uses as inputs to the calculation several company-chosen assumptions about ambient and operating conditions. For older vintage lines, Entergy adheres to the recorded ratings.

Entergy's system-wide standards for ambient and operating assumptions include the following:

Line altitude	0 feet mean sea level
Line Latitude	30 degrees North Latitude
Line Orientation	East-West
Coefficient of Emissivity	0.5
Coefficient of Absorption	0.5
Atmospheric quality	Clear
Time of day	12 noon
Ambient temperature	40degC (104degF)
Ambient wind speed	2 fps
Wind-conductor angle	90 degrees

The selection of a maximum conductor temperature affects both the operation and design of transmission lines. Existing transmission lines were designed to meet operating standards in effect at the time the line was built. Over time, these standards have been modified, as reflected in revisions to the National Electric Safety Code (NESC). For those existing lines that were designed to meet an earlier standard, Entergy will apply a rating that is consistent with the NESC design standards being practiced at the time the line was built. Entergy's current maximum conductor operating temperatures are as follows:

ACSR	100C
ACAR	80C
AAC	80C
Cu	95C
ACSS	180C

4.7.4 Other Transmission Equipment

In addition to the power transformers and overhead conductors, Entergy will also rate other transmission equipment, including underground cables, wave traps, switches, current transformers, and circuit breakers. Ratings for these types of transmission equipment will be determined in accordance with applicable ANSI/IEEE Standards.

4.7.5 Circuit Rating Issues

There may be instances when the flow on a transmission circuit is limited by factors other than the thermal capacity of its elements. The limit may be caused by other factors such as stability, phase angle difference, relay settings or voltage limitations.

When a tie line exists between two member systems, use of this criteria will result in a uniform circuit rating that is determined on a consistent basis between the two systems. Entergy follows this criteria to rate the

circuit elements owned by them and will coordinate the rating of the tie line with the co-owner such that it utilizes the lowest rating between the two systems.

Entergy may have a contractual interest in a joint ownership transmission line whereby the capacity of the line is allocated among the owners. The allocated capacity may be based upon the thermal capacity of the line or other considerations. Entergy will follow this criteria to rate the circuit elements owned by them and will coordinate the rating of the tie line with the co-owner such that it utilizes the lowest rating between the two systems.

There may be instances when a derating of a transmission line element is required due to damaged equipment. The limit may be caused by such factors as broken strands, damaged connectors, failed cooling fans, or other damage reducing the thermal capability.

5. RESPONSE FACTORS

5.1 Introduction to Response Factors

Response Factors measure the impact that each source-to-sink transaction has on a monitored flowgate. Response Factors are calculated on a transaction-specific and flowgate-specific basis. To implement transaction-specific Response Factors, Response Factors are calculated for each generator that is directly interconnected with the Transmission System, including all generators within the Entergy Control Area, regardless of ownership or affiliation. Response Factors are also calculated, on an as needed basis, for other generators that are located in such close electric proximity to the Transmission System that they have a specific impact on the Transmission System. Response Factors are also calculated, on an as needed basis, for Control Areas that are directly interconnected to the Transmission System and are applied to TSRs from generators that do not have specific Response Factors. The RFCalc software utilizes state estimator models to calculate Response Factors in the Operations and Planning Horizons, while the ICT uses off-line planning models developed by the Transmission Provider and commercial power flow applications, such as PSS/E and MUST, to calculate Response Factors in the Study Horizon.

5.2 Updating Response Factors

Response Factors are resynchronized on the same basis as AFC values, *i.e.,* every hour during the Operating Horizon, at least every day (four times a day) for the Planning Horizon, and no less than every month (currently weekly) during the Study Horizon. Resynchronizations may occur more frequently if necessary.

5.3 Response Factors for Generators Outside of the Entergy Control Area

For generators outside of the Entergy Control Area, Response Factors will be calculated for the non-Entergy Control Areas. These Response Factors will be used to evaluate service requests from each generator in the non-Entergy Control Area, unless a generator-specific Response Factor has been calculated for a border generating unit.

For transactions that source in a non-Entergy Control Area, Response Factors will be calculated for the non-Entergy Control Area by ramping up available generating facilities in the non-Entergy Control Area on a modified *pro rata* basis, such that all generating facilities reach their rated maximum outputs (P_{max}) simultaneously. For transactions that sink in a non-Entergy Control Area, Response Factors will be calculated for the non-Entergy Control Area by ramping down available generating facilities in the non-

Entergy Control Area on a modified *pro rata* basis, such that all generating facilities reach their rated minimum outputs (P_{min}) simultaneously.

Generator-specific Response Factors will be calculated on an as needed basis for border generating units, *i.e.*, generating facilities that are located on other transmission systems/Control Areas and are also in "close electric proximity" to the Transmission System. The ICT or the Transmission Provider may propose that a generator-specific Response Factor be calculated for a border generating unit consistent with the criteria provided below. Response Factor proposals offered by the Transmission Provider will be subject to review and validation by the ICT and shall be accompanied by any studies, analysis and research conducted by the Transmission Provider. For purposes of this Section 5.3, the review and validation responsibility of the ICT shall mean that the ICT will review the studies and analysis to verify that the Transmission Provider followed the applicable criteria and that the results reasonably reflect the application and product of such studies and analyses.

To determine whether generator-specific Response Factors should be calculated for border generating facilities, two criteria are applied. First, the generator will have to be in close electric proximity to the Transmission System such that the generator is either: (1) directly interconnected with the Transmission System, but located in a different Control Area; or (2) interconnected with the Transmission System of another transmission provider within one or two busses of the Transmission System. Second, there will have to be a significant discrepancy between the Response Factors for all other generators in the non-Entergy Control Area and the Response Factors for the specific border generating facility in question.

5.4 Response Factor Cutoff

In order to evaluate whether a particular service request will use all, some, or none of the AFC for a particular flowgate, RFCalc, State Estimator models and off-line planning models are used to calculate Response Factors. The Response Factors generated by Transmission Provider's AFC process measures the power flow impact that each source-to-sink transaction has on each flowgate for the post-contingency configuration of the system. If the power flow impact of particular TSR has an insignificant impact on a flowgate, that flowgate is not monitored when evaluating the request. To determine whether a flowgate is significantly impacted by a particular TSR, a Response Factor threshold of 3% is applied. Only flowgates with Response Factors at or above the 3% threshold will be considered when determining whether to approve the TSR. Thus, if the Response Factor for a particular flowgate is less than 3%, then the AFC process will not consider the flowgate when determining whether service should be granted. If the Response Factor for a particular flowgate is equal to or greater than 3%, and the AFC value indicates that the flowgate is one of the Most Limiting Flowgates for that transaction, then the flowgate will be evaluated to determine whether the particular TSR should be granted.

5.5 Modified Response Factor Cutoff

If operating conditions indicate that a revision to the Response Factor threshold is necessary to enable accurate representation of system transfer capability and thereby maintain system reliability, then the Transmission Provider will reevaluate this threshold with notice to ICT. All changes to the Response Factor threshold will be filed with FERC.

6. OASIS AUTOMATION AND EVALUATING TSRs

Transmission Provider has developed an automated process that automatically processes requests for Transmission Service using a flow-based approach to determine AFC for monitored flowgates ("OASIS Automation"). OASIS Automation is integrated with Transmission Provider's EMS and State Estimator, and uses power flow models developed from the real-time system. OASIS Automation will be used as the link between the AFC calculation process and the reserving and scheduling of Transmission Service under the Tariff. As individual TSRs are received, OASIS Automation applies the applicable Response Factors to determine the impact new requests will have on the relevant flowgates and approves or denies the request based on that impact. The ICT determines the final status of each TSR based on the information provided by OASIS Automation.

6.1 Flowgates Used to Evaluate Requests

Although the AFC process will monitor approximately 300-500 flowgates, OASIS Automation will use a more limited set of flowgates, as determined by RFCalc, to evaluate individual service requests. When evaluating individual service requests, OASIS Automation will only consider those flowgates that are: (1) "significantly impacted" by the request at issue, *i.e.*, those flowgates with a Response Factor equal to or greater than 3%; and (2) the Most Limiting Flowgates. Thus, to determine which flowgates should be evaluated for a particular source-sink combination, RFCalc will: (1) ignore all flowgates with a Response Factor of less than the Response Factor cutoff of 3%; and (2) will select from the remaining flowgates the fifteen flowgates with the lowest effective ATC values. The list of flowgates used to evaluate a particular service request will be redetermined during each resynchronization.

6.2 Approving and Denying Service

As individual transmission requests are submitted over OASIS, OASIS Automation will apply the appropriate Response Factors to each request in order to evaluate the impact of the request on the most-limiting, significantly-affected flowgates. The amount of capacity requested will be multiplied by the Response Factor for a particular flowgate. The product of the requested capacity and the Response Factor will represent the additional loading impact of the new service on the flowgate and will be subtracted from the AFC value for that flowgate. As discussed above, this process will be applied to the to the Most Limiting Flowgates. If the AFC for all the flowgates remains positive or equal to zero after being reduced to account for the new transaction, the request will be approved. If the AFC value on any of the flowgates becomes negative or otherwise exceeds the rated capability of the facilities in question, then the request will be denied, unless service of a lower priority may be preempted to bring the AFC value back to zero or positive. The preempting of service with a lower priority will be conducted pursuant to governing FERC policies.

6.3 Pmax and Interface Limits

Regardless of the applicable AFC values, accepted TSRs from a particular generator shall not exceed the maximum output of that generator. Additionally, the amount of Transmission Service available across a Control Area interface can not exceed the total interface rating between the two Control Areas. Consistent with NERC Operating Policies and operating agreements, the capacity between these interfaces is rated. This limit is typically defined by the thermal limit of all transmission facilities that define the interface. Other Control Area interfaces may be limited based upon the maximum generation capability or load of that neighboring Control Area. Both the Pmax and Interface limits will be honored in the AFC process through a proxy flowgate. To the extent that the service request exceeds either the Pmax or interface limit, the proxy flowgate will appear as one of the Most Limiting Flowgates for that particular transaction.

6.4 Redirect Requests

Requests to redirect all or a portion of a firm transmission reservation from an alternate point-of-receipt (source) or to an alternative point-of-delivery (sink) on a firm basis is evaluated in the following manner. First, the Most Limiting Flowgates by each request (the original request and the redirect request) are identified. Next, the AFC values are used to separate the flowgates into two groups. Group 1 includes flowgates that have an AFC value that is less than or equal to zero ***and*** are common to both requests. Group 2 includes the remaining flowgates identified in the list of the Most Limiting Flowgates by the redirect request. Next, the current impact of the original request is removed from the AFC value of the flowgates in both groups (the AFC value is increased by the capacity of the request multiplied by the response factor of each flowgate). Note that the current impact of the original request may differ from the impact originally evaluated because power flows may have changed since the original request was accepted. The impact of the redirect request is then calculated and evaluated as follows:

- If the impact of the redirect request causes the AFC of any flowgate in Group 1 to decrease, the redirect request will be denied.
- If the AFC value of any flowgate in group 2 is less than or equal to zero, before applying the impact of the redirect request, the redirect will be denied.
- If the impact of the redirect request causes the AFC of any flowgate in Group 2 to drop below zero, a counteroffer may be made for a MW amount equal to the MWs that would cause the AFC of the most limited flowgate (*i.e.*, the flowgate with the largest negative AFC value) in Group 2 to equal zero.
- In all other circumstances, the redirect request will be accepted.

7. SCENARIO ANALYZER

7.1 Introduction

The Scenario Analyzer allows transmission customers to evaluate transfer capability without actually submitting an OASIS request. The Scenario Analyzer provides customers with an immediate response by performing the same flow-based review that is used by OASIS Automation to determine whether actual service requests can be accommodated. If sufficient AFC exists, the Scenario Analyzer notifies the customer if sufficient ATC is available for the proposed request. If sufficient AFC does not exist, the Scenario Analyzer provides the Transmission Customer the following information: all constrained flowgates, the hour(s) when the constraints exists, the amount of flowgate capacity available, and the transfer capability that is available. However, because the Scenario Analyzer does not submit an actual service request over OASIS, it does not decrement flowgate AFC. The Scenario Analyzer uses the same flow-based engine as OASIS Automation.

There are two evaluation options under the Scenario Analyzer. The original Scenario Analyzer ("Analyze Operating AFC" on OASIS) provides customers with AFC information that reflects all queued requests with a status of Confirmed, Accepted, Counteroffer, and Study taken into account. The second Scenario Analyzer option ("Analyze Confirmed AFC" on OASIS) provides customers with AFC results (i.e. decrements to the AFC) based only on confirmed reservations.

7.2 How to use the Scenario Analyzer

The Scenario Analyzer is an OASIS module that allows Transmission Customers to evaluate availability on certain designated constrained facilities for the Source and Sink pair, but does not decrement ATC since no request has been submitted. Information is entered on a form for:

Source name
Sink name
POR name
POD name
Capacity type
Begin time (for each time segment)
End time (for each time segment)
Capacity value (for each time segment)

After entering information in the submit request form on OASIS, 'ANALYZE OPERATING AFC' or 'ANALYZE CONFIRMED AFC' is selected to view ATC without actually submitting a request for service. A request for service would be issued to OASIS if the SUBMIT option were chosen after completing the form. The resulting display will provide the user with a profiled path ATC for the duration of the request, and provide all limiting constraints for the different time periods. The customer can then select the SUBMIT button, provided on the Scenario Analyzer Results page, to submit the request as a valid request, regardless of the results of the analysis request.

User certification is required for access to the Scenario Analyzer.

8. SYSTEM IMPACT STUDIES

A System Impact Study is an in-depth analysis of whether a request for Transmission Service can be reliably accommodated. System Impact Studies are conducted to assess the impact of a request for service when the request cannot be accommodated based on the initial analysis of AFC.

If the AFC process indicates that Transmission Service is not available, the ICT will conduct – at the request of the Transmission Customer – a transaction-specific System Impact Study that will examine the potential for transmission system upgrades to increase the applicable AFC values. Because the AFC process already provides source-to-sink analysis based on the most up to date information available, these System Impact Studies will be focused on system upgrades, taking into account the lead time required to construct new upgrades. Long-term TSRs and short-term TSRs for time periods beyond the Study Horizon will continue to be evaluated under the System Impact Study process.

The ICT will also evaluate requests for undesignation of Network Resources using the System Impact Study process. The request for undesignation can be submitted over the OASIS by indicating the resource(s) that will be used to displace the Network Resource. If the study shows that the displacement can be accommodated reliably, taking proper account of all competing TSRs of higher priority, the appropriate amount of network service will be undesignated from the displaced resource.

Further information regarding System Impact Studies can be found in Attachment D to the Tariff.

9. INFORMATIONAL POSTINGS AND DATA ARCHIVE

9.1 Models Posted on OASIS

The Transmission Provider will post the following information related to the power flow models used to calculate AFC.

1. A daily peak model for each day of the Day 1- 31 time frame

2. Four hourly models for each day for the Day 1-7 time frame

The Transmission Provider will supply a monthly peak model for each month of the Month 2-18 time frame to the ICT. The ICT will review and validate the monthly models as described in Section 3.1 above and will post that information related to the power flow models used to calculate AFC.

The daily models will be refreshed at least daily to maintain a rolling 31-day posting. Similarly, the monthly models will be refreshed at least monthly to maintain a rolling 18 month posting. The hourly models are randomly selected and represent an hour within a six-hour window of each day. Model 1 represents any hour between hour 0000 and hour 0600, model 2 represents any hour between hour 0700 and 1200, model 3 represents any hour between hour 1300 and 1800, and model 4 represents any hour between 1900 and 2300. Only the six-hour window of the model is disclosed, not the exact hour of the model. All power flow models will be posted in the Power Technologies Inc (PTI) Version 26 RAWD format.

9.2 Input files

From the monthly models, the Transmission Provider will also provide a subsystem file that defines all sources and sinks used for calculating AFC values, and such data will be posted by the ICT. User certification is required for access to this data.

The Transmission Provider also posts the following informational files related to AFC:

- A file containing response factors of the Most Limiting Flowgates per path and base flow for each flowgate for each time point. The file is refreshed hourly.
- A file containing the Effective ATC value of each path for each time point.
- A file containing the list of generators used as the Entergy Control Area sink for response factor calculation. The file also lists the participation factors for these generators.
- A subsystem files defining all sources and sinks used to calculate AFC.
- A list of flowgates with TTC and a revision log for all flowgate changes that are provided by the Transmission Provider and reviewed and posted by the ICT.

9.3 Transmission Outages

The Transmission Provider will post on its OASIS a list of all scheduled outages on transmission facilities on the Transmission System. The posting will include a daily posting for the Day 1 – 31 timeframe and a monthly posting for the Month 2 – 13 time frame.

There are two types of outage postings on the Entergy OASIS:

- The first type of outage posting is an *informational posting* of transmission outages, including outages outside of the Entergy Control Area that is provided to customers so that they may be aware of planned outages on the Transmission System. This list is entirely unrelated to the AFC process. It was developed for informational purposes and is not used for modeling purposes. This list is taken directly from Entergy's outage scheduling software, known as "TAORS."
- The second type of outage posting is the list of outages contained in the hourly AFC power flow models posted on OASIS. RFCalc imports these outages from TAORS and COS, but only uses those outages that are relevant for the particular time period being modeled. This ensures that RFCalc has updated outage information each time that RFCalc resyncs or calculates new AFC values. This outage list was not developed to provide customers with information regarding all planned outages during a particular month, and instead is used to model the system at a particular point in time.

10. REGIONAL COORDINATION OF TRANSFER CAPABILITY DETERMINATIONS

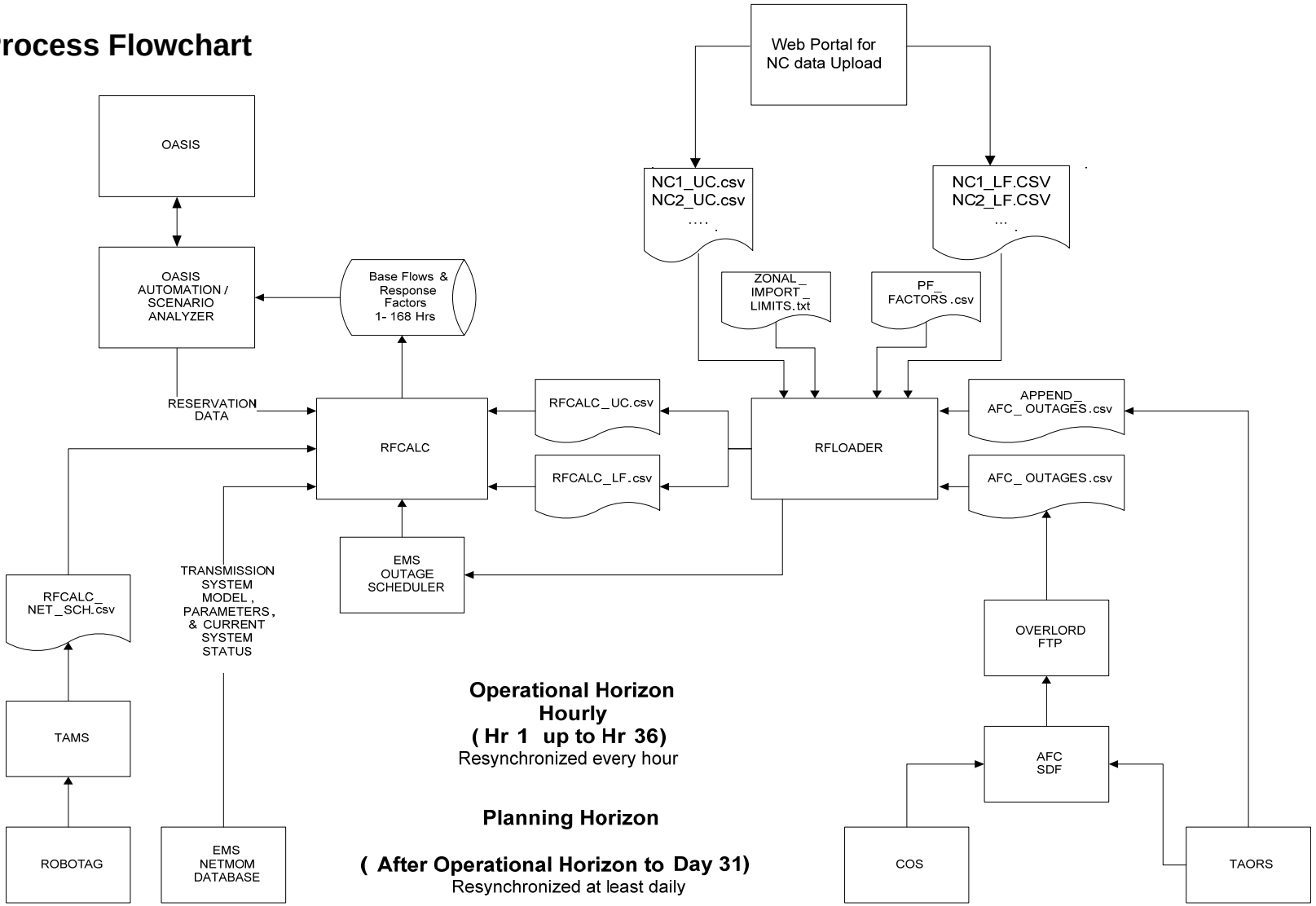
In order to produce credible constrained facility AFCs, the ICT must consider the effects of system conditions and Transmission Service that has been sold by other transmission providers. The ICT will honor the constrained facility limits of other transmission providers to the extent these transmission providers honor their own constrained facilities. To consider conditions on other systems, Transmission Provider may exchange near-term planning information, reservations and schedules with other transmission providers in order that the power flow models contain details for both their system and Transmission Provider's Transmission System. This will allow the Transmission Provider and other transmission providers to consider the effects of parallel flows as they evaluate TSRs. Transmission Provider may also periodically exchange constrained facility AFC with other transmission providers.

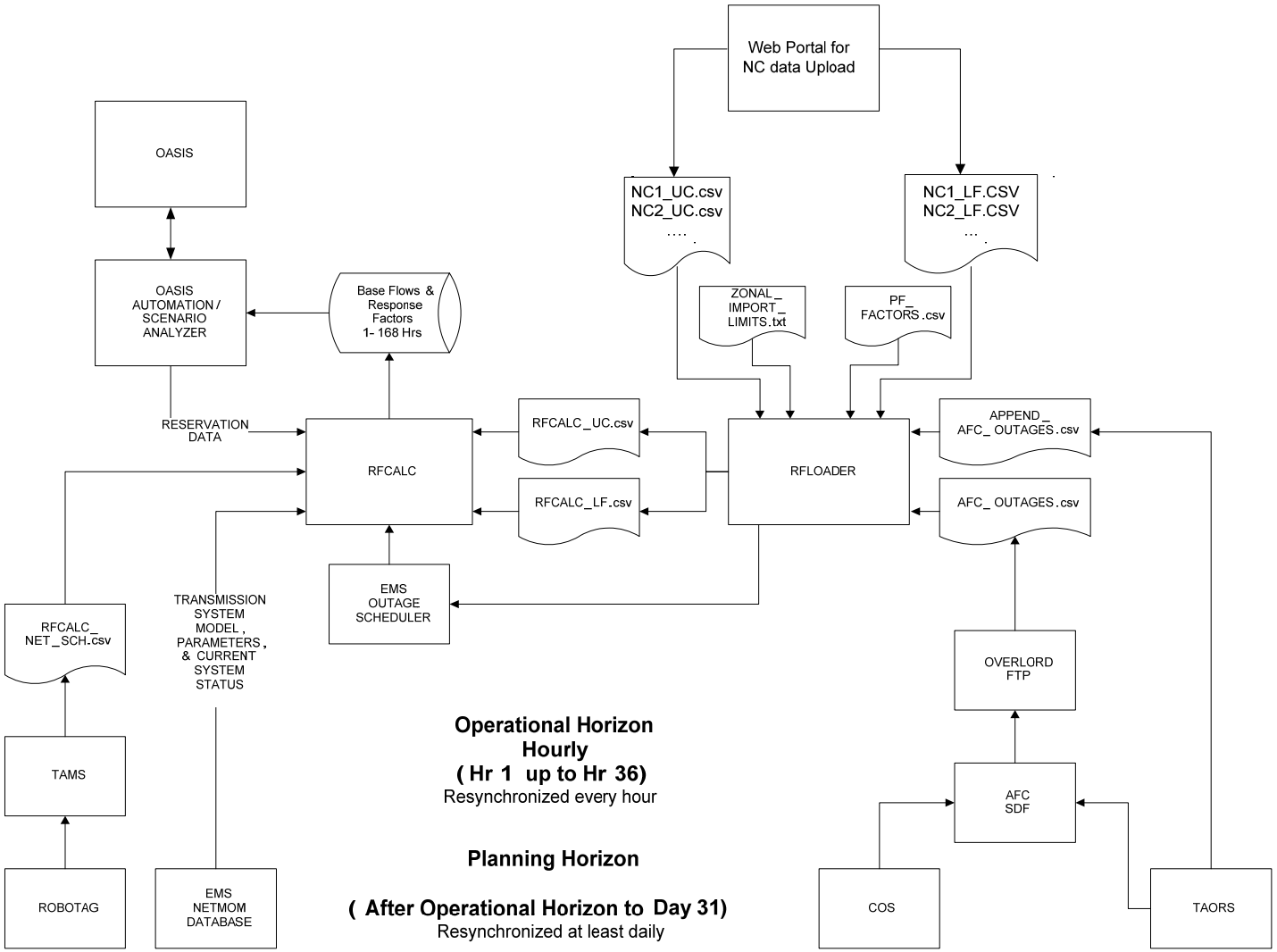
The Transmission Provider will continue to coordinate transfer capability values with neighboring utilities in accordance with NERC and Regional Reliability Council criteria. Seasonal reliability models will continue to be developed on a Regional Reliability Council basis. Source assumptions will be made in order to coordinate transfer capability values with the neighboring transmission providers. Pursuant to Section 6 of the Transmission Service Protocol, the ICT will participate in the regional model development process for the SERC region with the Transmission Provider**.**

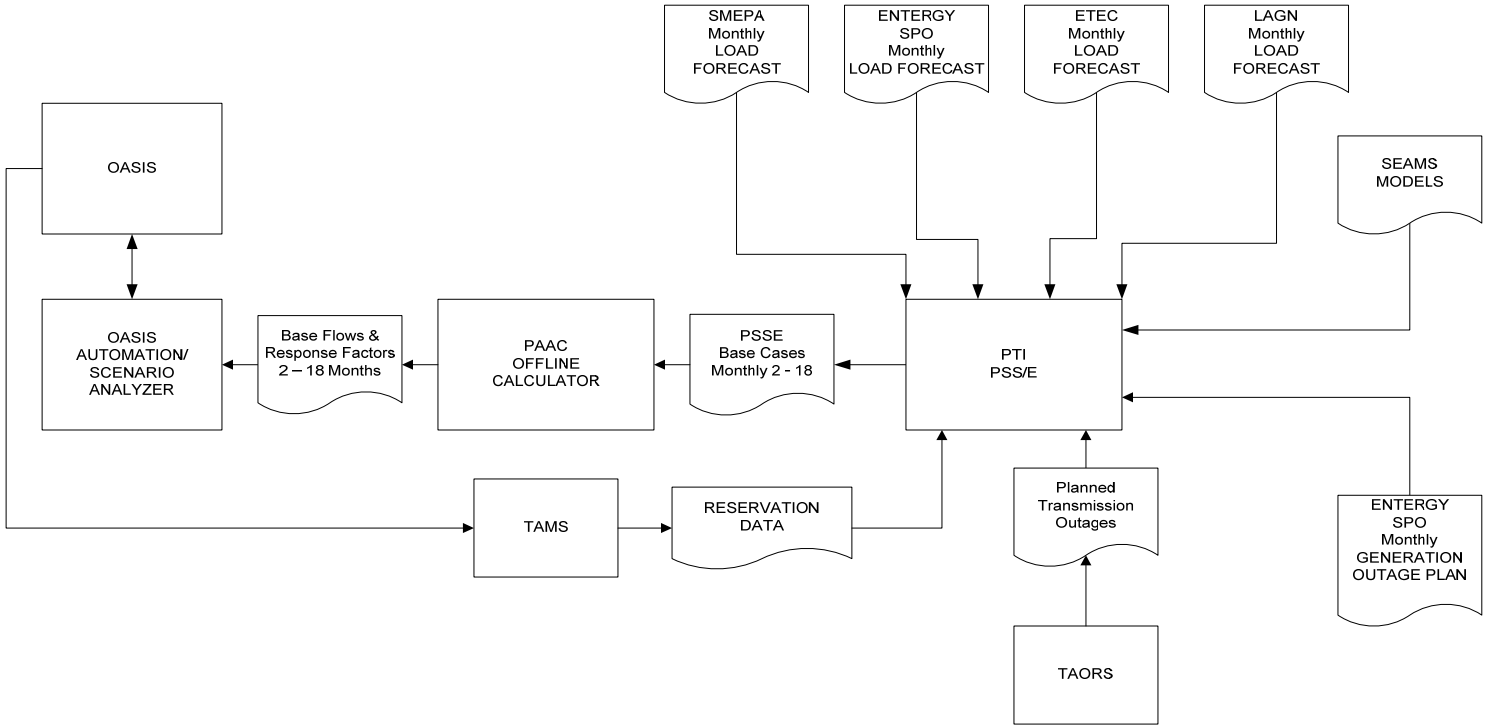
Where necessary, the Transmission Provider will coordinate reservation and schedule information with neighboring Control Areas so that transfer capability can be properly coordinated. The AFC process will also honor flowgate limits on neighboring transmission systems when constraints are experienced.

Exhibit 1 to Attachment C

AFC Process Flowchart




Web Portal for NC data Upload
OASIS
NC1_UC.csv
NC2_UC.csv
NC1_LF.CSV
NC2_LF.CSV
OASIS AUTOMATION / SCENARIO ANALYZER
Base Flows & Response Factors 1- 168 Hrs
ZONAL_ IMPORT_ LIMITS.txt
PF_ FACTORS.csv
RESERVATION DATA
RFCALC
RFCALC_UC.csv
RFCALC_LF.csv
RFLOADER
APPEND_ AFC_ OUTAGES.csv
AFC_ OUTAGES.csv
EMS OUTAGE SCHEDULER
RFCALC_ NET_SCH.csv
TRANSMISSION SYSTEM MODEL, PARAMETERS, & CURRENT SYSTEM STATUS
OVERLORD FTP
TAMS
AFC SDF
Operational Horizon
Hourly
(Hr 1 up to Hr 36)
Resynchronized every hour
Planning Horizon
(After Operational Horizon to Day 31)
Resynchronized at least daily
ROBOTAG
EMS NETMOM DATABASE
COS
TAORS



Study Horizon
Monthly
(Month 2 to Month 18)
Resynchronized at least once a month

Exhibit 2 to Attachment C

Applications

Application	Purpose	Runs	Inputs	Outputs
AFC SDF	Retrieves Transmission Branch and Section Outages from AORS (Planned) and COS (Unplanned). The application produces a formatted file that is sent to the EMS servers where RFLOADER uploads the information into EMS OUTAGE SCHEDULER	Every Hour	AORS and COS	AFC_OUTAGES.csv
AORS	This application is used within the TRANSMISSION Outage Planning Process. Contains all planned Branch/Section and Equipment Outages for the Entergy Transmission System	Constantly	Outage Planning Process	See AFC SDF
COS	This application is used to report all outages on the Entergy Transmission System.	Constantly	Outage Reporting Process	See AFC SDF
RFLOADER (Oper. & Planning Horizon)	Uses information from Entergy SPO, other Network Customers and external Control Areas to produce the Unit Commitment and Load Forecast File for RFCALC. Also, RFLOADER loads outage information into EMS Outage Scheduler for RFCALC's use.	Every Hour	UC and LF files from NCs and SPO Zonal_import_limits.txt Pf_factors.csv AFC_OUTAGES.csv APPEND_AFC_ OUTAGES.csv EMS RFLOADER DATABASE	RFCALC_UC.csv RFCALC_LF.csv Populates EMS OUTAGE SCHEDULER

RFLOADER DATABASE	Used to store information on which generator units are on AGC and what units are within the WOTAB and AMITE SOUTH load zones.	Constantly	Information provided by Transmission Operational Planning	Static Information used by RFLOADER to perform its operations
EMS OUTAGE SCHEDULER	This application is used to store Outage data for use by RFCALC. The interface to insert data into EMS OUTAGE SCHEDULER was more trivial than interfacing directly to RFCALC to provide outage data. Since EMS OUTAGE SCHEDULER and RFCALC already had an interface, EMS OUTAGE SCHEDULER was utilized to provide current outage information for AFC calculations.	Constantly	AFC_OUTAGES.csv APPEND_AFC_ OUTAGES.csv	Provides interface to RFCALC for outage information
RFCALC	Calculates Base Flows and Response Factors on Entergy's Defined Flowgates.	Every Hour/Every six hours	RFCALC_UC.csv RFCALC_LF.csv EMS OUTAGE SCHEDULER RFCALC_NET_SCH.csv NETMOM Transmission System Model Information NETMOM Asset Parameters Information NETMOM Current Equipment Status Information OASIS AUTOMATION's Reservation Information	Base Flows & Response Factors provided to OASIS AUTOMATION.

EMS NETMOM DATABASE	Part of AREVA's Network Applications and is used to define the Transmission System model and parameters (i.e. impedance). Along with the system network topology structure, the NETMOM Database provides current equipment status from SCADA to be used in hours 1 to 3 to determine system network configuration in these hours.	Constantly	Network Modeling Process	NETMOM Transmission System Model Information NETMOM Asset Parameters Information NETMOM Current Equipment Status Information
ROBOTAG	Entergy's application for managing the NERC Tagging Processes. Provides the scheduling information against firm reservations.	Constantly	NERC Tagging Process	Scheduling Information provided to TAMS
TAMS (Hours 1 – 168)	Entergy's application for storing Reservation information. Transmission Planning uses this reservation data to create PTI PSS/E power flow models.	Constantly	OASIS Reservation Information	Provides Reservation Data spreadsheet used by Transmission Operational Planning to create PSS/E power flow models.
TAMS (Day 8 – Study Horizon)	Entergy's application for storing Reservation information. Interfaces to Robotag to provide scheduling information against firm reservations.	Constantly	OASIS Reservation Information	RFCALC_NET_SCH.csv
OASIS AUTOMATION/ SCENARIO ANALYZER	Entergy application for manage the Transmission Request Process. Scenario Analyzer is used by marketers to check for the availability of Transmission Capacity.	Constantly	OASIS Reservation Information	Provides Reservation Information to RFCALC
OASIS	The application marketers use to receive information on Entergy's Transmission System and submit Transmission Capacity Requests (Reservations).	Constantly	Transmission Information Postings Transmission Request Submissions	Reservation Information

PTI PSS/E	Power Flow Modeling application used to create power flow models for Entergy Transmission's Daily models.	Daily	Entergy SPO's Weekly Unit Commitment, Load Forecast and Generation Outages Plan Entergy SPO's Monthly Unit Commitment, Load Forecast, and Generation Outage Plan AORS Planned Transmission Outages MAXLS.xls	Daily Base Cases (Power Flow solutions)
UC AUTO	Prepares the zonal import limit file for RFLOADER	Daily	PTI PSS/E Daily Base Case Solutions	zonal_import_limits.txt
PAAC OFFLINE CALCULATOR	Uses PTI PSS/E solved power flow models to produce flow gate base flows and response factors for the Study Horizon months.	Weekly	PSS/E Monthly Base Case Solutions	Flow gate Base Flows and Response Factors file that will be uploaded by OASIS Automation

Inputs/Outputs

Input/Output	Purpose	Produced	Provided By
ZONAL_IMPORT_LIMITS.txt	Provides information on Import Limit to the WOTAB and AMITE SOUTH load zones along with a percentage of Entergy's Load that WOTAB and AMITE SOUTH constitute	Daily	TRANSMISSION OPERATIONAL PLANNING
PF_FACTORS.csv	Provides generator participation factors for 1 to 168 hours and 8 to 31 days that are included in the RFCALC_UC.csv file.	Daily	TRANSMISSION OPERATIONAL PLANNING
AFC_OUTAGES_append.csv	Equipment, External Control Areas, and Generator Outages that cannot be obtained through AORS or COS	Daily	TRANSMISSION TECHNOLOGY DELIVERY
AFC_OUTAGES.csv	Transmission Branch/Section , Auto Transformer outages that are planned (AORS) and unplanned (COS)	Hourly	AFC SDF
RFCALC_NET_SCH.csv	Aggregation of Schedule Information by hour and OASIS Source/sink that use Firm Transmission Reservations. Information only for Operational Horizon hours.	Hourly	TAMS
RFCALC_UC.csv	The Unit Commitment file required by RFCALC that is created by RFLOADER from UC inputs.	Hourly	RFLOADER
RFCALC_LF.csv	The Load Forecast file required by RFCALC that is created by RFLOADER from LF inputs.	Hourly	RFLOADER
MAXLS.xls	Provides information on Unit Commitment for Entergy's Hydro Units.	Weekly	ENTERGY SPO
TAMS Reservation Data	A file of reservations from OASIS that need to be modeled into the PSS/E power flow models	Daily for Oper/Planning Weekly for Study	TAMS
AORS Outage Data	A file of outages from the approved planned outages in AORS	Daily	AORS
PSS/E Base Cases	The results of a solved power flow model from PTI	Daily	PTI PSS/E

	PSS/E		
PF_FACTORS.csv	Provides generator participation factors for 1 to 168 hours and 8 to 31 days that are included in the RFCALC_UC.csv file.	Daily	TRANSMISSION OPERATIONAL PLANNING
APPEND_AFC_OUTAGES.csv	Equipment, External Control Areas, and Generator Outages that cannot be obtained through AORS or COS	Daily	TRANSMISSION TECHNOLOGY DELIVERY
Entergy SPO Monthly Load Forecast	Provides the Load Forecast for Entergy SPO's network load	Yearly	ENTERGY SPO
SMEPA Monthly Load Forecast	Provides the Load Forecast for SMEPA's embedded network load	Yearly	SMEPA
ETEC Monthly Load Forecast	Provides the Load Forecast for ETEC's embedded network load	Yearly	ETEC
LAGN Monthly Load Forecast	Provides the Load Forecast for LAGN's network load	Yearly	LAGN
Entergy SPO Monthly Generator Outage Plan	Provides the generation outage plan for Entergy SPO's network generators	Updated when changes occur	ENTERGY SPO
Planned Transmission Outage Data	A file of outages from the approved planned outages in AORS	Monthly	AORS
SEAMS Models	A collaborative effort between Entergy and External Control Areas to produce in PSS/E an extensive model of the SERC interconnection, with monthly updates to Southern Company and Tennessee Valley Authority Control Areas	Monthly	TRANSMISSION OPERATIONAL PLANNING
Monthly PSS/E Base Cases	The results of a solved power flow model from PTI PSS/E	Weekly	PTI PSS/E
Base Flows & Response Factors 2 – 18 Months	The results of the PAAC OFFLINE Calculator used to by OASIS Automation to publish AFC values.	Weekly	PAAC OFFLINE Calculator

APPENDIX A: Historical Reservation Data used for Determination of Counterflows

	Percentage of Reservations Scheduled in Real Time					
	Firm PTP	Firm Network	Firm total	Non-Firm PTP	Non-Firm Network	Non-Firm total
January-2003	35	24	28	102	67	78
February-2003	31	22	26	108	69	78
March-2003	30	21	24	92	61	71
April-2003	27	24	26	99	51	58
May-2003	28	27	27	86	54	60
June-2003	29	23	24	113	55	62
July-2003	33	29	30	87	54	60
August-2003	39	29	31	80	54	60
September-2003	39	25	27	98	70	75
October-2003	43	22	25	96	72	75
November-2003	43	20	24	100	83	86
December-2003	46	21	25	101	69	75
TOTAL	35	24	27	95	62	69

ATTACHMENT D

SYSTEM IMPACT STUDY CRITERIA

1 Introduction

1.1 Purpose

The purpose of this Attachment D is to describe Entergy's business practices for conducting System Impact Studies and Facilities Studies when evaluating requests for transmission service under Sections 19 and 32 of the Tariff.

1.2 Division of Responsibilities

The division of responsibilities between Entergy's Transmission Business Unit and the (Independent Coordinator of Transmission) ICT in performing the studies described herein will be controlled by Attachment S to the Tariff, including the ICT Protocols appended to Attachment S. Any inconsistency between this Attachment D and Attachments S (or the ICT Protocols) shall be resolved in favor of Attachment S and the ICT Protocols. The term "Entergy" is used to delineate the requirements or procedures applicable to the Entergy Transmission System and Tariff generally, but is not used to delineate the division of responsibilities. Instead, the term "Transmission Provider" is used to delineate those duties that will be performed by Entergy personnel, as opposed to the ICT.

1.3 Definitions

Capitalized terms used in this Attachment D are as defined in the Tariff. Additional definitions are included below:

1.4 When a System Impact Study is Required

Transmission Service Requests (TSRs) must be evaluated to determine if there is sufficient transmission capability to accept the TSR and ensure reliable service for existing Transmission Customers. A System Impact Study is a power flow network analysis of whether a particular TSR can be reliably accommodated. To the extent a TSR cannot be reliably accommodated without the construction of additional transmission facilities, the System Impact Study will also provide a preliminary estimate of possible costs associated with the necessary facilities. The Transmission Customer may also request that the System Impact Study evaluate the availability for planning redispatch and conditional firm

service as alternatives to transmission upgrades. The ICT will determine whether a System Impact Study is necessary pursuant to the following procedures and Tariff provisions. Under Attachment C to the Tariff, System Impact Studies are performed for the long-term TSRs, which include the following: (1) requests for Long-Term Firm Point-To-Point Transmission Service; (2) requests for Network Integration Transmission Service by new Network Customers; (3) requests by existing Network Customers to designate Network Resources for a duration of one year or more; and (4) requests by existing Network Customers to designate Network Resources and obtain "rollover rights" for those Network Resources for any duration. Transmission Customers seeking to transition from service under a grandfathered agreement to Network Service under the Tariff will be treated as new Network Customers having rollover rights associated with the grandfathered service. A System Impact Study will be required for these customers.

System Impact Studies are generally not performed for short-term TSRs, which include the following: (1) requests for Short-Term Firm Point-To-Point Transmission Service requests; and (2) requests by existing Network Customers to designate Network Resources for a duration of less than one year without obtaining "rollover rights" for those Network Resources for any duration. These short-term TSRs are typically evaluated under Entergy's Available Flowgate Capability (AFC) Process. However, System Impact Studies will be performed for short-term TSRs under the following circumstances: (1) monthly requests for Firm Point-To-Point Transmission Service or to designate new Network Resources where the service is to take place beyond the next 18 months; (2) where the AFC process has denied a short-term TSR and the Transmission Customer has requested a System Impact Study to evaluate solely the potential for transmission system upgrades to increase the applicable AFC values. With respect to (2), because of the lead-time and costs associated with transmission facility construction, System Impact Studies for short-term TSRs are rarely requested or performed.

Where a request for Long-Term Firm Point-To-Point Firm Transmission Service is made and cannot be satisfied out of existing capacity, the ICT will, at the request of the Transmission Customer and in the System Impact Study, identify (1) the transmission upgrades necessary to provide the service, and (2) the options for providing service during the period prior to completion of those transmission upgrades. Additionally, if upgrades cannot be completed prior to expiration of the requested service term, the ICT will, at the request of the Transmission Customer, identify options in the System Impact Study for providing the service during the requested term. The options studied by the ICT must include planning redispatch and conditional firm service. The System Impact Study may offer a mix of planning redispatch and conditional firm options for a single service request. Planning redispatch and conditional firm options will not be offered if doing so would impair reliable service to firm customers, including native load and Network Customers.

1.5 When a Facilities Study is Required

In the event that a System Impact Study indicates that Transmission Service cannot be reliably accommodated without the addition of transmission upgrades, the Transmission Customer may request a Facilities Study. The ICT shall tender a Facility Study agreement as necessary pursuant to the applicable provisions of the Tariff. The Facilities Study is a more in-depth study of the upgrades required to provide the requested transmission service, including an AC analysis of the TSR to confirm whether transmission upgrades are necessary. To the extent transmission upgrades are necessary, the Facilities Study will include a good-faith estimate of the costs and time required to complete construction of any such upgrades and an analysis of the cost allocation for those upgrades as specified under Attachment T to the Tariff. As with System Impact Studies, the Transmission Customer may also request an analysis of redispatch options as an alternative to transmission upgrades.

1.6 Queue for System Impact and Facilities Studies

The priority of long-term TSRs is determined on a first-come, first-served basis. Long-term transmission service requests that require a System Impact Study will be placed in the System Impact Study queue based on the date and time service is requested over OASIS. Where short-term TSRs have been denied through the AFC process and the Transmission Customer has requested a System Impact Study to analyze transmission upgrades, such studies will also be placed in the System Impact Study queue based on the date and time that service was requested through the AFC process. System Impact Studies will be performed in the order established by the queue. The ICT will maintain the queues related to System Impact and Facilities Studies.

The Tariff provides additional details regarding the timing and requirements associated with obtaining a System Impact Study. Refer to Sections 19 and 32 of the Tariff for those details and the Transmission Service Protocol for a description of the division of responsibilities between the Transmission Provider and the ICT.

2 Base Case Model Development

2.1 NERC and SERC Regional Models

Consistent with Section 6 of the Transmission Service Protocol, the Base Case Models used in System Impact Studies will be based on the updated regional power flow models developed pursuant to the NERC multi-regional and SERC regional model development processes. The NERC and SERC regional models will be developed consistent with the NERC Multiregional Modeling Working Group (MMWG) Procedural Manual (or its

successor), the current SERC near-term and long-term procedural manuals, and all applicable, current NERC Reliability Standards and SERC reliability criteria. The NERC models will be updated on an annual basis and will be used to develop the SERC regional models. The long-term SERC regional models will be updated on an annual basis, and the short-term SERC regional models will be updated annually with quarterly adjustments. These SERC regional models will be used to develop the seasonal/annual Base Case Models (representing a period of 10 years) and monthly Base Case Models used in System Impact Studies. The ICT will participate in the regional model development process for the SERC region with the Transmission Provider.

2.2 Development of Seasonal and Monthly Base Case Models

All seasonal Base Case Models used in performing System Impact Studies will be derived from the NERC and SERC regional models created as part of the regional modeling process described above. The seasonal Base Case Models will be developed by modifying the most recent SERC regional models to include a more detailed representation of the Entergy Control Area and updated data inputs made available after the most recent SERC regional model was finalized. The SERC regional models will be modified on an annual basis to include the more detailed representation of the Entergy system and embedded Control Areas, while the updating of data inputs will occur at least on a quarterly basis. In addition to these quarterly updates, the seasonal models will be further updated by the ICT just prior to evaluating a service request as described in Section 3.1 below.

All monthly Base Case Models used in performing System Impact Studies will be derived from the seasonal Base Case Models developed through the SERC near-term modeling procedures, as updated by the Transmission Provider and the ICT and other SERC members to include data inputs made available after the most recent near-term seasonal model was developed. The monthly Base Case Models are developed for Month 2 through Month 18 and include updated transmission system information for the Entergy Transmission System and embedded Control Areas. The monthly Base Case Models are also updated on a weekly basis to incorporate the most current transmission service reservation data from the Entergy OASIS site.

The Transmission Provider creates the seasonal and monthly Base Case Models used in the development of the System Impact Studies, with the participation of the ICT and other modeling group participants, subject to the ICT's review and validation pursuant to Sections 6.1 and 6.2 of the Transmission Service Protocol. For purposes of this Section 2.2, the responsibility of the ICT to "review and validate" shall mean that the ICT will take reasonable steps to ensure that the data inputs are properly loaded and reflected in the

Transmission Provider's modeling processes and that the resultant AFC and/or ATC values (i) reasonably reflect the application and product of the Transmission Provider's modeling processes and (ii) are reasonably consistent with the current topology of the Entergy Transmission System.

2.3 Data Inputs Included in Seasonal and Monthly Base Case Models

2.3.1 System Topology

All seasonal and monthly Base Case Models will include a detailed representation of the Entergy Control Area and Transmission System and any other Control Areas embedded within the Entergy Control Area. All other systems outside of the Entergy footprint will be retained at the level of detail contained in the SERC regional cases.

The system topology represented in the seasonal Base Case Models will be updated at least quarterly and just prior to conducting a System Impact Study. Topology changes can include recently energized construction projects (new substations/lines/transformers, upgrades, conversions, etc.), corrections of transmission element modeling parameters (impedances, ratings, etc.), or the decommissioning of equipment.

2.3.1.1 Facilities Not In Service

Generally, transmission construction projects that have not been completed and are not currently in service will not be included in the Base Case Models used to evaluate TSRs. When transmission construction projects are completed, the system topology updates conducted prior to all System Impact Studies will capture the new facilities and include those facilities in the Base Case Models. There are three instances where transmission construction projects that are not in-service will nevertheless be included in Base Case Models:

- Where a Transmission Customer has committed to fund Supplemental Upgrades pursuant to Attachment T to the Tariff in order to obtain Network or Point-to-Point Transmission Service, those upgrades will be included in the Base Case Models starting in the season in which the service is expected to begin and for all seasons thereafter. Supplemental upgrades associated with signed block load additions are modeled in the season in which the load is expected to come in service, and all seasons beyond.

- Where an Interconnection Customer has committed to fund Supplemental Upgrades pursuant to Attachment T to the Tariff in order to obtain Interconnection Service, those upgrades will be included in the Base Case Models starting in the

season in which the new generating facility is projected to be in service and for all seasons thereafter, provided that the generating facility has executed a Large Generator Interconnection Agreement (LGIA) under the Large Generator Interconnection Procedures (LGIP).

- Where the Transmission Provider has committed to fund an upgrade in the Construction Plan, those upgrades will be included in the Base Case Models starting in the season in which facilities are expected to be complete and for all seasons thereafter.

Any TSR that is accepted and confirmed based on the assumption that a Supplemental Upgrade or an upgrade in the Construction Plan will be in service at a future date, transmission service will be conditional until that upgrade actually goes into service. If the funding customer reneges on the funding commitment and the upgrade is necessary to accommodate the TSR, acceptance of the TSR may be retracted unless the Transmission Customer agrees to the fund the cancelled or delayed upgrade.

2.3.1.2 Transmission Facility Ratings

Transmission facility ratings for System Impact Studies will be determined in the same manner as for the calculation of AFC values and in accordance with the procedures specified in Attachment C of the Tariff. These procedures will be filed with SERC in accordance with NERC Reliability Standard FAC-008.

2.3.1.3 TRM

Transmission Reliability Margin (TRM) is the amount of transmission transfer capability needed to provide a reasonable level of assurance that the system will remain reliable. TRM accounts for the inherent uncertainty in system conditions and its associated effects on transfer capability evaluations (such as System Impact Studies) and the need for operating flexibility to ensure reliable system operation as system conditions change.

The current value of TRM used in seasonal Base Case Models beyond the next eighteen months is five percent (5%). Because the need for applied margins decreases as analysis time approaches real-time, the current TRM value used in monthly Base Case Models is zero.

2.3.2 Existing Transmission Commitments and Rollover Rights

All confirmed Long-Term Firm Transmission Service reservations (including service to Native and Network Load, and for Point-to-Point and Grandfathered customers) will be modeled in Base Case Models for the full term of service. To the extent Long-Term Firm Transmission Service is entitled to rollover rights, that service will be modeled in Base Case Models for periods beyond the term of service, unless: (1) the transmission service agreement specifies that rollover rights are not available for the applicable period; or (2) the customer has failed to exercise its rollover rights by the specified deadline. Non-firm transmission service reservations (including Non-Firm Point-to-Point Service, Secondary "Network" Service) and Qualifying Facility (QF) PURPA "Puts" that do not obtain Transmission Service will not be included in Base Case Models. Long-Term Firm Point-to-Point Service will be modeled by dispatching the generating unit sourcing the reservation to the full amount specified in the reservation. The modeling of long-term firm service to Native Load, Network Load and grandfathered customers will be achieved by economically dispatching the resources that have obtained firm transmission service to a level sufficient to meet the load forecast for that customer. This process is described below under Load and Resource Forecasts.

The modeling of Long-Term and Short-Term TSRs will comply with the capacity rights established in the Tariff. TSRs in study mode (System Impact Study or Facilities Study) will only be simulated in the evaluation of subsequent TSRs and only to the extent necessary to protect the superior capacity rights of the first-in-time TSRs. Specifically, Long-Term TSRs in study mode are included as prior transactions. To the extent that firm Short-Term TSRs are included in Base Case Models, a secondary analysis will be performed as necessary to determine if the Long-Term TSR can be accepted by "bumping" pre-emptible Short-Term TSRs.

2.3.3 Load Forecasts

2.3.3.1 Seasonal/Annual Models

The load forecasts for the Entergy System peak load contained in the NERC and SERC regional models are based on the most recent full calendar year (January-December) coincident System peak demand. The most recent peak demand provided by load serving entities ("LSEs") is used because it reasonably reflects load adjustments (e.g., losses, load growth, load reductions, cogeneration) that would have occurred prior to the peak load period. If there are significant load changes (additions or reductions) that occurred within the System after the summer peak, the load forecast will be adjusted to take these changes into consideration. The LSEs, or their agents, are required to provide a load forecast annually to the Transmission Provider and the ICT, preferably submitted in the Load and Resource Forecast Template. The types of loads represented in these load forecasts includes the loads of the following customer types: retail, wholesale (including

wholesale load under the Tariff and grandfathered agreements), industrial, nuclear generating facility, and cogenerating facility. To create power flow models of the off-peak seasons, the Transmission Provider applies monthly scaling factors to load forecasts that are based on historical load data. Additionally, the peak load forecasts may be non-coincident peak to account for the large geographic footprint of the Entergy system. Forecasted loads are adjusted according to actual peak for the year, weather normalization, block load changes and growth trending.

2.3.3.2 Monthly Models

The derivation of load forecasts used in the monthly Base Case Models is described in Attachment C to the Tariff.

2.3.4 Resource Forecasts and Generation Dispatch

2.3.4.1 Seasonal Models

The resource forecasts and generation dispatch levels represented in the monthly and seasonal Base Case Models will be based on the generation data included in the NERC and SERC regional models. This generation data is in turn based on the resource plans of the LSEs taking Transmission Service over Entergy's Transmission System. These LSEs include the Entergy Operating Companies (i.e., EAI, EMI, ELL, EGSI, and ENOI), wholesale Transmission Customers, and wholesale grandfathered contract customers. These LSEs, or their agents, are required to provide a resource plan annually to the Transmission Provider and the ICT, preferably submitted in the-Load and Resource Forecast Template. The resource plan should include adequate generation resources to serve the LSE's projected peak load for the coming seasons. If an LSE fails to provide or update its resource plan, the last resource plan submitted by that LSE will be used in conjunction with OASIS data regarding long-term Network Resources if available. The resources identified in the various LSE resource plans will be dispatched on an economic basis to the extent the LSE provides sufficient cost information**.** Any generating resource having a Long-Term Firm Point-to-Point Reservation will be dispatched to the level of that reservation, which will not be attributable to serving any load other than the Point-to-Point load.

Should any LSE submit a resource plan that fails to provide sufficient generation to meet forecasted load, the forecasted load will be met by dispatching uncommitted generating resources interconnected to the Entergy Transmission System to serve the shortfall, including resources that have not reserved Long-Term Firm Transmission Service to a specific sink or otherwise been included in the long-term resource plans of an LSE.

Resources used to serve the shortfall in this manner will be dispatched according to the following priority:

a. Generating resources that have obtained Network Resource Interconnection Service (NRIS) under the LGIP, but have not obtained Long-Term Firm Transmission Service (either Point-to-Point or Network) to a specific sink will be dispatched first. The dispatch level will be based on a uniform dispatch up to their uncommitted capacity (*i.e.,* the difference between their reserved service and the maximum output of the units).

b. Generating resources that are owned by LSEs but are designated as non-firm will be dispatched second. The dispatch level will be based on a uniform dispatch up to their uncommitted capacity (*i.e.,* the difference between their reserved service and the maximum output of the units).

c. Generating resources that have only obtained Energy Resource Interconnection Service (ERIS) under the LGIP (or its equivalent under pre-Order No. 2003 interconnection agreements) will be dispatched third. To the extent that all NRIS resources are at their maximum output in the model, then any remaining shortfall between an LSE's load and the resources used to serve that load will be met by using a uniform dispatch of the uncommitted capacity of these ERIS resources.

The resource forecasts and generation dispatch levels contained in the SERC regional models is updated when converting those models to the seasonal Base Case Models used in System Impact Studies. These updates will incorporate additional information provided by LSEs, as well as new TSRs confirmed on OASIS.

2.3.5 Monthly Models

The derivation of resource forecasts and generation dispatch levels used in the monthly Base Case Models is described in Attachment C addressing the off-line monthly AFC Models.

2.3.6 CBM

Capacity Benefit Margin (CBM) is not currently used in the seasonal or monthly Base Case Models application to TSRs.

3 Performing the System Impact Study

In order to determine if there is sufficient capability to accept the TSR and ensure reliable service for existing Transmission Customers, a full network, load flow analysis will be performed for each Long-Term TSR and each Short-Term TSR that falls outside of the model horizon for the AFC process. The load flow analysis component of a System Impact Study consists of the following steps: (1) selecting and updating Base Case Models; (2) simulating the proposed transfer; and (3) evaluating the impact of the proposed transfer against applicable reliability criteria. Pursuant to Section 7.1 of the Transmission Service Protocol, the ICT will perform System Impact Studies as necessary to evaluate whether sufficient transmission capability exists to accommodate a TSR.

3.1 Selecting and Updating the Base Case Models

Seasonal Base Case Models exist for each season for a ten-year horizon and monthly Base Case Models exist for each month for an eighteen-month horizon. Seasonal Base Case Models will be applied to all TSRs (or any portions thereof) that extend beyond the horizon for which monthly Base Case Models are available. Monthly Base Case Models will be applied to all TSRs (or any portions thereof) that fall within the horizon for which monthly Base Case Models are available. Seasonal Base Case Models will be applied to all TSRs (or any portions thereof) that fall outside of the horizon for which monthly Base Case Models are available.

When selecting the Base Case Models applicable to a particular TSR, the most recent version of each model will be used to ensure that the Base Case Models include updated data inputs as described in Section 2 above. As described in Section 7.2.1 of the Transmission Service Protocol, before performing a specific System Impact Study, the applicable Base Case Models will be further updated to reflect additional information regarding Long-Term TSRs and changes in system topology, including transmission and generation outages. Additionally, any preempted TSRs will be removed from the Base Case Model. The updated Base Case Models will be subject to a final review to confirm that the updating process was performed correctly.

3.2 Simulating the Proposed Transfer

Once the appropriate Base Case Models have been selected and updated, load flow simulations will be performed. In general, where specific source/sink information is provided by the customer, the transfer will be simulated between the source/sink pair; where such information is not provided by the customer, the transfer will be simulated as described below.

3.2.1 Request for Point-to-Point Service

For Point-to-Point TSRs that are considered "imports" (*i.e.,* TSRs that are sourced from external Control Areas and that sink "into" the Entergy Control Area) a transfer will be simulated in one of two ways:

If the source is located in a "first–tier" Control Area (*i.e.,* a neighboring Control Area with direct ties to the Entergy Control Area) and the specific generating unit sourcing the TSR is known, that specific generating unit will be scaled up to simulate the transfer into the Entergy Control Area. If no generator is specified (*i.e.*, the source is specified as the whole Control Area), the Study will be performed assuming generation will be scaled up from the most constraining generator on the limiting element identified to effect the transfer into the Entergy Control Area. The generation of the customer submitting the TSR will be ramped down based on the customer's specified dispatch or, if the customer does not provide such a dispatch, based on a *pro rata* scale down of the requesting customer's existing resources within the Entergy Control Area.

If the source located in a "second–tier" Control Area (*i.e.,* a Control Area with no direct ties to the Entergy Control Area), the Study will be performed by proportionally increasing all generation in the source Control Area to effect the transfer into the Entergy Control Area. The generation of the customer submitting the TSR will be ramped down based on the customer's specified dispatch or, if the customer does not provide such a dispatch, based on a *pro rata* scale down of the requesting customer's existing resources within the Entergy Control Area.

For Point-to-Point TSRs that are considered "exports" (*i.e.,* TSRs that are sourced from inside the Entergy Control Area and that sink outside of the Entergy Control Area), the Tariff requires that specific generating unit be identified. Therefore, the transfer will be simulated by increasing the dispatch of that generating unit. If a designated source is modeled online in the base case at a level that does not allow for transfer (i.e., generator at or close to maximum generation amount), then the generator at the designated resource will be scaled down and other units inside the designated Control Area will be scaled up economically in an equivalent amount. The generation within the sink Control Area will be ramped down proportionately.

For Point-to-Point TSRs that are considered "through" transactions (*i.e.,* TSRs that both source and sink outside the Entergy Control Area), one transfer will be simulated using the same method for "imports" and another transfer will be simulated using the method for "exports."

3.2.2 Requests to Designate New Network Resources

In accordance with Sections 28, 30 and 32 of the Tariff, existing Network Customers may

designate new Network Resources and undesignate existing Network Resources. There are two different methods for simulating a transfer associated with the designation of a new Network Resource: (1) incremental; and (2) undesignation. At least initially, all requests to designate a new Network Resource will be studied through the incremental method. Existing Network Customers will also have the option of requesting the Study include the undesignation method in the event that service cannot be accepted without transmission upgrades or redispatch under the incremental method.

The requirements associated with the undesignation option are discussed more fully in Attachment E. For purposes of this Attacment D, the essential distinction between the two options lies in the manner in which the transfer is simulated. All other Base Case Model data, assumptions and criteria are the same. The exact method for simulating transfers under each of these two options is described below.

3.2.2.1 Incremental Method

Under the incremental method, the proposed Network Resource is modeled as an additional Network Resource above and beyond the existing Network Resources for that customer. This allows the new Network Resource to be designated without terminating an existing Network Resource. The incremental method involves simulating the transfer associated with the new Network Resource by first reducing the Network Load by the same MW amount requested for the new Network Resource designation (except that the load will never go below zero) and then next simultaneously ramping up both the new Network Resource and the Network Load to the level requested for the new Network Resource. This evaluation is simulated in two ways, generation to generation and generation to load. The transfer to generation will be from the study unit to the customer's existing designated Network Resources. The transfer to load will be from the study unit to the Network Customer's load. It will be performed by first reducing the Network Customer's load by the requested amount and economically dispatching the existing Network Resources to the new load level. The transfer will then be simulated from the study generator to the Network Customer's load. These different analyses are performed to differentiate the constraints used to serve the load and the constraints caused by the new generator.

3.2.2.2 Undesignation Method

Under the undesignation method, the proposed Network Resource is modeled through the undesignation of some subset of the Network Customer's existing Network Resources. The Network Customer will supply a list of the specific generating units that will be undesignated. This allows the new Network Resource to be designated only if the capacity rights of the undesignated Network Resources are surrendered. The

undesignation method involves simulating the transfer associated with the new Network Resource by simultaneously ramping up the new Network Resource and ramping down some subset of the Network Customer's existing Network Resources. However, the evaluation of the transmission service will be processed taking proper account of all competing transmission service requests of higher priority.

3.2.3 Requests to Initiate Network Service

A request to initiate Network Service involves a "first-time" request for Network Service, including: (1) an existing Network Customer that is seeking Network Service for a new Network Load under a new Service Agreement; (2) a requesting customer that was previously taking service under a grandfathered agreement; and (3) a requesting customer is otherwise not currently a Network Customer under the Tariff.

All requests to initiate Network Service will be studied by first removing the power flow impact of prior service to that load included in the Base Case Models (if any) and then by simulating the transfer using the incremental method described above in Section 3.2.2.1.

3.2.4 Requests to Designate PPAs As Network Resources

Network Customers may designate power purchase agreements as Network Resources pursuant to the Tariff and related business practices. The request is made over OASIS in the same manner as other requests for designating Network Resources. These TSRs will be performed using the same methods described above in Sections 3.2.2.1 and/or 3.2.2.2. If the Customer seeks to designate a "Liquidated Damages" contract or "Slice of the System" contract as a Network Resource, the customer must provide the required attestation so that the request may be studied. If the generator supplying the power purchase is located on the Entergy Transmission System, the Transmission Customer must identify the bus bar location of the generator. When designating an off-system resource, the following information must be provided with the request and posted on OASIS: (1) identification of the resource as an off-system resource; (2) amount of power to which the customer has rights; (3) identification of the Control Area (s) from which the power will originate; (4) delivery point(s) to Entergy's Transmission System; and (5) transmission arrangements on the external transmission system(s).

3.3 Evaluating the Reliability Impact of the Proposed Transfer

Once the impact of the proposed transfer is simulated in the Base Case Model, the resulting "change" case will be evaluated to determine if allowing the proposed transfer is consistent with all applicable reliability criteria and standards, including the following:

- NERC Reliability Standards
- SERC reliability criteria
- Thermal Limits specified in Section 3.3.1
- Contract path limits

These standards establish three general types of limits that restrict the ability of the Transmission System to reliably accommodate power transfers: thermal, voltage and stability. The System Impact Study will analyze thermal limits pursuant to these criteria and standards and, to the extent thermal limits are identified, an analysis of voltage issues will be conducted. Short-circuit and stability issues will only be analyzed as part of the Facilities Study process.

3.3.1 Thermal Analysis

As part of the System Impact Study, a DC contingency analysis will be performed. This flow-based analysis will consider the impact of single transmission element contingencies on all monitored elements. The analysis will be conducted using a full monitored element list and a full contingent element list. The monitored and contingent element list will include all transmission facilities at 115kV or higher. If the proposed transfer involves a generating unit that is located on the 69kV transmission system, the monitored and contingent element list will also include all transmission facilities at 69kV and greater. The thermal violation thresholds are the same as those specified for the NERC Reliability Standard TPL-001 and 002 contingency evaluations in which facility loadings must be within their normal rating (RATE A).

The DC contingency analysis will identify any monitored transmission facility that exceeds the thermal limits. An Outage Transfer Distribution Factor ("OTDF") of 3% will be used so that facilities with an OTDF below the 3% threshold will not be considered a valid limit. If the OTDF for a particular facility is equal to or greater than the 3% threshold, then the facility will be considered a valid limit to the transfer. To the extent an overloaded facility had already exceeded the applicable thermal limit *prior* to simulating the proposed transfer, the overload will not be considered a valid limit unless the proposed transfer *increases* the level/severity of the overload.

All valid thermal limits identified by the System Impact Study will be examined to determine whether: (1) non-coincident generation or transmission outages are contributing to the overload; or (2) the dispatch assumptions designed to make up for the short-fall in an LSEs resource plan under Section 2.3.4 above are contributing to the overload. With respect to outages, the applicable seasonal or monthly model may be divided into smaller models to evaluate whether the proposed transfer produces the same or similar overloads when the

non-coincident outages are modeled separately. If it does not, then the limit may not be valid. With respect to short-falls in a LSEs resource plan, the NRIS, non-firm and ERIS resources dispatched on a *pro rata* basis under Section 2.3.4.1 will be preempted (*i.e.*, the dispatch will be modified) to eliminate the impact of those resources on the elements limiting the proposed transfer.

3.3.2 Voltage and Short-Circuit and Stability Analyses

Voltage, short-circuit and stability issues will only be analyzed as part of the Facilities Study process.

4 Developing Mitigation Plans

To the extent the System Impact Study identifies violation of thermal or voltage reliability limits, the Study will also consider mitigation options that would eliminate the violations and allow for the service to be accepted. Pursuant to Section 7.1 of the Transmission Service Protocol, the Transmission Provider will be responsible for developing the mitigation plan to address any constrained transmission elements. The Transmission Provider will document and supply to the ICT all studies, analyses and research conducted in connection with the mitigation options. The ICT will review and validate all proposed mitigation plans to ensure that such changes are consistent with the criteria outlined below. For purposes of this Section 4, the responsibility of the ICT to "review and validate" shall mean that the ICT will review the inputs and results of any study or analysis and confirm that the study results reasonably reflect the application and product of the criteria specified in this Section 4.

4.1 Evaluating Transmission Upgrade Options

Each System Impact Study that identifies a limiting element that constrains the proposed transfer will also provide a high-level cost estimate of transmission upgrades necessary to mitigate the loading on the identified transmission element. The System Impact Study shall specifically identify any system constraints by transmission element or flowgate. Because of the time frames involved in conducting System Impact Studies, the estimated costs of transmission upgrades will be based on: (1) to the extent available, any previous System Impact Study or Facilities Study that estimated the cost of the upgrade in question; or (2) a dollar per mile cost estimate where new transmission lines are required. *The upgrade costs identified in System Impact Studies are planning estimates only and should be expected to change during the more detailed Facilities Study process.*

4.2 Evaluating Conditional Firm Options

If the Transmission Customer requests a study of conditional firm service as part of a Long-Term Point-to-Point TSR, the System Impact Study shall identify conditional curtailment options, including: (1) the specific system condition(s) when conditional curtailment may apply, including, but not limited to, designation of limiting transmission elements, such as a transmission line, substation or flowgate ("Condition Option"); and (2) the annual number of hours when conditional curtailment may apply ("Hourly Cap Option").

A Transmission Customer must select either the Condition Option or the Hourly Cap Option when its service may be curtailed. Such information shall be included in its conditional firm service agreement. If the Transmission Customer selects the Hourly Cap Option, the Transmission Provider has the flexibility to conditionally curtail the customer for any reliability reason during those hours, including but not limited to, the system conditions identified in the System Impact Study. A secondary network curtailment priority will apply for the hours or specific system conditions when conditional firm service is conditional. During non-conditional periods, conditional firm service is subject to *pro rata* curtailment consistent with the curtailment of other long-term firm service.

- **Transmission Customers Agreeing to Fund Upgrades.** If a Transmission Customer commits to paying the costs associated with upgrades necessary to provide the requested service on a fully firm basis, the Condition Option or the Hourly Cap Option identified shall remain in effect until such time as the upgrades have been completed. The Service Agreement shall specify a good faith estimate of upgrade costs as determined through the Facilities Study. The Transmission Customer, however, will be responsible for the final costs of any necessary upgrades as determined after the completion of the upgrade.

- **Transmission Customers Declining to Fund Upgrades**. If a Transmission Customer is unwilling to commit to a Facilities Study or the payment of network upgrade costs, the Transmission Provider and the ICT shall have a periodic right to reassess the conditions or hours under which the transmission provider may conditionally curtail the service. This reassessment may occur every two years during the term of the service. Reassessments may not be performed during intervening periods. The Transmission Provider and the Transmission Customer, in negotiating the applicable Service Agreement, shall coordinate the timing of the biennial reassessment with the deadline for declaring rollover intent for the service at issue. The Transmission Customer will receive service for the requested term unless the transmission provider determines through its biennial reassessment that the conditional firm service can no longer be reliably provided. The Transmission

Customer may also choose to terminate the service at the time of reassessment if the service no longer meets its needs.

If a change to conditional curtailment conditions is required due to a reassessment, the ICT must provide the reassessment study to the customer along with a narrative statement describing the study and reasons for changes to the curtailment conditions no later than 90 days prior to the date for imposition of these new conditions or requirements. The ICT shall assess the conditions based on two years of service or the continuation of the term of service, whichever is less.

- **Pricing of Conditional Firm Option**. The conditional firm service option is considered a variation of Long-Term Firm Point-to-Point Transmission Service and will be priced at the rate for Long-Term Firm Point-to-Point Transmission Service, as set forth in the Entergy Tariff.

- **Filing of Service Agreements.** Service Agreements that incorporate planning redispatch or conditional firm options, and any amendments to such agreements, are considered non-conforming agreements, which shall be filed with the Federal Energy Regulatory Commission pursuant to section 205 of the Federal Power Act. The Service Agreement shall specify the relevant congested transmission facilities and whether the transmission provider will provide conditional firm service in order to provide the Long-Term Firm Point-To-Point Transmission Service.

4.3 Evaluating Redispatch Options

If requested by the Transmission Customer, the System Impact Study for a Long-Term POINT-TO-POINT TSR will also contain an evaluation of redispatch options for alleviating thermal overloads associated with the proposed transfer. The System Impact Study shall identify: (1) system constraints identified with specificity by transmission element or flowgate, for which redispatch will be provided; and (2) options for redispatch of the Transmission Provider's Network Resources, including a non-binding estimate of the incremental cost of redispatch. For customers requesting the study of redispatch options, the System Impact Study shall also identify: (1) all resources, whether available or not, located within the Entergy Control Area that can significantly contribute toward relieving the system constraint; and (2) the impact of each identified resource on the congested facilities. If the ICT possesses information indicating that any resource outside the Entergy Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. This requirement does not obligate the ICT to undertake any additional investigation or study to identify generation options located outside of the Entergy Control Area.

The System Impact Study will consider the availability of the Transmission Provider's resources to provide redispatch. Redispatch of the Transmission Provider's resources will not be available if doing so would: (1) degrade or impair the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-to-Point Service; or (2) interfere with the Transmission Provider's ability to meet prior firm contractual commitments to others. The Transmission Provider may consider the impact of the redispatch service in reducing its reserve margin below that necessary to maintain reliability or causing a single contingency to overload the system in determining whether the service can be reliably provided. The System Impact Study process will examine Network Resources over which the Transmission Provider has operational control, but will not evaluate the opportunity to provide redispatch by making additional purchases for that purpose.

A Customer may request an analysis of the Customer's ability to redispatch its own resources in a manner that will allow for the new transmission service without the need to construct transmission upgrades. A Customer also can arrange for its own planning redispatch through bilateral markets and submit plans to the ICT for such planning redispatch. Such arrangements must be sufficiently detailed and coordinated with the ICT and the Transmission Provider to ensure that reliability is maintained. Postings of third party offers on the Transmission Provider's OASIS shall be permitted in accordance with the requirements of Order No. 890 and subsequent Commission orders.

- **Transmission Customers Agreeing to Fund Upgrades.** If a Transmission Customer commits to paying the costs associated with upgrades necessary to provide the requested service on a fully firm basis, the redispatch solution identified shall remain in effect until such time as the upgrades have been completed. The Service Agreement shall specify a good faith estimate of upgrade costs as determined through the Facilities Study. The Transmission Customer, however, will be responsible for the final costs of any necessary upgrades as determined after the completion of the upgrades.

- **Transmission Customers Declining to Fund Upgrades**. If a Transmission Customer is unwilling to commit to a Facilities Study or the payment of network upgrade costs, the Transmission Provider shall have a periodic right to reassess the planning redispatch required to keep the service firm. This reassessment may occur every two years during the term of the service. Reassessments may not be performed during intervening periods. The Transmission Provider and the Transmission Customer, in negotiating the applicable Service Agreement, shall coordinate the timing of the biennial reassessment with the deadline for declaring rollover intent for the service at issue. The Transmission Customer will receive service for the requested term unless it is determined through a biennial reassessment that the redispatch solution can no longer be reliably provided. The

Transmission Customer may also choose to terminate the service at the time of reassessment if the service no longer meets it needs.

If a change to the redispatch requirements is proposed due to a reassessment, the ICT must provide the reassessment study to the customer along with a narrative statement describing the study and reasons for changes to the redispatch requirements no later than 90 days prior to the date for imposition of these new conditions or requirements. The reassessment shall be based on two years of service or the continuation of the term of service, whichever is less.

- **Pricing of Redispatch**. The pricing of redispatch shall be determined in accordance with Attachment T of the Tariff.

- **Filing of Service Agreements.** Service Agreements that incorporate planning redispatch, and any amendments to such agreements, are considered non-conforming agreements, which shall be filed with the Federal Energy Regulatory Commission pursuant to section 205 of the Federal Power Act. The Service Agreement shall specify the relevant congested transmission facilities and whether the transmission provider will provide planning redispatch in order to provide the Long-Term Firm Point-To-Point Transmission Service.

4.4 Operating Guides

Operating Guides are not used in the evaluation of TSRs, with some exceptions. Those Operating Guides that are implemented automatically (with no operator intervention) will be used. These Operating Guides will be posted on OASIS.

5 The System Impact Study Report

All System Impact Study Reports will be made available to requesting customers as required under the Commission's OASIS regulations. Although these regulations do not require posting the actual studies on OASIS, Entergy's business practice is to post all System Impact Studies on OASIS for downloading by customers. The ICT will be responsible for finalizing and posting System Impact Study Reports on OASIS as soon as the study is completed. All System Impact Study Reports will contain the following information at a minimum:

- the transaction data associated with the TSR, *i.e.,* OASIS ID number, Point of Receipt, Point of Delivery, direction, amount requested and time period requested;

- the Base Case Models and power flow software used to evaluate the TSR;

- a general description of the updated data inputs included in the Base Case Models;
- the confirmed and unconfirmed transactions with a higher priority that were included in the Base Case Models;
- the method used to simulate the proposed transfer;
- the results of any redispatch analysis requested by the Customer if redispatch was necessary to accept the request;
- whether the Transmission Customer is required to match the term of a competing request to obtain the service ;
- whether the acceptance of the TSR is conditional due to the fact that the service is dependent upon a transmission facility that is not currently in-service as described in Section 2.3.1.1;
- the comments of the Transmission Provider and any areas of disagreement pursuant to Sections 7.1.3 and 7.1.4 of the Transmission Service Protocol; and
- whether there was sufficient Available Transfer Capability (ATC) to grant the request and the amount of ATC that was determined to be available.

Additionally, if the System Impact Study does not accept the full amount of the TSR, the System Impact Study Report will also include the following information:

- the limiting elements that prevented the request from being accepted in full; and
- the high-level, planning estimate of the costs associated with constructing the necessary upgrades to make service available.

6 Facilities Studies

The Transmission Customer may request a Facilities Study be conducted if the System Impact Study finds that additional transmission upgrades are necessary before the TSR can be accepted. The Facilities Study is an in-depth study of the upgrades required to reliably accommodate the TSR and will include a good faith estimate of the costs and time required to complete construction and initiate service. Facilities Studies are subject to the procedures and requirements set forth in Sections 19, 20 and 32 of the Tariff, as well as the Study practices described in this Attachment D. Pursuant to Section 7.2 of the Transmission Service Protocol, the ICT shall tender a Facilities Study agreement as required under the Tariff. The Transmission Provider will conduct the Facilities Study

using the Base Case Model provided by the ICT and the criteria defined in this Attachment D. The ICT will review and validate the Facilities Study as described in Section 7.2.3 of the Transmission Service Protocol. For purposes of this Section 6, the responsibility of the ICT to "review and validate" shall mean that the ICT will review the inputs and results of any study or analysis and confirm that the study results reasonably reflect the application and product of the facility study criteria specified in this Section 6. The ICT shall post a listing of all Facilities Studies, to be made available upon request.

6.1 Scope of a Facilities Study

A Facilities Study is performed pursuant to the request of a Transmission Customer whose Long-Term or Short-Term TSR cannot be accommodated without the addition of transmission upgrades. The results of such a study provide the customer with a list of necessary facilities, the estimated cost of those facilities, and the time required to provide the facilities needed to accommodate the requested transmission service.

The Facilities Study will include a "Project Execution Plan" comprised of the following elements:

- The work scope of the project, including:
    - Safety requirements
    - Rebuilding, reconductoring or new construction of transmission lines
    - Substation additions, modification and/or new substation construction
    - Equipment addition, replacement, and/or modifications
    - Relay modifications on Entergy's system
    - Supervisory Control and Data Acquisition (SCADA) requirements
    - Metering requirements
    - Telecommunications requirements
    - AGC requirements
- A list of assumptions used in developing the scope;

- An estimated project schedule;
- An estimated cost of the project, including equipment, engineering, procurement and construction work costs; and
- A risk assessment

6.2 Evaluating the Scope of Necessary Upgrades

When determining the scope of upgrades necessary to accommodate the TSR, the Facilities Study will examine the thermal and voltage requirements contained in the NERC Reliability Standards, SERC reliability criteria, and the Thermal Limits described in Section 3.3.1 and the voltage limits specified for the NERC Reliability Standard TPL-001 and 002 contingency evaluations in which transmission bus voltages must remain within +/- 5% for TPL-001 and within +5% / -8% for TPL-002. Additionally, the impact of any new transmission facilities on stability and short circuit issues will also be evaluated. The Facilities Study will use the same Base Case Models as used for System Impact Studies, except that the most recent versions of those models will be used to the extent available.

As part of the reliability analysis, the Facilities Study will include an AC analysis of the Transmission System. Because of the nature of the AC analysis, TRM will not be used to determine the need for transmission upgrades during the Facilities Study stage. Redispatch alternatives described in Section 4.2 of this Manual may also be considered to the extent not requested in the System Impact Study process. If after taking into account updates to the Base Case Models, the AC analysis, the elimination of TRM, and/or redispatch options, the TSR can be accepted without constructing upgrades, the TSR will be accepted over OASIS and the Customer will be notified.

To the extent that transmission upgrades are still necessary, the design of all necessary facilities will comply with the NERC Reliability Standards, SERC reliability criteria and the Thermal Limit described in Section 3.3.1 and the Voltage Limit described in this Section.

6.3 Cost Allocation of Transmission Upgrades

The final Facility Study Report will contain an analysis of whether the necessary upgrades qualify as Base Plan or Supplemental Upgrades and the cost allocation of such upgrades in accordance with Attachment T.

7 Posting of System Impact Study and Facilities Study Metrics

Consistent with the Transmission Service Protocol of Attachment S of the Tariff, the ICT will post the performance metrics listed below in Section 7.1 within fifteen days of the end of each quarter and these metrics will remain posted on Entergy's OASIS for three calendar years. The metrics listed in Section 7.1 will be calculated separately for TSRs for the SPO and non-affiliated Transmission Customers. The ICT will also aggregate studies associated with TSRs for short-term and long-term Transmission Service when calculating these metrics.

7.1 System Impact Study and Facilities Study Metrics.

The posting requirement described in Section 7.0 applies to the following metrics:

A. Process time from initial service request to offer of System Impact Study agreement pursuant to sections 17.5, 19.1 and 32.1 of the Tariff

- Number of new System Impact Study agreements delivered to Transmission Customers
- Number of new System Impact Study agreements delivered to the Transmission Customer more than 30 days after the Transmission Customer submitted its request
- Average time (days) from request submittal to change in request status
- Average time (days) from request submittal to delivery of System Impact Study agreement
- Number of new System Impact Study agreements executed

B. System Impact Study processing time pursuant to sections 19.3 and 32.3 of the Tariff

- Number of System Impact Studies completed
- Number of System Impact Studies completed more than 60 days after receipt of executed System Impact Study agreement
- Average time (days) from receipt of executed System Impact Study agreement to date when completed System Impact Study made available to the Transmission Customer
- Average cost of System Impact Studies completed during the period

C. Service requests withdrawn from System Impact Study queue

- Number of requests withdrawn from the System Impact Study queue

- Number of System Impact Studies withdrawn more than 60 days after receipt of executed System Impact Study agreement
- Average time (days) from receipt of executed System Impact Study agreement to date when request was withdrawn from the System Impact Study queue

D. For all System Impact Studies completed more than 60 days after receipt of executed System Impact Study agreement, average number of days study was delayed due to Transmission Customer's actions (e.g., delays in providing needed data)

E. Process time from completed System Impact Study to offer of Facilities Study agreement pursuant to sections 19.4 and 32.4 of the Tariff

- Number of new Facilities Study agreements delivered to Transmission Customers
- Number of new Facilities Study agreements delivered to Transmission Customers more than 30 days after the completion of the System Impact Study
- Average time (days) from completion of System Impact Study to delivery of Facilities Study agreement
- Number of new Facilities Study agreements executed

F. Facilities Study processing time pursuant to sections 19.4 and 32.4

- Number of Facilities Studies completed
- Number of Facilities Studies completed more than 60 days after receipt of executed Facilities Study agreement
- Average time (days) from receipt of executed Facilities Study agreement to date when completed Facilities Study made available to the Transmission Customer
- Average cost of Facilities Studies completed during the period
- Average cost of recommended upgrades for Facilities Studies completed during the period

G. Service requests withdrawn from Facilities Study queue

- Number of requests withdrawn from the Facilities Study queue
- Number of Facilities Studies withdrawn more than 60 days after receipt of executed Facilities Study agreement

- Average time (days) from receipt of executed Facilities Study agreement to date when request was withdrawn from the Facilities Study queue

H. For all Facilities Studies completed more than 60 days after receipt of executed Facilities Study agreement, average number of days study was delayed due to Transmission Customer's actions (e.g., delays in providing needed data)

7.2 Posting Metrics In the Event of Section 19.9 Notification Filing

The ICT will post the following metrics in the event that the Transmission Provider submits a notification filing to FERC pursuant to Section 19.9 of the Tariff:

- Average time, across completed System Impact Studies, of the employee-hours expended per completed System Impact Study
- Average time, across completed Facilities Studies, of employee-hours expended per completed Facilities Study
- Number of employees devoted to processing System Impact Studies
- Number of employees devoted to processing Facilities Studies.

These metrics will be posted starting the quarter after the notification filing is submitted to FERC. The ICT is not required to post these additional performance metrics separately for affiliates' and non-affiliates' TSRs and for short-term and long-term Transmission Service. The ICT is instead required to aggregate studies associated with requests for short-term and long-term TSRs when calculating these additional metrics. The ICT is not required to post the additional metrics if, after evaluating the Transmission Provider's notification filing, the FERC concludes that delays in completing studies listed in Section 7.1 are due to extenuating circumstances. However, the ICT is required to post the additional metrics while the FERC considers the Transmission Provider's notification filing.

8. CLUSTERING OF TRANSMISSION STUDIES

The ICT is not required to study TSRs in clusters, but will do so upon the request of a Transmission Customer when such a request can be reasonably accommodated. Under such circumstances, clustering shall be implemented on the basis of queue position and source locations. If the ICT elects to study TSRs using clustering, all TSRs in the cluster must be in consecutive order and be from the same source, hereinafter referred to as the "Queue Cluster." The deadline for completing all System Impact Studies and Facilities Studies shall be in accordance with Sections 19 and 32 of the Tariff.

Transmission Customer can only opt out of a Queue Cluster and request an individual study or inclusion in a new Queue Cluster during the period of time after the completion of

the applicable System Impact Study and before the applicable Facilities Study. In the event that a Transmission Customer opts out of a Queue Cluster, the costs of the System Impact Study shall be allocated pro rata among the original Transmission Customers in the Queue Cluster. The costs associated with the Facilities Study will be allocated pro rata among the remaining Transmission Customers. The Transmission Customer that opted out of the Queue Cluster can elect to enter the study queue by requesting a new individual study or as part of a new Queue Cluster.

ATTACHMENT E
TRANSMISSION SERVICE REQUEST CRITERIA

Division of Responsibilities
Between Entergy Transmission and the ICT

1. The division of responsibilities between the Transmission Provider and the Independent Coordinator of Transmission (ICT) in performing duties related to the procedures described herein is controlled by Attachment S to the Tariff, including the ICT Protocols appended to Attachment S. Any inconsistency between this Attachment E and Attachments S or the ICT Protocols shall be resolved in favor of Attachment S and the ICT Protocols.

2. The term "Entergy" is used to delineate the requirements or procedures applicable to the Entergy transmission system and Tariff generally, but is not used to delineate the division of responsibilities. Instead, the term "Transmission Provider" is used to delineate those duties that will be performed by Entergy personnel, as opposed to the ICT.

Procedures for
Loss Compensation Service

1. Purpose Capacity and energy losses occur when Entergy delivers electricity across its transmission facilities for a Transmission Customer. Transmission Service pricing does not include losses, and Entergy does not provide for the losses. Transmission Customers are required to make their own arrangements for providing for losses.

2. Providing for Losses

   2.1 NERC e-tags are used as Transmission Service schedules on the Transmission System. Under Section 3.2.3 of the Transmission Service Protocol, the Transmission Provider will process and evaluate transmission service schedules, subject to the ICT's authority to direct changes to such schedules as the Reliability Coordinator. All NERC tags utilizing Entergy's Point-to-Point Transmission Service must indicate how the transmission losses will be supplied in the loss accounting section of the tag.

2.2 For each Point-to-Point transaction, the losses for that transaction must be provided at the point of receipt. This applies to all Point-to-Point transactions regardless of whether or not the losses are supplied from internal sources. Loss accounting must be supplied or the tag will not be implemented.

2.3 The loss factor on the Entergy system is 1.03. The energy received at Entergy's Point of Receipt must be equal to the energy scheduled for delivery to the point of delivery multiplied by the loss factor of 1.03, and rounded up to the next whole MW.

Procedures for
Scheduling Service and Emergency Assistance

1. Scheduling Service Entergy will accept new schedules up to twenty minutes prior to the start of the schedule instead of 20 minutes prior to the top of the hour. The following guidelines should be followed for submitting partial hour schedules:

   1.1 New schedules or schedule changes must be submitted no later than 20 minutes prior to start. New schedules or schedule changes received after the twenty minute deadline will be deemed LATE and will be denied for anything other than emergency reliability reasons.

   1.2 The schedule must be at least 10 minutes in length.

   1.3 The Transmission Customer must have enough reservation(s) to cover the instantaneous MW amount. For example, if a customer wishes to schedule 100 MW for 15 minutes, then the reservation must be for 100 MW for at least the entire hour and not for the integrated amount of 25 MWH.

   1.4 The smallest increment of service that Entergy offers is fixed hourly (starts at the beginning of a clock hour and stops at the end of a clock hour); therefore, if the schedule crosses the hour, the Transmission Customer must have enough reservation(s) in each hour to cover the instantaneous MW amount. For example if a Transmission Customer wishes to start a 100 MW schedule at 00:45 and end it at 01:15, then the Transmission Customer must have a reservation for 100 MW for the entire hour ending 1 and the entire hour ending 2.

   1.5 As with any schedule, to the extent neighboring Control Areas are involved, they must also approve the details and timing of the submitted schedule.

   1.6 Under Section 3.2.3 of the Transmission Service Protocol, the Transmission Provider will process and evaluate all service schedules, subject to the ICT's authority to direct changes to such schedules as the Reliability Coordinator.

2. Arranging for Emergency Assistance Entergy requires all Transmission Customers receiving emergency assistance that uses Transmission Service on Entergy's system to submit an OASIS reservation after the fact.

   2.1 It is the responsibility of the sink Control Area to make sure that the reservation is entered. For sink Control Areas that are not Network

Customers of Entergy the type "PTP EMERGENCY ASSIST" should be used. For sink Control Areas that are Network Customers of Entergy the type "NETWORK EMERGENCY ASSIST" should be used.

2.2 The reservations covering the emergency assist should be entered as soon as practicable, but within 24 hours of the start of the emergency assist schedule.

2.3 Under Section 3.1 of the Transmission Service Protocol, the ICT will process and evaluate after the fact OASIS reservations for transmission service.

2.4 The reservations for emergency assistance should not utilize conditional firm service.

2.5 The customer must haved executed a valid Service Agreement with Entergy to request emergency service.

Procedures for
Requesting, Confirming and Verifying Network Resources

1. Purpose

1.1 Under the Tariff, Network Customers may designate Network Resources that generally fall within one of two categories: (1) generating facilities that the Transmission Customer directly owns or leases; and (2) executed power purchase contracts that commit the Transmission Customer to pay for non-interruptible power. Both types of Network Resources must be deliverable (i.e., there must be sufficient ATC to grant the service request), and each type of Network Resource must also meet the specific requirements in the Tariff for that type of Network Resource.

1.2 The purpose of this document is to describe the procedures by which existing Network Customers must: (1) request and confirm Network Resource designations over Entergy's OASIS; and (2) attest that the applicable Tariff requirements have been met for each Network Resource request that is confirmed. This document is not intended as an exhaustive list of all requirements applicable to Network Resources or the procedures that apply when new Network Customers seek to designate Network Resources for the first time as part of the initial application for Network Integration Transmission Service ("NITS").

2. Submitting Requests Over OASIS

2.1 All requests by existing Transmission Customers to designate new Network Resources must be made over OASIS as a request for modification of service pursuant to Section 29 of the Tariff.

2.2 Network Resource designations must be submitted prior to 12:00 noon CPT on the day prior to the day of service. Although the deadline for requests is 12:00 noon CPT, Network Resource designations should be submitted as soon as practicable to ensure that the ICT can evaluate the requests in time to allow commencement of service.

2.3 When designating an off-system resource, the following information must be provided with the request and posted on OASIS: (1) identification of the resource as an off-system resource; (2) amount of power to which the customer has rights; (3) identification of the Control Area(s) from which the power will originate; (4) delivery

point(s) to the Transmission System; and (5) transmission arrangements on the external transmission system(s).

2.4 In addition to the information required in Section 2.3, the Transmission Customer must also provide: (1) any operating restrictions (periods of restricted operation, maintenance schedules, minimum loading level of resource, normal operating level of resource); and (2) approximate variable generating cost ($/MWH) for redispatch computations. The information required by this Section 2.4 shall be masked on OASIS to prevent the release of commercially sensitive information. If no operating constraints are specified in the contract, or if no such constraints are relevant to an owned generation resource being designated, then such information should be reflected in the information posted on OASIS.

4. Providing Information to Verify New Network Resources

4.1 Information Required for Generating Facilities. For requests to designate generating facilities as Network Resources, Network Customers will provide a standard "attestation" form verifying that (1) the portion of the generating facility's output to be designated as a Network Resource is not committed for sale on a firm basis to non-designated third-party load and may only be curtailed for reliability reasons necessary to serve native load , and (2) where the generating facility is not directly interconnected with the Transmission System, a firm transmission path has been established by the Customer to a point of delivery on the Transmission System. The ICT shall verify the firmness of the Network Customer's transmission arrangements on other systems. Conditional Firm Point-to-Point Transmission Service is sufficiently firm to import a designated network resource. However, designation of Network Resources within the Entergy Control Area on a conditional firm basis will not be allowed.

Entergy has included the standard attestation form. This form is also posted on Entergy's OASIS.

4.2 Information Required for Power Purchase Agreements. For requests to designate power purchase agreements as Network Resources, Network Customers will provide (1) a standard "attestation" form verifying that the power purchase contract meets the standards for designating a Network Resource and may only be curtailed for reliability reasons necessary to serve Native Load; and (2) a firm transmission path has been established by the Customer to a point of delivery on the Transmission System. The ICT shall verify

the firmness of the Network Customer's transmission arrangements on other systems. Conditional Firm Point-to-Point Transmission Service is sufficiently firm to import a designated Network Resource. However, designation of Network Resources within the Entergy Control Area on a conditional firm basis will not be allowed. The standard attestation form must be provided for each request, even if the contract has been previously submitted for another request.

4.2.1 An option contract may be designated as a Network Resource once the option is exercised to convert the transaction to a capacity purchase and the remaining Network Resource designation requirements are met.

4.2.2 A firm liquidated damages ("LD") contract may be designated as a Network Resource as long as the contract contains a "make whole" LD provision, such as that found in the EEI Master Contract's Firm LD Product and the WSPP Schedule C agreement. A "make whole" LD provision obligates the supplier, in the case of interruption for reasons other than force majeure, to make the aggrieved buyer financially whole by reimbursing them for the additional costs, if any, of replacement power. Conversely, contracts containing LD provisions that provide penalties at a fixed amount, or that otherwise do not require the seller to pay an aggrieved buyer the full cost of replacing interrupted power, are not acceptable.

4.2.3 A Transmission Customer may not designate as a Network Resource a "seller's choice" power purchase agreement which is sourced by generating units internal to Entergy's Control Area.

4.3 Timing of Submitting Required Information.

4.3.1 For Preconfirmed requests, the standard attestation form must be submitted at the time the request to designate the Network Resource is submitted. If the information required herein is not available at the time the request is submitted (e.g., where execution of the contract is contingent on the availability of transmission service), the Transmission Customer may still submit a request to designate the Network Resource, but should not submit the request as "Preconfirmed."

4.3.2 For Network Resource requests that are not Preconfirmed, the Customer must provide information described herein no later than at the time the request to designate the Network Resource is "Confirmed."

4.3.3 If the Network Customer does not include the attestation when it confirms the request or when it submits a pre-confirmed request, the ICT must notify the Network Customer within 15 days of confirmation that its request is deficient. Whenever possible, the ICT shall attempt to remedy deficiencies in the request through informal communications with the Network Customer. If such efforts are unsuccessful, the ICT shall terminate the Network Customer's request and change the status of the request on OASIS to "retracted." This termination shall be without prejudice to the Network Customer submitting a new request that includes the required attestation. The Network Customer shall be assigned a new priority consistent with the date of the new request.

4.4 Method of Submitting Required Information The standard attestation forms and any other required information should be faxed to the following fax number: (501) 663-1763. Once the procedures described in this section become effective, the ICT will notify Network Customers of the fax number to be used when submitting the information required herein.

5. Secondary Network Service

5.1 Secondary Network Service must be requested in accordance with Section 18 of the Tariff, including the timing restrictions of Section 18.3.

5.2 A Transmission Customer may not use Network Service, instead of Point-to-Point Service, to deliver short-term energy purchases to the Transmission System that were not used to serve native load. Secondary Network Service may not be used for the purpose of serving off-system sales.

FORM FOR
DESIGNATION OF
NETWORK RESOURCES

As stated in Section 30.7 of Tariff, the Transmission Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a Network Resource. Alternatively, the Transmission Customer may establish that execution of a contract is contingent upon the availability of Network Integration Transmission Service under Part III of the Tariff. This form signifies that a valid contract has been executed or that a valid contract is contingent ONLY upon the availability of Transmission Service.

Please Fax form to the ICT Next Day office.

Customer: _____

Contract Reference #: _____

OASIS ID(s) #:
_____

Note: If the request is "Preconfirmed," the OASIS ID number may be submitted as soon as it is received.

The transmission customer may fulfill the requirements of this form by completing either Option 1 or Option 2, set forth below.

OPTION 1: Designation of Generation Facility owned or leased by the Transmission Customer:

Step 1: Identify the OASIS IDs to which the proposed designation of generation facilities owned or leased by the Transmission Customer applies:
_____
____

Step 2: Check the following applicable boxes:

a) ☐ The Network Resource is not committed for sale on a firm basis to non-designated third-party load.

b) ☐ The Network Resource is able to meet Network Load on a non-interruptible basis.

c) ☐ The generating facility is deliverable to the Transmission System because either:

i) ☐ The generating facility is directly interconnected with the Transmission System; or

ii) ☐ The generating facility is not directly interconnected with the Transmission System, but a firm transmission path is established by the Transmission Customer to a point of delivery on the Transmission System.

Step 3: If the Transmission Customer checked the box c.ii. above, please indicate in the spaces below the Transmission Provider(s) and external OASIS IDs related to the firm transmission path.

Transmission Provider	OASIS ID(s)

NOTE 1: If the Transmission Customer cannot check boxes a) through c), then the Transmission Customer cannot designate a generation facility that it owns or leases as a Network Resource.

OPTION 2: Designation of a Power Purchase Contract as a Network Resource.

Step 1: Identify the OASIS IDs to which the proposed designation of executed power purchase agreements applies:

_____

Step 2: Check the following applicable boxes:

a) ☐ The purchase is under a finalized contract because either:

i) ☐ The purchase is under an executed contract; or

ii) ☐ The purchase is under an unexecuted contract, but execution is contingent ONLY upon the availability of Transmission Service.

b) ☐ The purchase is a firm power purchase that allows for interruption only for reliability reasons, not economic reasons.

c) ☐ The terms of the contract do not enable the Transmission Customer to avoid the financial consequences of owning a generating unit or committing to a purchase because either:

i) ☐ The contract commits the Transmission Customer to pay for the purchase; or

ii) ☐ The contract is an option contract but the option is exercised to convert the transaction to a capacity purchase and the remaining Network Resource designation requirements are met.

d) ☐ The contract is supplied by generating facilities that are deliverable to the Transmission System because either:

i) ☐ The generating facility is directly interconnected with the Transmission System; or

ii) ☐ The generating facility is not directly interconnected with the Transmission System, but a firm transmission path is established by the Transmission Customer to a point of delivery on the Transmission System.

e) ☐ The contract is a Liquidated Damages Contract with a "make whole" provision.

Step 3: If the Transmission Customer checked the box d.ii. above, please indicate in the spaces below the Transmission Provider(s) and external OASIS IDs related to the firm transmission path.

Transmission Provider	OASIS ID(s)

NOTE 2: If the Transmission Customer cannot check boxes a) through d), then the Transmission Customer cannot designate a power purchase contract as a Network Resource.

Signed by: _____ Printed Name: _____

Company:_____ Title: _____

Date: _____

Business Practice for

Designating and Undesignating Network Resources

1. Study Options

1.1 Network Customers will be offered the option of having their requests for designation of new-long term Network Resources studied subject to the "undesignation" of existing resources as well as on an incremental basis.

1.2 Network Customers seeking designation of new long-term Network Resources may request that the study be performed in one of the following ways:

1.2.1 Incremental only: the Network Customer directs the ICT to study whether the proposed long-term Network Resource can be designated in addition to the Network Customer's existing Network Resources.

1.2.2 Undesignation of Network Resources: Network Customers are required to undesignate Network Resources or portions thereof in order to make firm, third-party sales from those resources. In particular, Network Customers may only enter into a third-party power sale from a designated Network Resource if the third-party power purchase agreement allows the seller to interrupt power sales to the third party in order to serve the designated Network Load.

1.2.3 Requests to undesignate Network Resources that are submitted concurrently with a request to redesignate those Network Resources at a specific point in time shall be considered temporary terminations. Requests to undesignate Network Resources submitted without any concurrent request to redesignate those network resources shall be considered a request for indefinite termination of those Network Resources. After an indefinite termination of a resource, the customer has no continuing rights to the use of such resource and all future requests to designate that resource will be processed as if the customer was designating it for the first time under Section 30.2 of the Tariff.

1.2.4 A request for termination of a Network Resource that is concurrently paired with a request to redesignate that resource at a specific point in time will not result in the

Network Customer permanently forfeiting rights to use that resource as a designated Network Resource. Any change in ATC that is determined by the Transmission Provider to have resulted from the temporary termination shall be posted on OASIS during this temporary period.

1.2.5 Network Customers shall not make firm third-party sales from any designated Network Resource without: (1) undesignating that resource for the period of the third-party sale pursuant to Section 30.3 of the Tariff; and (2) providing notice of such undesignation before the firm scheduling deadline.

2. Study Process

2.1 In all cases, the ICT will study the Network Customer's new request on an incremental basis, consistent with current practice. If service cannot be granted for the new resource as an additional Network Resource for the Customer, then, if "undesignation" has been selected by the Network Customer in the initial request, the ICT will identify which of the Network Customer's existing long-term Network Resources could be undesignated so as to provide the requested designation for the new resource.

2.2 For temporary terminations, Network Customers shall submit: (1) the effective date and time of redesignation, following the period of temporary termination; (2) information and attestation for redesignating the network resource following the temporary termination; and (3) identification of any related Transmission Service requests to be evaluated concomitantly with the request for temporary termination. The request for temporary termination of the resource and the requests for the related transmission service if any, should be evaluated as a single request, and approved or disapproved as such. When processing such requests, the evaluation of the Transmission Service requests identified in item (3) of this Section 2.2 will take into account the undesignation of the network resources identified in the request for termination. However, the evaluation of the Transmission Service requests in item (3) of this Section 2.2 will be processed taking proper account of all competing Transmission Service requests of higher priority.

Control Area Designation Requirements

1. Generators connecting to the Transmission System have the following options available regarding Control Area election:

   1.1 Be included in the Entergy Control Area.

   1.2 Be included in another existing Control Area (i.e. TVA, LaGen, LEPA, CLECO).

   1.3 Create a new Control Area that may be a generator-only Control Area or a combination of generation and load.

2. Terms and Conditions

   2.1 When a generator is included in the Entergy Control Area the following principles apply:

      2.1.1 The Generator Imbalance Service is provided by Entergy.

      2.1.2 The generator must use the (AFC) process to obtain transmission service in the short term (0 to 18 months).

      2.1.3 The facility must arrange for Transmission Service over Transmission System through the ICT.

      2.1.4 The ICT will perform NERC Reliability Coordinator functions.

   2.2 When a generator is included in another existing Control Area the following principles apply:

      2.2.1 The Generator Imbalance Service shall be provided by another Control Area.

      2.2.2 The facility must arrange for Transmission Service through the Transmission System through the ICT.

      2.2.3 The Reliability Coordinator for the host Control Area provides NERC Reliability Coordinator functions for the facility.

   2.3 When a generator creates a separate Control Area the following principles apply:

      2.3.1 The Generator Imbalance Service must be self provided or arranged through contract.

2.3.2 The facility must arrange for Transmission Service over the Entergy Transmission System through the ICT.

2.3.3 The facility must arrange for performance of NERC Reliability Coordinator functions.

3. Control Area Designation/Election

3.1 Initial Control Area Designation/Election. Control Area designation/election for new generating facilities commencing operation for the first time, must be made a minimum of ninety (90) days in advance of initial synchronization to the transmission system. Initial Control Area election and any subsequent change in Control Area election must remain in effect for a minimum of twelve months.

3.2 Subsequent Control Area Designation/Election. Requests to subsequently modify a Control Area election must be submitted in writing to the Transmission Provider in compliance with the Notice section of the applicable Interconnection and Operating Agreement. The generator must provide one-line diagrams of the proposed change identifying metering points. The generator requesting a change in its Control Area is responsible for all costs associated with accommodating such request. Subsequent requests to change Control Area must be submitted in writing to the Transmission Provider a minimum of ninety (90) days prior to the effective date. The Transmission Provider will provide notice to the ICT regarding Control Area designations.

Creditworthiness Procedures

In accordance with revised Section 11 of the Tariff, draft copies of an acceptable Letter of Credit, Surety Bond and Continuing Guaranty are posted on Entergy's OASIS.

A Transmission Customer that has been in business for at least one year and is not rated by S&P or Moody's may establish creditworthiness in accordance with Section 11 of the Tariff by submitting its most recent audited financial statements to Entergy for review. A description of the financial information required and Entergy's evaluation process can be viewed on Entergy's OASIS.

The Transmission Provider will be responsible for determining whether a Transmission Customer has met the requirements specified in Section 11 of the Tariff.

If you have any questions, please call the Entergy Transmission Policy group.

ATTACHMENT F

**SERVICE AGREEMENT FOR
NETWORK INTEGRATION TRANSMISSION SERVICE**

BETWEEN

**ENTERGY SERVICES, INC.
ACTING AS AGENT FOR
ENTERGY ARKANSAS, INC.,
ENTERGY GULF STATES, INC.,
ENTERGY LOUISIANA, LLC,
ENTERGY MISSISSIPPI, INC., AND
ENTERGY NEW ORLEANS, INC.**

AND

(CUSTOMER)

1.0 This Service Agreement, dated as of _____, is entered into, by and between Entergy Services, Inc. ("Entergy Services"), acting as agent for Entergy Arkansas, Inc., a corporation organized and existing under the laws of the State of Arkansas, Entergy Gulf States, Inc., a corporation organized and existing under the laws of the States of Louisiana and Texas, Entergy Louisiana, LLC, a limited liability company organized and existing under the laws of the State of Texas, Entergy Mississippi, Inc., a corporation organized and existing under the laws of the State of Mississippi, and Entergy New Orleans, Inc., a corporation organized and existing under the laws of the State of Louisiana (collectively the "the Transmission Provider"), and _____ ("Transmission Customer") a corporation organized and existing under the laws of the State of _____ .

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in the amount of $_____, in accordance with accordance with the provisions of Section 29.2 of the Tariff, or has satisfied the creditworthiness requirements of Section 11 of the Tariff.

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 it is permitted to become effective by the Commission. Service under this agreement shall terminate on _____.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff and this Service Agreement.

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:

Interconnection Arrangements Administrator
Entergy Services, Inc.
P. O. Box 61000
New Orleans, LA 70161

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:

Entergy Services, Inc.:

By: _____ _____ _____
Signature Title Date

Transmission Customer:

By: _____ _____ _____
Signature Title Date

Specifications For Network Integration
Transmission Service

1.0 Term of Transaction:
Start Date:
Termination Date:

2.0 Description of Network Resources and Network Loads for Network Integration Transmission Service including the electric Control Area in which the Network Resources and Network Loads are located.

Resources:

Load:

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

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

4.0 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.)

5.1 Transmission Charge:

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

5.3 Direct Assignment Facilities Charge:

5.4 Ancillary Services Charges:

5.4.1 The charges for Scheduling, System Control and Dispatch Services are as provided for in Entergy's Open Access Transmission Tariff, Schedule 1.

5.4.2 The charges for Reactive Supply and Voltage Control from Generation Sources Services are as provided for in Entergy's Open Access Transmission Tariff, Schedule 2.

5.4.3 The charges for Regulation and Frequency Response Service are as provided for in Entergy's Open Access Transmission Tariff, Schedule 3.

5.4.4 The charges for Energy Imbalance Service are as provided for in Entergy's Open Access Transmission Tariff, Schedule 4.

5.4.5 The charges for Operating Reserve – Spinning Reserve Service are as provided for in Entergy's Open Access Transmission Tariff, Schedule 5.

5.4.6 The charges for Operating Reserve – Supplemental Reserve Service are as provided for in Entergy's Open Access Transmission Tariff, Schedule 6.

5.5 The charges for Recovery of Regional Transmission Organization and Independent Coordinator of Transmission Development, Start-Up and Operations Costs are as provided for in Entergy's Open Access Transmission Tariff, Schedules 9 and 10.

ATTACHMENT G

Network Operating Agreement

FORM OF NETWORK OPERATING AGREEMENT

NETWORK OPERATING AGREEMENT

BETWEEN

ENTERGY SERVICES, INC.
AS AGENT FOR
Entergy Arkansas, Inc.
Entergy Gulf States, Inc.
Entergy Louisiana, LLC
Entergy Mississippi, Inc.
Entergy New Orleans, Inc.,

AND

[CUSTOMER]

This Network Operating Agreement, dated as of _____ , is entered into, by and between Entergy Services, Inc. ("Entergy Services"), acting as agent for Entergy Arkansas, Inc., a corporation organized and existing under the laws of the State of Arkansas, Entergy Gulf States, Inc., a corporation organized and existing under the laws of the States of Louisiana and Texas, Entergy Louisiana, LLC, a limited liability company organized and existing under the laws of the State of Texas, Entergy Mississippi, Inc., a corporation organized and existing under the laws of the State of Mississippi, and Entergy New Orleans, Inc., a corporation organized and existing under the laws of the State of Louisiana (collectively the "Transmission Provider"), and _____ ("Transmission Customer") a corporation organized and existing under the laws of the State of _____.

RECITALS WHEREAS, the Transmission Provider are engaged in the business of generating, purchasing, transmitting, and distributing electric power and energy in portions of the States of Arkansas, Louisiana, Mississippi, and Texas;

WHEREAS, on July 14, 1997, Entergy Services, on behalf of the Transmission Provider, filed with the Federal Energy Regulatory Commission ("FERC") in Docket No. OA97-657-000 an Open Access Transmission Tariff ("Tariff"), as amended on July 13, 2007 in Docket No. OA07-17-000, pursuant to which the Transmission Provider will provide Network Integration Transmission Service, i.e. a firm service that is intended to provide an Eligible Customer access to the Transmission Provider's Transmission System in a manner that allows the Eligible Customer to integrate, economically dispatch, and regulate its current and planned Network Resources to serve its Network Load where all or part of such Network Load is directly connected to the Transmission System;

WHEREAS, the Tariff contemplates that Entergy Services will act as agent for the Transmission Provider with respect to the administration of the Tariff, and the Transmission Provider in the Entergy System Agency Agreement, as amended, have authorized Entergy Services to act as their agent with respect to the execution of new contracts and administration of contracts;

WHEREAS, [Customer] is a corporation engaged in [brief description of Customer's activities];

WHEREAS, [Customer] has requested Network Integration Transmission Service under Part III of the Tariff ("Network Service");

WHEREAS, Sections 29.1 and 35.2 of the Tariff require that as a condition of receiving service under Part III of the Tariff, the Transmission Provider and [Customer] enter into a Network Operating Agreement and shall have in place the contractual and/or technical and other requirements needed to function as a Control Area and/or operate within another Control Area under applicable guidelines of the NERC and the Southwest Power Pool, Inc. ("SPP");

WHEREAS, Entergy Services has determined that [Customer] is an Eligible Customer within the meaning of the Tariff and that the Transmission Provider may be able to provide the requested Network Service to [Customer] under the terms and conditions of the Tariff;

NOW, THEREFORE, Entergy Services and [Customer] agree as follows:

ARTICLE I

DEFINITIONS AND PROVISIONS OF THE TARIFF

Section 1.1 - Inclusion of Terms and Definitions in Tariff

The Network Operating Agreement, including any attachments hereto, incorporates by reference all the provisions and definitions of the Tariff and any Service Agreement between the parties entered pursuant to the Tariff, as the Tariff and the Service Agreement may currently exist or as they may be subsequently amended.

Section 1.2 - Additional Definitions

Section 1.2.1 - Data Acquisition Equipment: Supervisory control and data acquisition equipment ("SCADA"), remote terminal units ("RTUs") necessary to obtain information from a party's facilities, telephone equipment, leased telephone circuits, fiber optic circuits,

and other communications equipment necessary to transmit data to/from remote locations, and any other equipment or service necessary to provide for the telemetry and control requirements under this Operating Agreement. The Data Acquisition Equipment utilized by [Customer] to implement this Operating Agreement shall monitor analog and digital signals deemed desirable by Transmission Provider or [Customer] to implement the provisions of this Operating Agreement to receive service under the Tariff.

Section 1.2.2 - [Customer] Control Area: The Control Area operated by [Customer].

Section 1.2.3 - [Customer's] Energy Control Center: Shall mean the facility operated by [Customer] to carry out the duties and responsibilities of operating a Control Area, as specified in this Operating Agreement.

Section 1.2.4 - Metering Equipment: State-of-the-art high accuracy solid state kW and kWh meters, metering cabinets, metering panels, conduits, cabling, high accuracy current transformers, and high accuracy potential transformers which, directly or indirectly, provide input to meters or transducers, meter recording devices (e.g., Solid State Data Receivers), telephone circuits, signal or pulse dividers, transducers, pulse accumulators, and any other equipment necessary to implement the provisions of this Operating Agreement and to receive service under the Tariff. All the Metering Equipment installed by [Customer] in accordance with this Operating Agreement shall conform to Transmission Provider's standards for similar installations.

Section 1.2.5 - Protective Equipment: Includes, but shall not be limited to, protective relays, relaying panels, relaying cabinets, circuit breakers, conduits, cabling, current transformers, potential transformers, coupling capacitor voltage transformers, wave traps, transfer trip and fault recorders, which directly or indirectly provide input to relays, fiber optic communications equipment, power line carrier equipment and telephone circuits, and any other equipment necessary to implement the protection provision of this Operating Agreement.

ARTICLE II

TERM

Section 2.1 - Term of the Agreement: This Operating Agreement shall become effective on the date it is executed, and shall continue in effect unless and until the Tariff and/or the [Customer's] Service Agreement is terminated.

Section 2.2 - Commencement of Service: Prior to commencement of service, Transmission Provider and [Customer] shall install, subject to the provisions of this Operating Agreement, all Metering Equipment, Data Acquisition Equipment, Protective Equipment, any other associated equipment, and software necessary for: (i) the operation of the [Customer] system as a Control Area consistent with the requirements of the Tariff and the safe and reliable operation of the Transmission Provider Transmission System, and for (ii) Transmission Provider to measure the electricity produced by each generating resource that [Customer] has designated as a Network

Resource and that is connected to the Entergy system or on a part of the Customers' system that is connected to the Entergy system.

Section 2.3 - Effect of Termination: [Customer's] provision of notice to terminate its Service Agreement and/or the Operating Agreement shall not relieve [Customer] of its obligation to pay Transmission Provider any rates, charges, fees, or costs provided for under this Operating Agreement and that are owed to Transmission Provider as of the date of termination.

ARTICLE III

NETWORK INTEGRATION TRANSMISSION SERVICE

Section 3.1 - Network Integration Transmission Service: In order to enable [Customer] to serve the Network Load as a single Control Area as provided for in Part III of the Tariff, this Operating Agreement sets out the terms and conditions under which Transmission Provider and [Customer] will operate their respective systems and specifies the equipment that will be installed and operated. The parties shall operate and maintain their respective systems in a manner that will allow [Customer] to operate its system and Control Area consistent with Transmission Provider's ability to safely and reliably incorporate the [Customer] Control Area within Transmission Provider's Transmission System in accordance with the terms of this Operating Agreement and consistent with Good Utility Practice; provided, however, that notwithstanding any other provision of this Operating Agreement, Transmission Provider shall retain the sole responsibility and authority for the operating decisions of the [Customer] and Transmission Provider as they relate to the integrity and the security of the Transmission System.

ARTICLE IV

CONTROL AREA AND DATA EQUIPMENT

Section 4.1 - Control Area Equipment: [Customer] shall be responsible for the purchase, installation, upgrading, operation, maintenance, and replacement of all Data Acquisition Equipment, Metering Equipment, Protection Equipment, and any other associated equipment and software not presently installed, which may be required by either Party for [Customer] to implement and operate a single Control Area [for its Member Systems], in accordance with Good Utility Practice. All equipment installed or existing equipment utilized by [Customer] to establish and operate a single Control Area shall conform to Transmission Provider's standards or practices. Transmission Provider shall have the right to review and approve, prior to its installation, such equipment and software as may be required in this Article IV to ensure conformance with Transmission Provider's standards or practices.

Section 4.2 - Control Area Data: [Customer] shall incorporate the information obtained from [Customer's] Metering Equipment and Data Acquisition Equipment into [Customer's] Energy Control Center as the [Customer] determines to be necessary to incorporate its Member Systems into a single Control Area operating within the Transmission Provider's Transmission System consistent with the terms and conditions of the Tariff.

Section 4.3 - [Customer]/Transmission Provider Data Link: The term the "[Customer]/Transmission Provider Data Link" as used in this Operating Agreement shall refer to the direct communications link between [Customer's] Energy Control Center and the

Transmission Provider's System's Operations Control Center ("SOC") that will enable the SOC to receive real-time telemetry and data from [Customer's] Energy Control Center and [Customer's] Energy Control Center to receive real-time telemetry and data from the SOC in accordance with Transmission Provider's standards or practices. Transmission Provider shall have the right to inspect such equipment and software in order to assure conformance with Transmission Provider's standards or practices. The selection of real-time telemetry and data to be received by Transmission Provider and [Customer] shall be at their reasonable discretion, as deemed necessary for reliability, security, economics, and/or monitoring of system operations. This telemetry includes, but is not limited to, loads, line flows, voltages, generator output, and breaker status at any of [Customer's] transmission facilities. To the extent Transmission Provider or [Customer] require telemetry that is not available, [Customer] shall, at its own expense, install any Metering Equipment, Data Acquisition Equipment, or other equipment and software necessary for the telemetry to be received by Transmission Provider or [Customer] via the [Customer]/ Transmission Provider Data Link.

Section 4.4 - Computer Modifications: Transmission Provider and [Customer] shall be responsible for implementing any computer modifications or changes required to their own computer system(s) as necessary to implement this Article IV.

Section 4.5 - Notification and Coordination Prior To Commencement Of Work: [Customer] shall notify and coordinate with Transmission Provider prior to the commencement of any work by [Customer], Member Systems, or contractors or agents performing on behalf of either or both,

which may directly or indirectly have an adverse effect on the [Customer] or the Transmission Provider Control Area, the [Customer]/Transmission Provider Data Link, or Transmission Provider's reliability.

ARTICLE V

METERING OF NETWORK LOAD

Section 5.1 - Metering of Network Load: The Network Load shall be metered on an hourly integrated basis by Point of Delivery in accordance with Transmission Provider's standards or practices for similarly determining Transmission Provider's load. The actual hourly Network Loads by Point of Delivery, including internal generation, for each calendar month shall be provided to Transmission Provider by [Customer] by the seventh day of the following calendar month in an interpretable electronic format specified by Transmission Provider.

ARTICLE VI

OPERATING COMMITTEE

Section 6.1 - Operating Committee: Transmission Provider and [Customer] shall each appoint a member and an alternate to an Operating Committee, and so notify the other party of such appointment(s) in writing. Such appointment(s) may be changed at any time by similar notice. The Operating Committee shall meet as necessary to carry out the duties set forth herein. The Operating Committee shall hold meetings at the request of either Transmission Provider or [Customer], at a time and place agreed upon by the members of the Operating Committee. Each

member and alternate shall be a responsible person working with the day-to-day operations of their respective system. The Operating Committee shall represent the Transmission Provider and [Customer] in all matters arising under this Operating Agreement which may be delegated to it by mutual agreement of the parties hereto.

Section 6.1.1 - Duties: The duties of the Operating Committee shall include those specifically referred to elsewhere in this Operating Agreement, plus, but not limited to, the following:

- Coordinate operation and maintenance schedules;
- Establish and maintain control and operating procedures, including those pertaining to information transfers between Control Centers, consistent with the provisions of this Operating Agreement;
- Establish data requirements necessary for Transmission Provider to provide Network Service in accordance with the terms and conditions of the Tariff;
- Review Metering Equipment, Data Acquisition Equipment, Protection Equipment, and any other equipment or software requirements, standards and procedures;
- Establish standards for the design, operation, and maintenance of the facilities necessary to integrate the [Customer's] electric system with the Transmission System (including, but not limited to, remote terminal units, metering, communications equipment, and relaying equipment);
- Redispatch procedures and issues;

- Load curtailment procedures; and
- Such other duties as may be conferred upon it by mutual agreement of the Parties hereto.

Section 6.1.2 - Operating Committee Agreements: Each Party shall cooperate in providing to the Operating Committee all information required in the performance of the Operating Committee's duties. All decisions and agreements, if any, made by the Operating Committee shall be evidenced in writing. The Operating Committee shall have no power to amend or alter the provisions of this Network Operating Agreement or the Service Agreement.

Section 6.2 - Dispute Resolution: In the event a dispute arises between the parties concerning the operation or interpretation of the Operating Agreement, the parties shall attempt to resolve the matter between themselves. In the event the parties are unable to resolve the matter within 30 days, the dispute shall be resolved in accordance with the procedures specified in Section 12 of the Tariff.

ARTICLE VII

OPERATIONS

Section 7.1 - Regulation of Transfer of Electric Capacity and Energy: [Customer] is responsible for operating in a manner to provide for its Network Load at all times, and to hold

deviations from frequency-biased net interchange schedules to a minimum in accordance with Good Utility Practice and NERC and SPP requirements.

Section 7.2 - Cogeneration and Small Power Production Facilities: If a Qualifying Facility is located or locates in the future on the [Customer] system and the owner or operator of such Qualifying Facility sells the output of such Qualifying Facility to an entity other than [Customer], the delivery of such Qualifying Facility's power and energy to any receiving entity other than Transmission Provider shall be subject to and contingent upon proper transmission arrangements being established with Transmission Provider prior to commencement of delivery of any such power and energy.

Section 7.3 - Voltage Support: [Customer] will use reasonable best efforts to have in the shortest practicable time, but under no circumstances greater than two years after the request of commencement of service under the Tariff, sufficient reactive compensation and control to (i) meet voltage schedules designated by Transmission Provider's operations personnel for each Network Resource or at each interface of Transmission Provider with the Customer System where the Customer operates a Network Resource behind the interface, or (ii) meet power factor requirements (as specified in Appendix "A" of this Operating Agreement and that may be modified from time-to-time in accordance with Transmission Provider's Standards or Practices) at each Point of Delivery or delivery point behind which the Customer does not operate a Network Resource. If [Customer] does not provide the necessary reactive compensation and

control to comply with the objectives described in this Section 7.3, Transmission Provider shall have the unilateral right to install equipment necessary at [Customer's] expense.

Section 7.4 - Real-time System Data Requirements: [Customer] shall provide Transmission Provider via the [Customer]/Transmission Provider Data Link, at least once every one minute -- or at such other time interval as may be agreed to by the Operating Committee -- loads, line flows, voltages, generator outputs, breaker status, or other information that Transmission Provider deem necessary for providing service under the Tariff and this Operating Agreement, and ensuring the security and reliability of the Transmission System.

Section 7.5 - Other Operational Data Requirements: The parties shall cooperate with each other in exchanging operational data needed for the safe and reliable operation of each party's system and to implement the provisions of this Operating Agreement, including but not limited to the following information and the information required by Section 35 of the Tariff.

Section 7.5.1 - Annual Operating Load Forecast: [Customer] shall provide Transmission Provider by October 1 of each year [Customer's] best forecast of the following calendar year's, monthly peak Network Load in kW, along with the power factor for each Point of Delivery at such time. Such forecast shall be made using forecasting techniques consistent with Good Utility Practice.

Section 7.5.2 - Annual Operating Network Resource Availability Forecast: [Customer] shall provide to Transmission Provider by October 1 of each year [Customer's] best forecast of the following calendar year's planned Network Resource

availability forecast (e.g. all planned resource outages, including off-line and on-line dates). Such forecast shall be made using good forecasting techniques available and generally deemed acceptable in the electric utility industry. [Customer] shall inform Transmission Provider, in a timely manner, of any changes to [Customer's] planned annual operating Network Resource Availability Forecast.

Section 7.5.2.1 - Annual Operating Conflicts Due To Transmission Constraints: In the event that Transmission Provider determine that the Annual Operating Network Resource Availability Forecast, as provided in accordance with Section 7.5.2 of this Operating Agreement, cannot be accommodated due to a transmission constraint on the Transmission System, and such constraint may jeopardize the security of the Transmission System or adversely affect the economic operation of either Transmission Provider or [Customer], to the extent possible, the Operating Committee will coordinate the annual operating network resource availability forecast of both parties to mitigate the transmission constraint.

Section 7.5.3 - Daily Operating Forecast: [Customer] shall provide Transmission Provider, by 10:00 a.m. of the day prior to each calendar day, [Customer's] best forecast of the (i) maximum non-coincident flow (both import and export) at each of the Transmission Provider's interfaces with [Customer] and/or its Member Systems, (ii) first contingency maximum non-coincident flow (both import and export) at each of the Transmission Provider interfaces with [Customer's] System, (iii) any planned

transmission or generation outage(s) on the system of the [Customer] or on a system other than that of Transmission Provider where a Network Resource is located, (iv) the individual coincident Member Systems loads along with the commitment/dispatch of the Network Resources at peak operating period(s) (the peak operating period(s) will be determined by Transmission Provider's operating personnel and may be changed from time-to-time as necessary), and (v) any other information that Transmission Provider's operating personnel deem appropriate. [Customer] shall keep Transmission Provider informed in a timely manner, of any changes to its current Daily Operating Forecast as provided in accordance with this Section 7.5.3.

Section 7.5.3.1 - Operating Conflicts Due to Transmission Constraints: In the event that Transmission Provider determines that the Daily Operating Forecast, as provided in accordance with Section 7.5.3 of this Operating Agreement, cannot be accommodated due to a transmission constraint on the Transmission Provider's Transmission System, and such constraint may jeopardize the security of the Transmission System or adversely affect the economic operation of either Transmission Provider or [Customer], the provision of Section 33 of the Tariff for redispatch and/or interruptions and curtailment will be implemented.

Section 7.6 - Maintenance Of Equipment Necessary For The Metering Of Network Load: [Customer] shall, on a regular basis or at Transmission Provider's request, at its own expense, test, calibrate, verify and validate the Metering Equipment, Data Acquisition Equipment, and

other equipment or software used to determine Network Load. Transmission Provider shall have the right to inspect such tests, calibrations, verifications, and validations of the Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine the Network Load. Upon Transmission Provider's request, [Customer] will provide Transmission Provider a copy of the installation, test, and calibration records of the Metering Equipment, Data Acquisition Equipment, and other equipment or software. Transmission Provider shall, at [Customer's] expense, have the right to monitor the factory acceptance test, the field acceptance test, and the installation of any Metering Equipment, Data Acquisition Equipment, and other equipment or software used to determine the Network Load.

Section 7.7 - Notification and Coordination Prior to Commencement of Maintenance: Transmission Provider and [Customer] shall notify and coordinate with the other Party prior to the commencement of any maintenance by Transmission Provider or [Customer], Member Systems, or contractors or agents performing on behalf of either or both, which may directly or indirectly have an adverse effect on the [Customer] or Transmission Provider Control Area, [Customer]/Transmission Provider Data Link, or [Customer] or Transmission Provider's reliability.

Section 7.8 - Interchange and Transmission Service Scheduling: [Customer] shall inform, coordinate, and schedule with Transmission Provider all interchange and transmission service transactions in accordance with Transmission Provider's standards, and practices, the terms and conditions of the Tariff.

ARTICLE VIII

ANCILLARY FUNCTIONS AND SERVICES

Section 8.1 Ancillary Function

Ancillary functions are all those functions necessary to support the transmission of electric power and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice. As required in accordance with Section 35.2 of the Tariff, a Network Integration Transmission Service Customer must obtain services for or provide certain Ancillary Functions under this Section 8. The Transmission Customer shall either:

(i) operate as a control area under applicable guidelines of NERC and SPP; (ii) satisfy its control area requirements, including all Ancillary Services, by contracting with the Transmission Provider. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services; (iii) satisfy its control area requirements, including all Ancillary Services, by contracting with another entity consistent with Good Utility Practice which satisfies NERC and regional requirements.

The specific ancillary functions required are Scheduling, System Control and Dispatch; Reactive Supply/Voltage Control from Generation Sources; Regulation and Frequency Response; Energy Imbalance; Operating Reserves- Spinning Reserve; Operating Reserves- Supplemental; and Generator Imbalance Service as described in Section 3 of the tariff.

The Transmission Provider will provide and the Customer will purchase these Ancillary Services to the extent the required under Section 3 of the Tariff. Contractual arrangements for the Ancillary Services will be specified in the Network Service Agreement.

ARTICLE IX

NETWORK PLANNING

Section 9.1 - Network Planning Information: In order for Transmission Provider to plan, on an ongoing basis, to meet [Customer's] firm long-term requirements for Network Service, [Customer] shall, in addition to the information required in Section 29.2 of the Tariff, provide Transmission Provider with the information listed below, and any other data reasonably necessary for Transmission Provider to plan for and provide Network Service. This type of information is consistent with Transmission Provider's information requirements for planning to serve Transmission Provider's Native Load Customers and is consistent with Transmission Provider's ten year planning process.

Section 9.1.1 - Annual Planning Network Load Forecast: [Customer] shall provide Transmission Provider by October 1 of each year [Customer's] best forecast monthly peak Network Load by Point of Delivery in kW and kVAR for the following ten calendar years. Such forecast shall be made using forecasting techniques consistent with Good Utility Practice.

Section 9.1.2 - Annual Planning Network Resource Forecast: [Customer] shall provide to Transmission Provider by October 1 of each year (i) [Customer's] best forecast of the

subsequent ten years' planned Network Resources and all pertinent information regarding such Network Resources, (ii) a copy of [Customer's] most current firm purchased power commitments (including the underlying agreement for purchased power) for the next ten years on a unit specific basis for any Network Resource which is a firm unit specific purchased power resource, and (iii) for purchased power commitments that are non-unit specific, any information necessary for Transmission Provider (including the underlying agreement for purchased power) to model how the purchased power commitment would be dispatched by [Customer] to meet the Network Load; provided, however, that the information provided by [Customer] pursuant to this Section 9.1.2 shall not be deemed a substitute for the written notice required for designating new Network Resources under Section 30.2 of the Tariff.

Section 9.1.3 - Annual Planning Network Transmission Facilities: [Customer] shall provide Transmission Provider any planned internal transmission facilities on the [Customer's] systems (lines, transformers, reactive equipment, etc.) for each of the subsequent ten calendar years.

Section 9.1.4 - Technical Data Format: [Customer] shall provide Transmission Provider the best available data associated with Network Loads, Network Resources, and transmission facilities for modeling purposes in an electronic format specified by Transmission Provider. The electronic format specified by Transmission Provider shall be a format commonly used in the electric utility industry.

ARTICLE X

COST RESPONSIBILITY

Section 10.1 - Costs: [Customer] shall be responsible for all costs incurred by [Customer] and Transmission Provider to implement the provisions of this Operating Agreement including, but not limited to, engineering, administrative and general expenses, material, and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, relocation of equipment, or software.

Section 10.2 - On-Going Maintenance: [Customer] shall be responsible for all costs incurred by [Customer] and Transmission Provider for on-going operation and maintenance of the facilities required to implement the provisions of this Operating Agreement. Such work shall include, but is not limited to, normal and extraordinary engineering, administrative and general expenses, material, and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, calibration, removal, or relocation of equipment required to accommodate this Operating Agreement.

ARTICLE XI

REDISPATCH

Section 11.1 - Redispatch: Redispatch Procedures may be implemented by the Transmission Provider when a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission System or adversely affect the economic operations of the Transmission Provider or the Transmission Customer or to meet long-term firm transmission requirements under the Point-to-Point Tariff. The procedure for such redispatch of the generation resources of the Transmission Provider and the Customer(s) is attached as Appendix B. This procedure is not for the purpose of sustaining non-firm service, which is curtailable.

ARTICLE XII

INSURANCE

Section 12.1 - Liability and Indemnification: The provisions of Section 10 of the Tariff shall be applicable to the [Customer].

Section 12.1.1 - Insurance: In the event that Transmission Provider determine that [Customer] may not have the resources or authority to meet its indemnification obligations under the Tariff, Transmission Provider may require that [Customer] procure, or cause to be procured, a policy or policies of liability insurance to cover generally all indemnifiable liabilities which might arise under this Operating Agreement. Transmission Provider and its

Affiliates shall be designated under such policy or policies as either the named insured or an additional named insured.

ARTICLE XIII

UNILATERAL CHARGES AND MODIFICATIONS

Section 13.1 - Unilateral Changes And Modifications: Nothing in this Agreement shall be construed as affecting in any way the right of either party to unilaterally make application to the FERC for a change in the rates, charges, or terms and conditions of service provided in this Operating Agreement, or for termination of such service consistent with this Operating Agreement, pursuant to Section 205 or 206 of the Federal Power Act and the Rules and Regulations of the FERC promulgated thereunder; provided, however, that it is expressly recognized that this Operating Agreement is necessary for the implementation of the Tariff and, therefore, no party shall propose a change to this Operating Agreement that is inconsistent with the rates, terms and conditions of the Tariff.

ARTICLE XIV

GENERAL PROVISIONS

Section 14.1: In addition to the provisions of the Tariff, the following provisions shall apply:

Section 14.1.1 - Interconnection Contracts: Nothing contained in this Operating Agreement shall be construed to affect any of the provisions in the Interconnection Agreement between Transmission Provider and [Customer], as such contract may be

amended from time-to-time; provided, however, that [Customer] may be required by Transmission Provider to terminate or modify such Interconnection Agreements as necessary to receive service under the Tariff. In the event of a conflict between any of the provisions of the Tariff, the Interconnection Agreement, or this Operating Agreement, the terms of the Tariff shall control over the other agreements and the terms of this Operating Agreement shall control over the Interconnection Agreement.

Section 14.1.2 - Disturbances: Each Party shall, insofar as practicable, protect, operate and maintain its system and facilities as to avoid or minimize the likelihood of disturbances which might cause impairment of or jeopardy to service to the customers of the other party, or to systems interconnected therewith.

Section 14.1.3 - Billing And Payment: Billing and payment pursuant to this Operating Agreement shall be in accordance with Section 34 of the Tariff.

Section 14.1.4 - Expanded Network Operations: In the event a new Member System not in Transmission Provider's service area is added under Part III of the Tariff, this Operating Agreement will be modified as necessary.

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

ENTERGY SERVICES, INC.	[CUSTOMER]
By:_____	By: _____
[Name & Title]	[Name & Title]

APPENDIX A

POWER FACTOR REQUIREMENTS AT EACH COMPANY DELIVERY POINT TO A CUSTOMER THAT DOES NOT CONNECT TO A NETWORK RESOURCE

ON PEAK

The On-Peak hours are the hours during the On Peak Period; consistent with the then existing On-Peak Period definition in the NERC Operating Manual. Currently, the NERC On-Peak Period is hour ending 0700 to hour ending 2200 Central Standard Time, Monday through Saturday, excluding Thanksgiving Day, Christmas Day, New Year's Day, Memorial Day, Independence Day, and Labor Day.

DELIVERY POINT	POWER FACTOR RANGE
Delivery Point "A"	0.97 lead to 0.97 lag
Delivery Point "B"	0.97 lead to 0.97 lag
Delivery Point "C"	0.97 lead to 0.97 lag
Delivery Point "D"	0.97 lead to 0.97 lag

Such range should be adhered to except for momentary deviations or at Transmission Provider's written consent

OFF PEAK

Off Peak Hours: All other hours besides the "On-Peak Hours"

DELIVERY POINT	POWER FACTOR RANGE
Delivery Point "A"	0.95 lead to 0.95 lag
Delivery Point "B	0.95 lead to 0.95 lag
Delivery Point "C"	0.95 lead to 0.95 lag
Delivery Point "D"	0.95 lead to 0.95 lag

Such range should be adhered to except for momentary deviations or at Transmission Provider's written consent

APPENDIX B

REDISPATCH PROCEDURES AND REDISPATCH COSTS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

I. Purpose

Redispatch Procedures may be implemented by the Transmission Provider when a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission System or adversely affect the economic operations of the Transmission Provider or the Transmission Customer or to meet long-term firm transmission requirements under the Tariff. This procedure is not for the purpose of sustaining non-firm service, which is curtailable, and does not apply to service granted pursuant to Attachment V.

II. Obligations

The Transmission Provider shall redispatch its own generation resources and Transmission Customers' Network and other resources to accomplish the stated purpose. As a condition precedent to receiving Network Integration Transmission Service, a Transmission Customer agrees to redispatch its Network and other resources as requested by the Transmission Provider. The Transmission Provider will similarly be obligated to redispatch its own Network Resources and other resources. The Transmission Provider will redispatch its own resources and the resources of all Network Integration Service Transmission Customers. To the extent practical, the redispatch of all such resources shall be on a least cost, non-discriminatory basis as between all Network Integration Service Transmission Customers and the Transmission Provider.

III. Redispatch for Operating Constraints

A. Determination of Redispatch Costs

When the Transmission Provider determines that a transmission constraint exists, it shall reduce non-firm transactions in the priority order specified in the Tariff and Network Integration Service Transmission Tariffs. The Transmission Provider will schedule for redispatch, in a least cost manner, its own and all Network Integration Transmission Service Customers' Network and other resources, including purchases, to relieve the constraint. In those instances where the need for redispatch has been anticipated sufficiently in advance of the first hour of required redispatch, the procedure will be implemented in advance to be effective beginning in the first hour. When the need for redispatch has not been anticipated by at least one hour, then for the balance of the first hour in which redispatch is implemented, the Transmission Provider will redispatch its own generation as needed to relieve the constraint. In this instance, the redispatch procedure will be implemented, effective beginning the second hour. The procedure to be implemented is as follows:

(1) Determine the Network and other resources that will most effectively relieve the transmission constraint.

(2) The Transmission Provider, in coordination with the Network Integration Service Customer whose Network and other resources may be redispatched, shall determine the incremental cost of each redispatch option that may relieve the transmission constraint. Redispatch shall then be implemented in the nominally least cost manner.

(3) Redispatch shall continue until no longer necessary to relieve the transmission constraint.

(4) The Transmission Provider and the Transmission Customer shall calculate their respective redispatch costs for the appropriate period and submit them to the Transmission Provider monthly, within 5 working days of the end of the calendar month.

B. Redispatch Charge

The Transmission Provider shall pay each Transmission Customer its respective redispatch cost within 10 working days of receipt of the costs.

The Transmission Provider shall total the previous month's redispatch costs, determine the Transmission Provider's and each Network Customer's Load Ratio Share of the costs, and submit a bill to each Customer within 10 working days of receipt of the costs. Each Customer shall pay the Transmission Provider the identified costs within 10 working days of receipt of the bill.

ATTACHMENT H

Network Integration Transmission Service Charges

The Transmission Customer shall compensate the Transmission Provider each month in accordance with the provisions of Appendix 1 attached to this Attachment H.

Appendix 1
NETWORK INTEGRATION TRANSMISSION SERVICE CHARGES

1. Rate Structure

The Customer shall pay Companies for Network Integration Transmission Service ("NITS") in accordance with the provisions of Paragraphs 3 - 5 of this Appendix 1.

2. Loss Factors

The following loss factors shall be applied, as applicable, on a cumulative basis to adjust metered (or scheduled) loads and Customers' net generation and purchased power on the load side of the Customer's meter to the Entergy Transmission System input level for all purposes under this Appendix 1:

Type of Service	Loss Factor
Transmission Service	1.03
Distribution Transformation Service	1.01
Distribution Line Service	1.02

However, lower loss factors shall be utilized for a Customer's loads when the Customer satisfactorily demonstrates that the loss factors set out above are excessive.

3. Network Transmission Service

a. Network Transmission Service Charge

All Customers taking NITS utilize Entergy's Transmission System, as defined in Paragraph 3.b below, and shall pay a monthly Network Transmission Service Charge. The Network Transmission Service Charge for any calendar month shall be equal to the Customer's Transmission Load Ratio for that month, as defined in Paragraph 3.c below, multiplied by one-twelfth (1/12) of the Network Transmission Service Revenue Requirement in effect for that same month, as defined in Paragraph 3.d below.

b. Transmission System

The Transmission System shall consist of the Companies' facilities for which the investment is recorded in FERC Accounts 350-359, except that step-up transformers shall be excluded.

c. Transmission Load Ratio

A Customer's Transmission Load Ratio for any calendar month shall be the ratio of:

(i) the sum for the twelve months ending with that month of:

(1) the 60-minute metered (or most recently scheduled) loads (kW) at the Customer's points of delivery with each month's load reduced by the amount served by the Companies under a power sales contract which includes transmission charges, if any;

(2) the 60-minute net generation from the Customer's generator(s) located on the load side of the meter; and

(3) the 60-minute power purchased by the Customer and delivered on the Customer's side of the meter,

all coincident with the corresponding monthly Entergy System net area peak loads, as set out in the Entergy System Bills for those same months ("Entergy Peak"), and adjusted for losses to the Entergy Transmission System input level; to

(ii) the sum for the twelve months ending with that month of the monthly 60-minute Entergy Transmission System Loads (kW), where the Entergy Transmission System Load for any month is defined as the Entergy Peak, which shall include the load placed on the Entergy Transmission System at the time of the Entergy Peak, by Entergy's interruptible retail customers, plus:

(1) all firm transmission service, including firm off-system sales, under agreements with terms exceeding twelve (12) months which are not included in the Entergy Peak, utilizing capacity reservation amounts set by contract, where applicable -- including for firm off-system sales that portion of the capacity reservation amounts set by contract not otherwise included in the Entergy Peak -- and metered or scheduled loads at the time of the Entergy Peak otherwise;

(2) the net generation from NITS Customers' generator(s) located on the load side of the meter; and

(3) the 60-minute power purchased by NITS Customers and delivered on the Customers' side of the meters;

all measured at the time of the Entergy Peak and adjusted for losses to the Entergy Transmission System input level.

d. Network Transmission Service Revenue Requirement

The Network Transmission Service Revenue Requirement ("NTSRR") shall be determined by application of the Network Transmission Service Revenue Requirement Formula contained in Attachment A to this Appendix 1 ("NTSRR Formula") in accordance with the provisions of Paragraph 5 below.

4. Distribution Service

a. Distribution Service Charge

(i) Customers utilizing a Company's Distribution Facilities, as defined in Paragraph 4.b below, on January 18, 1996, shall pay a monthly Distribution Service Charge based upon the charges and billing units contained I currently existing service agreements for the same service. Where an existing customer is charged a rate that includes both distribution and transmission components, only the distribution component will be assessed as the distribution charge.

(ii) Customers not utilizing a Company's Distribution Facilities on January 18, 1996, as defined in Paragraph 4.a(i) above, and which commence utilization of a Company's Distribution Facilities after January 18, 1996 in conjunction with NITS shall pay a monthly Distribution Service Charge determined as follows:

(1) the Distribution Facilities serving the Customer shall be determined on a direct assignment basis;

(2) the Company's gross investment in the directly assigned facilities, as determined in (1) above shall be multiplied by 1.5% to determine the monthly Distribution Service Charge.

The directly assigned investment shall be revised whenever new delivery points are added or major additions are made at existing delivery points.

b. Distribution Facilities

Distribution Facilities for a Company shall consist of all distribution facilities of that Company for which the corresponding investment consists of the balances in FERC Accounts 360 - 370.

5. Redetermination of NTSRR

The NTSRR that is to be initially effective shall be based on actual data for the immediately prior calendar year. The NTSRR shall then be redetermined each year based on actual data for the immediately prior calendar year. The redetermined NTSRR shall become effective for bills rendered on or after June 1 of that year for service during the preceding calendar month and shall remain in effect for twelve months. Each annual redetermination of the NTSRR shall be submitted to the FERC in an informational filing on or about May 1 of each year and shall consist of the following:

(1) Comparison of the redetermined NTSRR with the previously effective NTSRR

(2) Calculation of the redetermined NTSRR

(3) Workpapers showing (a) the source of all data utilized, and (b) other supporting documentation as specified in the Offer of Partial Settlement filed in FERC Docket No. ER95-112-000 on January 18, 1996.

Each annual informational filing shall reflect the most accurate data available at the time of filing. However, data as reported in the operating companies' FERC Form 1 for the applicable calendar year shall be used to the extent possible. Data required under the rate NTSRR Formula that is not reported in the respective operating companies' FERC Form 1 for the applicable calendar year shall be supported with appropriate documentation which shall be included in the workpapers accompanying each annual redetermination filing. Data, including FERC Form 1 data, shall be subject to challenge as set forth below.

A copy of each annual informational filing shall also be provided to each Customer. The FERC Staff, Customers, and Companies shall have 120 days after each such filing to review the redetermination of the NTSRR and file a complaint at the FERC concerning such redetermination. The FERC Staff and the Customers shall have 60 days after each such filing to serve discovery requests on the Company. Such discovery shall be of the same nature as discovery in cases set for hearing before the FERC, but shall be limited to what is appropriate to determine if the Company has properly applied the NTSRR Formula, if the data included in the NTSRR redetermination is proper, and if application of the NTSRR Formula is consistent with Commission policy.

The redetermined NTSRR shall be subject to refund or surcharge until the latest of (1) the end of the review period, if at such time there is no outstanding, unresolved complaint pursuant to this section; (2) the final resolution of any complaint filed pursuant to this section or (3) any required corrections have been made. Any errors in data or application of the NTSRR Formula in Attachment A to this Appendix 1 that are detected by any party during the review period shall be corrected by Companies as soon as possible after the end of the review period. A corrected filing of the redetermined NTSRR shall then be submitted to the FERC with a copy to each Customer. After final acceptance by the FERC of the redetermined NTSRR, Companies shall make any required refund or surcharge to each Customer on the next normal monthly billing.

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

GENERAL NOTES

1. THE TEST YEAR SHALL BE THE CALENDAR YEAR USED TO DETERMINE THE VALUE OF THE VARIOUS PARAMETERS IN THE FOLLOWING FORMULA.

2. EXCEPT WHERE INDICATED OTHERWISE, THE COST CONCEPTS CONTAINED IN THIS ATTACHMENT A ARE TO BE DETERMINED BY SUMMING THE CORRESPONDING VALUES FOR THE VARIOUS ENTERGY OPERATING COMPANIES.

3. ALL RATE BASE ITEMS REFLECT 13-MONTH AVERAGE BALANCES FOR THE TEST YEAR. THE COST OF CAPITAL IS TO BE DETERMINED AS OF THE END OF THE TEST YEAR.

4. ALL EXPENSE ITEMS UNLESS OTHERWISE SPECIFIED REFLECT TOTAL TEST YEAR AMOUNTS.

5. IN THE EVENT EITHER THE STATUTORY STATE OR FEDERAL CORPORATE INCOME TAX RATES CHANGE AFTER THE ANNUAL NTSRR REDETERMINATION IS SUBMITTED IN ANY YEAR, THEN THE RATES SHALL BE REDETERMINED ON AN INTERIM BASIS TO REFLECT SUCH TAX RATE CHANGE. ALL OTHER PARAMETERS SHALL REMAIN UNCHANGED. THE REDETERMINED NTSRR SHALL BECOME EFFECTIVE COMMENCING WITH THE BILLING MONTH IN WHICH THE TAX RATE(S) CHANGE. ANY SUCH REDETERMINATION SHALL BE SUBMITTED TO THE FERC AND THE CUSTOMER(S) AND SHALL CONSIST OF THE FOLLOWING:

   (A) TRANSMITTAL LETTER SETTING OUT BASIS FOR THE CHANGE

   (B) COPY OF DOCUMENTATION SUPPORTING THE CHANGE IN STATUTORY TAX RATE(S)

   (C) COMPARISON SHOWING EFFECT OF THE CHANGE ON AFFECTED CUSTOMERS

   (D) REDETERMINATION OF THE NTSRR REFLECTING THE REVISED TAX RATE(S)

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

COMMON PARAMETERS

COST OF CAPITAL

CC = BEFORE TAX COST OF CAPITAL

$$CC = \frac{D * DR + PF * PR + CE * CR}{TX}$$

WHERE:

D = EMBEDDED COST RATE OF LONG-TERM DEBT

DR = DEBT CAPITALIZATION RATIO

PF = EMBEDDED COST RATE OF PREFERRED STOCK

PR = PREFERRED STOCK CAPITALIZATION RATIO

CE = 0.1100

CR = COMMON EQUITY CAPITALIZATION RATIO

TX = COMPOSITE CORPORATE AFTER TAX RATE

TX = (1 - S)(1 - F)

WHERE:

S = AVERAGE EFFECTIVE STATUTORY STATE CORPORATE INCOME TAX RATE FOR THE ENTERGY OPERATING COMPANIES AS WEIGHTED BY NET TRANSMISSION PLANT INVESTMENT IN THOSE OPERATING COMPANIES[1]

F = STATUTORY FEDERAL CORPORATE INCOME TAX RATE

[1] THE EFFECTIVE STATE TAX RATE FOR A COMPANY OPERATING IN MORE THAN ONE STATE SHALL BE THE ARITHMETIC AVERAGE OF THE EFFECTIVE TAX RATE FOR THOSE STATES

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

COMMON PARAMETERS (Cont'd)

ACCUMULATED DEFERRED INCOME TAXES

ADIT = ACCUMULATED DEFERRED INCOME TAXES

ADIT = ADTL + ITC

WHERE:

ADTL = THE BALANCES IN ACCOUNTS 190, 281, 282, AND 283 AS REDUCED BY (1) ANY AMOUNTS ASSOCIATED WITH REGULATORY ASSETS OR LIABILITIES CREATED BY THE ACTION OF A RETAIL REGULATOR AND (2) OTHER AMOUNTS NOT GENERALLY AND PROPERLY INCLUDABLE FOR COST OF SERVICE PURPOSES

ITC = ACCUMULATED DEFERRED INVESTMENT TAX CREDIT – 3% PORTION ONLY

PLANT RATIO

TPR = TRANSMISSION PLANT RATIO

$$TPR = \frac{TPLT}{PPLT + TPLT + DPLT + GPLT}$$

WHERE:

PPLT = PRODUCTION PLANT IN SERVICE

TPLT = TRANSMISSION PLANT IN SERVICE

DPLT = DISTRIBUTION PLANT IN SERVICE

GPLT = GENERAL PLANT IN SERVICE–EXCLUDING COAL MINING EQUIPMENT

LABOR RATIO

TLR = TRANSMISSION LABOR RATIO

$$TLR = \frac{TL}{PXAG}$$

WHERE:

TL = TRANSMISSION PAYROLL CHARGED TO O&M EXPENSE

PXAG = PAYROLL CHARGED TO O&M EXPENSE, EXCEPT ADMINISTRATIVE AND GENERAL O&M EXPENSE

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

COMMON PARAMETERS (Cont'd)

A&G EXPENSE

AG = INCLUDABLE ADMINISTRATIVE AND GENERAL O&M EXPENSE

AG = AGXP - EEI - EPRI - RRE

WHERE:

AGXP = TOTAL ADMINISTRATIVE AND GENERAL O&M EXPENSE

EEI = EDISON ELECTRIC INSTITUTE EXPENSES

EPRI = ELETRIC POWER RESEARCH INSTITUTE EXPENSES

RRE = RETAIL REGULATORY EXPENSES

OTHER TAX RATE

OTR = OTHER TAX RATE

$$OTR = \frac{TXO - PYTX - RTX}{PPLT + TPLT + DPLT + GPLT}$$

WHERE:

TXO = TAXES OTHER THAN INCOME TAXES (ACCOUNT 408.1)

PYTX = PAYROLL RELATED TAX EXPENSE

RTX = RETAIL RELATED TAXES[2]

PPLT = PRODUCTION PLANT IN SERVICE

TPLT = TRANSMISSION PLANT IN SERVICE

DPLT = DISTRIBUTION PLANT IN SERVICE

GPLT = GENERAL PLANT IN SERVICE–EXCLUDING COAL MINING EQUIPMENT

[2] INCLUDES, BUT NOT LIMITED TO, GROSS RECEIPTS TAX, FRANCHISE TAXES, REGULATORY ASSESSMENT TAXES/FEES, USE TAXES, OCCUPATION TAXES AND ALL OTHER SIMILAR TAXES LEVIED ON THE BASIS OF RETAIL CUSTOMERS, RETAIL MWH SALES, OR RETAIL REVENUES.

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT

NTSRR = NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT

NTSRR = TRB * CC + (NTPLT / TPLT) * (-TREV - FREV + TXP - TPR * ITCWO / TX)

WHERE:

TRB = TRANSMISSION SYSTEM RATE BASE

TRB = NTPLT - NTDR + (NTPLT/TPLT * [TLR * (GPLT - GDR) + TPR * (MS + PPT - ADIT)] + URA

WHERE:

NTPLT = TRANSMISSION PLANT IN SERVICE BALANCE FOR FACILITIES INCLUDED IN THE NETWORK TRANSMISSION SYSTEM, AS DEFINED IN PARAGRAPH 3.b OF APPENDIX 1 ("NETWORK TRANSMISSION PLANT")

NTDR = NETWORK TRANSMISSION PLANT ACCUMULATED DEPRECIATION[3]

TPLT = TRANSMISSION PLANT IN SERVICE[4]

TLR = TRANSMISSION LABOR RATIO

GPLT = GENERAL PLANT IN SERVICE - EXCLUDING COAL MINING EQUIPMENT

GDR = GENERAL PLANT ACCUMULATED DEPRECATION - EXCLUDING COAL MINING EQUIPMENT

TPR = TRANSMISSION PLANT RATIO

MS = MATERIALS AND SUPPLIES

PPT = PREPAID TAXES AND INSURANCE

ADIT = ACCUMULATED DEFERRED INCOME TAXES

URA = UNAMORTIZED REGULATORY ASSET[5]

CC = BEFORE TAX COST OF CAPITAL

[3] Transmission depreciation shall be adjusted by Table C amounts for reductions of the 13-Month Average Depreciation Expense for AFUDC previously capitalized and funded with transmission customer prepayments.

[4] Transmission plant shall be adjusted for the unamortized balance of transmission customer prepayments in the "B" sub-account of FERC Account 253, but limited to prepayments received for construction (*i.e.,* excluding tax gross-ups and accrued interest) and adjusted for AFUDC previously capitalized funded by transmission customer prepayments.

[5] This variable contains a value(s) that results from an FERC order(s) that requires deferral and amortization over a future period such as Table A - Unamortized Rate Base Asset for Accrued Interest for transmission customer prepayments.

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT FORMULA

NETWORK TRANSMISSION SERVICE REVENUE REQUIREMENT (Cont'd)

TREV = SHORT-TERM FIRM AND NON-FIRM TRANSMISSION SERVICE REVENUE RECEIVED UNDER SCHEDULES 7 AND 8, INCLUDING, AS APPLICABLE, IMPUTED SHORT-TERM FIRM AND NON-FIRM TRANSMISSION REVENUES ASSOCIATED WITH ENTERGY'S OFF-SYSTEM SALES BASED ON THE APPROPRIATE SHORT-TERM FIRM OR NON-FIRM TRANSMISSION SERVICE RATE

FREV = FACILITIES REVENUE ASSOCIATED WITH TRANSMISSION FACILITIES WHICH ARE DIRECTLY ASSIGNED TO CUSTOMERS AND FOR WHICH COSTS ARE NOT RECOVERED THROUGH A CONTRIBUTION-IN-AID.

TXP = TOTAL TRANSMISSION EXPENSE

TXP = TOM - TEQ + TLR * AG + TDX + TLR * GDX + OTR * TPLT + TLR * PYTX + RA

WHERE:

TOM = TRANSMISSION O&M EXPENSE [6]

TEQ = TRANSMISSION EQUALIZATION EXPENSE INCURRED UNDER SCHEDULE MSS-2 OF THE ENTERGY SYSTEM AGREEMENT

AG = INCLUDABLE ADMINISTRATIVE AND GENERAL O&M EXPENSE

TDX = TRANSMISSION DEPRECIATION EXPENSE[7]

GDX = GENERAL PLANT DEPRECIATION EXPENSE

OTR = OTHER TAX RATE

PYTX = PAYROLL RELATED TAX EXPENSE

RA = REGULATORY ASSET RELATED EXPENSE[8]

ITCWO = INVESTMENT TAX CREDIT WRITE-OFF

TX = COMPOSITE CORPORATE AFTER TAX RATE

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[6] AMOUNTS IN FERC ACCOUNT 565 SHALL BE INCLUDED ONLY TO THE EXTENT SUCH AMOUNTS REPRESENT PAYMENTS FOR THE USE OF TRANSMISSION FACILITIES OF OTHERS THAT SUPPORT ENTERGY'S TRANSMISSION SYSTEM.

THE VARIABLE "TOM" SHALL BE ADJUSTED TO EXCLUDE THE INDEPENDENT COORDINATOR OF TRANSMISSION COSTS WHICH SHALL BE RECOVERED VIA SCHEDULE 10.

[7] TRANSMISSION EXPENSE SHALL BE ADJUSTED BY THE TABLE C AMOUNTS –ACCUMULATED DEPRECIATION EXPENSE FOR AFUDC PREVIOUSLY CAPITALIZED AND FUNDED BY TRANSMISSION CUSTOMER PREPAYMENTS.

[8] THIS VARIABLE CONTAINS A VALUE(S) THAT RESULTS FROM AN ORDER(S) THAT REQUIRES DEFERRAL AND AMORTIZATION OVER A FUTURE PERIOD SUCH AS TABLE B AMORTIZATION OF INTEREST EXPENSE FOR TRANSMISSION CUSTOMER PREPAYMENTS ACCRUED AND PAID INTEREST.

ATTACHMENT I

INDEX OF POINT-TO-POINT AND NETWORK INTEGRATION TRANSMISSION SERVICE CUSTOMERS

The Transmission Provider complies with its obligation to identify its various Point-to-Point Transmission Service and Network Integration Transmission Service Customer through its submission of Electronic Quarterly Reports pursuant to FERC Order No. 2001.

ATTACHMENT J

NORTH AMERICAN ELECTRIC RELIABILITY COUNCIL'S TRANSMISSION LOADING RELIEF PROCEDURES

The North American Electric Reliability Council's ("NERC") Transmission Loading Relief ("TLR") Procedures originally filed March 18, 1998, and any amendments thereto, including the most recent Version 3 Reliability Standards accepted in Docket No. ER06-1545-002, on March 6, 2007, on file and accepted by FERC, are hereby incorporated and made part of this Tariff. See www.nerc.com for the current version of the NERC's TLR Procedures.

ATTACHMENT K

Transmission Planning Process

[Currently Being Developed]

ATTACHMENT L

Creditworthiness Procedures

A. Creditworthiness Evaluation for Unrated Transmission Customers

1. Purpose. Part A of this Attachment L describes the creditworthiness evaluation that will apply under Section 11.(2)(vi) of the Tariff when Transmission Customers do not have Long-Term Issuer Credit Ratings issued by either Standard & Poor's ("S&P") or Moody's Investor Services, Inc. ("Moody's").

2. Evaluation Process

- Transmission Customers that do not have S&P or Moody's Long-Term Issuer Credit Ratings can establish creditworthiness if they: (1) have been in business at least one year; and (2) provide audited financial statements that demonstrate that they meet the standards that are at least equivalent to the standards underlying a S&P Long-term Issuer Credit Rating of BBB- (or better) or Moody's Long-term Issuer Credit Rating of Baa3 (or better).

  - Such financial statements should include the Transmission Customer's business start date, present ownership, line of business, as well as overall credit ratings, financial stress or credit score assigned by public sources.

  - A Transmission Customer must also provide *sworn* financial information sufficient to allow the Transmission Provider to evaluate, among other things, the customer's liquidity, profitability, leverage, and cash flow measures from year-to-year and for comparison to other companies in the same industry.

- In conducting its credit review, the Transmission Provider may consider a Transmission Customer's reported trade experiences, including the average high and highest trade reference, compared to the industry average. The Transmission Provider may also review the public record for reported suits, liens, judgments and UCC filings, and in order to determine if the Transmission Customer is operating under any chapter of the bankruptcy laws and/or is subject to liquidation or debt reduction procedures under state laws.

- If the Transmission Customer is found not to be creditworthy pursuant to Section 11.2(vi) of the Tariff, the Transmission Provider will provide the Transmission Customer a written explanation of such determination.

B. Prepayment of Service

1. Purpose. Part B of this Attachment L describes the implementation of the prepayment provisions for new and existing Transmission Customers under Section 11.3 of the Tariff.

2. General Requirements

- A Transmission Customer wishing to prepay for Transmission Service must provide at least 30 days notice of its election of prepayment status. The election must be made on a calendar month basis. Upon election of prepayment status, the Transmission Customer must immediately provide to Transmission Provider a phone number, a fax number, a primary contact name, and an email address in order to facilitate the necessary rapid exchange of invoice data and remittance of funds. Any outstanding Transmission Service charges, including charges for the current month's service, will be invoiced at the end of the current month pursuant to the normal transmission service customer billing cycle. These charges **must** be paid by the due date, which will be the earlier of the normally calculated due date or five (5) Business Days prior to the beginning of the next month.

- This prepayment process assumes a valid OASIS request is one that has been approved by the ICT and confirmed by the prepaying Transmission Customer.

- By virtue of the inherent nature of Daily Non-firm and Hourly Non-firm service, the Transmission Provider is unable to accommodate these types of service under the FERC approved prepayment provisions.

3. Invoices and Payments

- On each Business Day, the Transmission Provider will identify all confirmed reservations from prepaying Transmission Customers through the end of the prior calendar day, generate invoices, and transmit the invoices to the prepaying Transmission Customer by fax and/or email. A separate invoice will be generated for each confirmed OASIS reservation. A Business Day is defined as one which is recognized by the Federal Reserve Bank as an operational day and excludes weekends and holidays as defined by the Federal Reserve Bank.

- For reservations of one month or less, the invoice due date for prepaid Transmission Service will be two (2) business days following the date of the invoice and no later than five (5) business days prior to the start of service for that reservation (i.e., the earlier of two (2) business days following the date of the invoice or five (5) business days prior to the start of service for that reservation).

- For reservations of more than one month, the invoice due date for the initial month of prepaid Transmission Service will be two (2) business days following the date of the invoice and no later than five (5) business days prior to the start of service for that

reservation (i.e., the earlier of two (2) business days following the date of the invoice or five (5) business days prior to the start of service for that reservation). For subsequent months, the invoice due date will be five (5) business days prior to the beginning of each month.

- Table 1 shows a sample timeline of invoice dates and invoice due dates for service.

- If the prepayment is not received by the invoice due date, the reservation will be annulled. In order to assure accurate and timely recognition of payments by the Transmission Provider, the invoice number must be referenced on the payment.

- Payments made after the reservation has been annulled will be refunded. No interest will be included with refunds of payments made after the due date.

- Prepayment invoices will reflect an estimated charge for Ancillary Services Schedules 1 and 2. Variance between the estimated and actual charges (including any applicable price cap credits, TLR credits, penalties, and interest) will be reconciled at the end of the month during the non-prepayment Point-to-Point Transmission Service customer billing cycle.

- Interest on prepayments will be calculated based on 18 C.F.R. § 35.19a(a)(2)(iii) from the date payment is received until the earlier of the end date of the reservation or the end of the month. Interest due to the prepaying Transmission Customer will be calculated at the end of the month during the non-prepayment Point-to-Point Transmission Service customer billing cycle.

Table 1

Following is a time line showing the invoice date (Inv Dt) and invoice due dates (Inv Due Dt) for reservations confirmed on each day from May 17th, 2004 through May 23rd, 2004 all with a start-of-service (SOS) date of June 1, 2004

	17-May	**18-May**	**19-May**	**20-May**	**21-May**	**22-May**	**23-May**	**24-May**	**25-May**	**26-May**	**27-May**	**28-May**	**29-May**	**30-May**	**31-May**	**01-Jun**
	Mon	**Tue**	**Wed**	**Thur**	**Fri**	**Sat**	**Sun**	**Mon[1]**	**Tue**	**Wed**	**Thur**	**Fri**	**Sat**	**Sun**	**Mon**	**Tue**
	BD	BD	BD	BD	BD	NBD	NBD	BD	BD	BD	BD	BD	NBD	NBD	Holiday	BD
Ex 1	Confirm	Inv Dt		**Inv Due Dt**												**SOS**
Ex 2		Confirm	Inv Dt		**Inv Due Dt**											**SOS**
Ex 3			Confirm	Inv Dt				**Inv Due Dt**								**SOS**
Ex 4				Confirm	Inv Dt			**Inv Due Dt**								**SOS**
Ex 5					Confirm			**Inv Dt & Due Dt**								**SOS**
Ex 6						Confirm		**Inv Dt & Due Dt**								**SOS**
Ex 7							Confirm	**Inv Dt & Due Dt**								**SOS**

Legend: BD = Bus Day, NBD = Non Bus Day, SOS = Start of Service

[1] Note that Monday, May 24, 2004 is the fifth Business Day prior to SOS for OASIS reservations with SOS = June 1, 2004. Note also in this example, Sunday, May 23, 2004 is the final calendar day on which the PPTC may confirm an OASIS request with SOS = June 1, 2004.

C. Suspension of Service

1. Purpose: In accordance with Section 11.4 of the Tariff, the Transmission Provider may suspend Transmission Service if the Transmission Customer fails to provide the financial assurance required under Section 11.3.3 or 11.3.4. Part C to this Attachment L describes the process that will apply if the Transmission Provider suspends a Transmission Customer's Transmission Service.

2. The Transmission Customer will be notified of its obligation to provide financial assurance and the required deadline to provide this financial assurance in accordance with Section 11.3.5 of the Tariff. If the Transmission Customer fails to meet these noticed deadlines, the Transmission Provider will notify the ICT and will implement any such suspension of Transmission Service.

3. Suspension of service means all confirmed reservations will be recalled. All new reservations submitted by a suspended Transmission Customer will be rejected until its financial assurance requirements are satisfied.

4. The Transmission Provider will manage suspension of Transmission Service on a weekly basis to allow the suspended capacity to be returned to the market. This means that if service is suspended on or after Monday of the week, the reservation will not be restored until the next Monday following the time the Transmission Customer's financial assurance requirements are satisfied.

    - Reservations for one week or less will be recalled upon suspension of Transmission Service and returned to the market

    - Reservations of more than one week will be recalled for the balance of the current week and on a weekly basis thereafter until the Transmission Customer provides the required financial assurance.

5. The Transmission Provider will not restore the capacity to the Transmission Customer within the week of suspension. The Transmission Customer must make a new OASIS request after providing the required financial assurance if service is desired during the week of suspension. The ICT will approve the new request only if capacity is available.

6. The Transmission Customer will not be billed for Transmission Service that has been suspended for failure to provide the required financial assurance.

ATTACHMENT M

Source and Sink Requirements for Point-to-Point Transmission Service

1. Generally: All Transmission Customers taking service under the point-to-point transmission service provisions of Entergy's Open Access Transmission Tariff ("OATT") must submit to Entergy OASIS reservations and transmission schedules that designate specific and *valid* sources and sinks.

2. Definitions

2.01 Source: A "source" is the location of the generating facility(ies) supplying the capacity and energy to be transmitted.

2.02 Sink: A "sink" is the location of the load ultimately served by the capacity and energy transmitted.

3. Valid Sources and Sinks On the Entergy Transmission System

3.01 Source: If the source is on the Entergy Transmission System, the source must be a specific and valid generator bus. A load bus is not a valid source. Only one generator bus may be listed as the source.

3.02 Sink: If the sink is on the Entergy Transmission System, the sink must be a specific and valid load bus. A generator bus is not a valid sink. Only one load bus may be listed as the sink.

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3.03 Posting: Entergy will post on OASIS and update as appropriate a list of all specific and valid sources and sinks on the Entergy Transmission System.

4. Valid Sources and Sinks Off the Entergy Transmission System

4.01 Source: If the source is not on the Entergy Transmission System, the source can be the control area where the source generating unit is located. A load-only control area is not a valid source.

4.02 Sink: If the sink is not on the Entergy Transmission System, the sink can be the control area where the ultimate load is located. A generation-only control area is not a valid sink.

5. Scheduled Amount: The scheduled amount for any point-to-point transmission schedule cannot exceed the amount of the Entergy-approved OASIS reservation and either of the

following: (a) for sources on the Entergy Transmission System, the rated capability of the generating facility(ies) at the generator bus; or (b) for sinks on the Entergy Transmission System, the maximum allowable load at the load bus.

6. Modifications in Service Specifications

6.01 Generally: Source or sink information provided in an OASIS reservation or transmission schedule can be modified consistent with Section 22 of Entergy's OATT.

6.02 Service under Section 22 of Entergy's OATT: If the Transmission Customer submits source or sink information in a transmission schedule that is different from the information provided in the OASIS reservation, the following procedures shall be followed:

6.02.01 Pursuant to Section 22 of Entergy's OATT and Section 6.03 of this attachment, Entergy shall determine whether the change in source or sink information requires it to provide service over Receipt or Delivery Points other than those specified in the OASIS reservation.

6.02.02 If the change in source or sink information does not require Entergy to provide service over Receipt or Delivery Points other than those originally specified in the OASIS reservation, then Entergy shall accept the transmission schedule.

6.02.03 If the change in source or sink information does require Entergy to provide service over Receipt or Delivery Points other than those originally specified in the OASIS reservation, Entergy shall refuse the transmission schedule, and the Transmission Customer shall have the option of submitting: (a) a new schedule that conforms to the original OASIS reservation; (b) a new OASIS reservation for firm service over the new Receipt or Delivery Points consistent with Section 22.2 of Entergy's OATT; or (c) a new OASIS reservation for non-firm service over Secondary Receipt or Delivery Points consistent with Section 22.1 of Entergy's OATT.

6.03 Changes in Receipt or Delivery Points: Modifications to source and sink information will require Entergy to provide service over Receipt or Delivery Points other than those originally specified in the OASIS reservation, if either of the following applies:

6.03.01 For original sources or sinks on the Entergy Transmission System, the new source or sink is located in a different control area than the original source or sink OR is connected to the Entergy Transmission System at a different transmission substation than the original source or sink.

6.03.02 For original sources or sinks off the Entergy Transmission System, the new source or sink is located in a different control area than the original source or sink AND Entergy would have evaluated different Receipt or Delivery Points in deciding whether to grant the original service request.

7. NERC Tags as Schedules: In order to minimize scheduling work for all entities, Entergy will accept NERC Tags as transmission schedules, provided that the information described above is supplied on the NERC Tags.

ATTACHMENT N

STANDARD LARGE GENERATOR

INTERCONNECTION PROCEDURES

(LGIP)

(Applicable to Generating Facilities that exceed 20 MW)

TABLE OF CONTENTS

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.

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 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. All requests for Network Resource Interconnection Service shall be administered and studied consistent with the deliverability provisions set forth in Attachment N-1 to the Tariff. 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, Southwest Power Pool, Inc. as Independent coordinator of Transmission (“ICT”), 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.

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 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.

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.

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 provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions in LGIP Section 13.1. Transmission Provider is permitted to require that Interconnection Customer 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 (ii) 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.

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. In addition, when applicable, the study shall include a regional transfer capability analysis and/or a nuclear plant off-site power analysis. 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. In conjunction with this study, Transmission Provider shall perform a reactive power analysis at the Point of Interconnection as it relates to the Transmission System.

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 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. At an Interconnection Customer’s request, Transmission Provider will provide written justification that non-peak-load based studies are required for reliability purposes. The Interconnection Study for Network Resource Interconnection Service +deliverability provisions set forth

in Attachment N-1 to the Tariff. Network Resource Interconnection Service in and of itself does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Valid Interconnection Request.

3.3.1 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 3.3.3 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.

3.3.2 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.

3.3.3 Deficiencies in Interconnection Request.
An Interconnection Request will not be considered to be a valid request until all items in Section 3.3.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.3.1, 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 3.3.3 shall be treated in accordance with Section 3.6.

3.3.4 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.

3.4 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 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.

3.6 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.

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 3.3.3, 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, consistent with Attachment N-1 to the Tariff.

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; (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 Facility Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output (MW), and (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.

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 shallcommence 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.

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 3.3.4, 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, each of which shall be conducted and evaluated in accordance with the deliverability provisions set forth in Attachment N-1 to the Tariff. 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.

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 3.3.4, 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 3.3.4, 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, each of which shall be conducted and evaluated in accordance with the deliverability provisions set forth in Attachment N-1 to the Tariff. In addition, when applicable, this study shall include a regional transfer capability analysis and/or a nuclear plant off-site power 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. 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. In conjunction with this study, Transmission Provider shall perform a reactive power analysis at the Point of Interconnection as it relates to the Transmission System.

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 3.5 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 include a ground grid analysis and 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.

8.3 Interconnection Facilities Study Procedures.

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.5 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's entitlement to transmission credits, if any, shall be determined in accordance with Attachment T.

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 C.F.R. 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 C.F.R. 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 C.F.R. 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

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.

13.6 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 or 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)

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 _____

COMBINED TURBINE-GENERATOR-EXCITER INERTIA DATA

Inertia Constant, H = _____ kW sec/kVA
Moment-of-Inertia, WR^2 = _____ lb. $ft.^2$

REACTANCE DATA (PER UNIT-RATED KVA)

	DIRECT AXIS		QUADRATURE AXIS	
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	$X2_v$	_____		
Negative Sequence – unsaturated	$X2_i$	_____		
Zero Sequence – saturated	$X0_v$	_____		
Zero Sequence – unsaturated	$X0_i$	_____		
Leakage Reactance	Xl_m	_____		

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_1	_____
Negative	R_2	_____
Zero	R_0	_____

Rotor Short Time Thermal Capacity I_2^2t = _____
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 Z_1 (on self-cooled kVA rating)_____ % _____ X/R

Zero Z_0 (on self-cooled kVA rating)_____ % _____ X/R

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 Southwest Power Pool, Inc. as Independent Coordinator of Transmission ("ICT"). Interconnection Customer, the ICT, 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. The ICT shall carry out the responsibilities of the Transmission Provider as provided in Attachment S (including all protocols attached thereto) to 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 3.3.4 of the LGIP. If, after the designation of the Point of Interconnection pursuant to Section 3.3.4 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.

7.1 **Disclaimers.**

7.1.1 **Equipment Release.** Transmission Provider's Interconnection Feasibility Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Interconnection Customer's equipment or installation thereof for any use, including the use intended by Interconnection Customer, and Interconnection Customer agrees to release and hold Transmission Provider harmless for any claims or demands arising out of or relating to Interconnection Customer’s use of the Interconnection Feasibility Study.

7.2 Indemnity, Consequential Damages and Insurance

7.2.1 **Indemnity.** The Parties to this agreement shall indemnify, defend and hold the other Party harmless from any and all damages, demands, claims, causes of action, including claims or actions relating to injury to or death of any person, or damage to property, costs and expenses, court costs, attorneys fees, or any other form of loss by or to third parties, arising out of or resulting from the Indemnifying Party's performance of its obligations under this agreement, when due to the Indemnifying Party's negligent acts or omissions, strict liability, or fault, except in cases that also involve the gross negligence or intentional wrongdoing of the Indemnified Party.

7.2.1.1 **Indemnified Person**. If an Indemnified Person is entitled to indemnification under this Article 7.2 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 7.2.1, 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.

7.2.1.2 **Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 7.2, 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.

7.2.1.3 **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 7.2.1 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.

7.2.2 **Consequential Damages.** Other than the Liquidated Damages heretofore described, in no event shall either Party 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.

7.2.3 **Insurance.** Each party shall, at its own expense, maintain in force throughout the period of this agreement, 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:

7.2.3.1 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.

7.2.3.2 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.

7.2.3.3 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.

7.2.3.4 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.

7.2.3.5 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 agreement against the Other Party Group and provide thirty (30) days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

7.2.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the polices 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.

7.2.3.7 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 agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

7.2.3.8 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 agreement.

7.2.3.9 Within ten (10) days following execution of this agreement, 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 agreement, executed by each insurer or by an authorized representative of each insurer.

7.2.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 7.2.3.2 through 7.2.3.8 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 its self-insurance program meets the minimum insurance requirements of Articles 7.2.3.2 through 7.2.3.8. 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 7.2.3.2 through 7.2.3.9. 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 7.2.3.9.

7.2.3.11 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 agreement.

7.3 **Governing Law.** This Interconnection Feasibility Study Agreement shall be governed by and construed in accordance with the laws of the State where the Point of Interconnection is located, without regard to its conflict of law principles. The Parties hereby submit to the exclusive jurisdiction of the state or federal courts situated in the States of Louisiana and the state where the Point of Interconnection is located for purposes of any suit or action arising out of this Interconnection Feasibility Study Agreement. Nothing contained in this Section 7.3 shall be construed to impair the jurisdiction of the Commission.

7.4 **Waiver.** The failure of either Party to insist upon strict performance of any of the terms and conditions of this Interconnection Feasibility Study Agreement, or to exercise or delay the exercise of any rights or remedies

provided by this Interconnection Feasibility Study Agreement or by law, shall not release the other Party from any of the responsibilities or obligations imposed by law or by this Interconnection Feasibility Study Agreement, and shall not be deemed a waiver of any right of the other Party to insist upon strict performance of this Interconnection Feasibility Study Agreement.

7.5 **Amendment.** This Interconnection Feasibility Study Agreement constitutes the entire agreement between the Parties hereto with reference to the subject matter hereof, and no change or modification as to any of the provisions hereof shall be binding on either Party unless reduced to writing and approved by a duly authorized representative of Interconnection Customer and the President or a Vice President of Transmission Provider.

7.6 **Assignment.** This Interconnection Feasibility Study Agreement shall not be assigned by Interconnection Customer without the prior written consent of Transmission Provider, not to be unreasonably withheld, conditioned or delayed. This Interconnection Feasibility Study Agreement, 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.

7.7 **Execution.** This Interconnection Feasibility Study Agreement may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.

7.8 **Captions.** All indexes, titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive, or to affect the meaning of the contents or scope of this Agreement.

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 ICT]

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 Southwest Power Pool, Inc. as Independent Coordinator of Transmission ("ICT"). Interconnection Customer, the ICT, 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. The ICT shall carry out the responsibilities of the Transmission Provider as provided in Attachment S (including all protocols attached thereto) to 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.

7.1 **Equipment Release.** Transmission Provider's Interconnection System Impact Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Interconnection Customer's equipment or installation thereof for any use, including the use intended by Interconnection Customer, and Interconnection Customer agrees to release and hold Transmission Provider harmless for any claims or demands arising out of or relating to Interconnection Customer's use of the Interconnection System Impact Study.

7.2 **Indemnity, Consequential Damages and Insurance**

7.2.1 **Indemnity.** The Parties to this agreement shall indemnify, defend and hold the other Party harmless from any and all damages, demands, claims, causes of action, including claims or actions relating to injury to or death of any person, or damage to property, costs and expenses, court costs, attorneys fees, or any other form of loss by or to third parties, arising out of or resulting from the Indemnifying Party's performance of its obligations under this agreement, when due to the Indemnifying Party's negligent acts or omissions, strict liability, or fault, except in cases that also involve the gross negligence or intentional wrongdoing of the Indemnified Party.

7.2.1.1 **Indemnified Person**. If an Indemnified Person is entitled to indemnification under this Article 7.2 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 7.2.1, 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.

7.2.1.2 **Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 7.2, 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.

7.2.1.3 **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 7.2.1 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.

7.2.2 **Consequential Damages.** Other than the Liquidated Damages heretofore described, in no event shall either Party 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.

7.2.3 **Insurance.** Each party shall, at its own expense, maintain in force throughout the period of this agreement, 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:

7.2.3.1 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.

7.2.3.2 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.

7.2.3.3 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.

7.2.3.4 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.

7.2.3.5 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 agreement against the Other Party Group and provide thirty (30) days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

7.2.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the polices 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.

7.2.3.7 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 agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

7.2.3.8 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 agreement.

7.2.3.9 Within ten (10) days following execution of this agreement, 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 agreement, executed by each insurer or by an authorized representative of each insurer.

7.2.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 7.2.3.2 through 7.2.3.8 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 its self-

insurance program meets the minimum insurance requirements of Articles 7.2.3.2 through 7.2.3.8. 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 7.2.3.2 through 7.2.3.9. 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 7.2.3.9.

7.2.3.11 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 agreement.

7.3 **Governing Law.** This Interconnection System Impact Study Agreement shall be governed by and construed in accordance with the laws of the State where the Point of Interconnection is located, without regard to its conflict of law principles. The Parties hereby submit to the exclusive jurisdiction of the state or federal courts situated in the States of Louisiana and the state where the Point of Interconnection is located for purposes of any suit or action arising out of this Interconnection System Impact Study Agreement. Nothing contained in this Section 7.3 shall be construed to impair the jurisdiction of the Commission.

7.4 **Waiver.** The failure of either Party to insist upon strict performance of any of the terms and conditions of this Interconnection System Impact Study Agreement, or to exercise or delay the exercise of any rights or remedies provided by this Interconnection System Impact Study Agreement or by law, shall not release the other Party from any of the responsibilities or obligations imposed by law or by this Interconnection System Impact Study Agreement, and shall not be deemed a waiver of any right of the other Party to insist upon strict performance of this Interconnection System Impact Study Agreement.

7.5 **Amendment.** This Interconnection System Impact Study Agreement constitutes the entire agreement between the Parties hereto with reference to the subject matter hereof, and no change or modification as to any of the provisions hereof shall be binding on either Party unless reduced to writing and approved by a duly authorized representative of

Interconnection Customer and the President or a Vice President of Transmission Provider.

7.6 **Assignment.** This Interconnection System Impact Study Agreement shall not be assigned by Interconnection Customer without the prior written consent of Transmission Provider, not to be unreasonably withheld, conditioned, or delayed. This Interconnection System Impact Study Agreement, 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.

7.7 **Execution.** This Interconnection System Impact Study Agreement may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.

7.8 **Captions.** All indexes, titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive, or to affect the meaning of the contents or scope of this Agreement.

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 ICT]

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 Southwest Power Pool, Inc. as Independent Coordinator of Transmission ("ICT"). Interconnection Customer, the ICT, 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. The ICT shall carry out the responsibilities of the Transmission Provider as provided in Attachment S (including all protocols attached thereto) to 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.

6.1 **Disclaimers.**

6.1.1 **Equipment Release.** Transmission Provider's Interconnection Facilities Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Interconnection Customer's equipment or installation thereof for any use, including the use intended by Interconnection Customer, and Interconnection Customer agrees to release and hold Transmission Provider harmless for any claims or demands arising out of or relating to Interconnection Customer’s use of the Interconnection Facilities Study.

6.2 Indemnity, Consequential Damages and Insurance

6.2.1 **Indemnity.** The Parties to this agreement shall indemnify, defend and hold the other Party harmless from any and all damages, demands, claims, causes of action, including claims or actions relating to injury to or death of any person, or damage to property, costs and expenses, court costs, attorneys fees, or any other form of loss by or to third parties, arising out of or resulting from the Indemnifying Party's performance of its obligations under this agreement, when due to the Indemnifying Party's negligent acts or omissions, strict liability, or fault, except in cases that also involve the gross negligence or intentional wrongdoing of the Indemnified Party.

6.2.1.1 **Indemnified Person**. If an Indemnified Person is entitled to indemnification under this Article 6.2 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 6.2.1, 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.

6.2.1.2 **Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 6.2, 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.

6.2.1.3 **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 6.2.1 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.

6.2.2 **Consequential Damages.** Other than the Liquidated Damages heretofore described, in no event shall either Party 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.

6.2.3 **Insurance.** Each party shall, at its own expense, maintain in force throughout the period of this agreement, 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:

6.2.3.1 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.

6.2.3.2 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.

6.2.3.3 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.

6.2.3.4 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.

6.2.3.5 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 agreement against the Other Party Group and provide thirty (30) days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

6.2.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the polices 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.

6.2.3.7 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 agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

6.2.3.8 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 agreement.

6.2.3.9 Within ten (10) days following execution of this agreement, 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 agreement, executed by each insurer or by an authorized representative of each insurer.

6.2.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 6.2.3.2 through 6.2.3.8 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 its self-insurance program meets the minimum insurance requirements of Articles 6.2.3.2 through 6.2.3.8. 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 6.2.3.2 through 6.2.3.9. 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 6.2.3.9.

6.2.3.11 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 agreement.

6.3 **Governing Law.** This Interconnection Facilities Study Agreement shall be governed by and construed in accordance with the laws of the State where the Point of Interconnection is located, without regard to its conflict of law principles. The Parties hereby submit to the exclusive jurisdiction of the state or federal courts situated in the States of Louisiana and the state where the Point of Interconnection is located for purposes of any suit or action arising out of this Interconnection Facilities Study Agreement. Nothing contained in this Section 6.3 shall be construed to impair the jurisdiction of the Commission.

6.4 **Waiver.** The failure of either Party to insist upon strict performance of any of the terms and conditions of this Interconnection Facilities Study Agreement, or to exercise or delay the exercise of any rights or remedies provided by this Interconnection Facilities Study Agreement or by law, shall not release the other Party from any of the responsibilities or obligations imposed by law or by this Interconnection Facilities Study Agreement, and shall not be deemed a waiver of any right of the other Party to insist upon strict performance of this Interconnection Facilities Study Agreement.

6.5 **Amendment.** This Interconnection Facilities Study Agreement constitutes the entire agreement between the Parties hereto with reference to the subject matter hereof, and no change or modification as to any of the provisions hereof shall be binding on either Party unless reduced to writing and approved by a duly authorized representative of Interconnection
Customer and the President or a Vice President of Transmission Provider.

6.6 **Assignment.** This Interconnection Facilities Study Agreement shall not be assigned by Interconnection Customer without the prior written consent of Transmission Provider, not to be unreasonably withheld, conditioned, or delayed. This Interconnection Facilities Study Agreement, 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.

6.7 **Execution.** This Interconnection Facilities Study Agreement may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.

6.8 **Captions.** All indexes, titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive, or to affect the meaning of the contents or scope of this Agreement.

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 ICT]

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 receives back feed power	Date: _____
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 Southwest Power Pool, Inc. as Independent Coordinator of Transmission ("ICT"). Interconnection Customer, the ICT, 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. The ICT shall carry out the responsibilities of the Transmission Provider as provided in Attachment S (including all protocols attached thereto) to 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.

7.1 **Disclaimers.**

7.1.1 **Equipment Release.** Transmission Provider's Optional Interconnection Study shall not be construed as confirming or endorsing the design, or as any warranty of safety, durability, reliability, or suitability of Interconnection Customer's equipment or installation thereof for any use, including the use intended by Interconnection Customer, and Interconnection Customer agrees to release and hold Transmission Provider harmless for any claims or demands arising out of or relating to Interconnection Customer’s use of the Optional Interconnection Study.

7.2 **Indemnity, Consequential Damages and Insurance**

7.2.1 **Indemnity.** The Parties to this agreement shall indemnify, defend and hold the other Party harmless from any and all damages, demands, claims, causes of action, including claims or actions relating to injury to or death of any person, or damage to property, costs and expenses, court costs, attorneys fees, or any other form of loss by or to third parties, arising out of or resulting from the Indemnifying Party’s performance of its obligations under

this agreement, when due to the Indemnifying Party's negligent acts or omissions, strict liability, or fault, except in cases that also involve the gross negligence or intentional wrongdoing of the Indemnified Party.

7.2.1.1 **Indemnified Person**. If an Indemnified Person is entitled to indemnification under this Article 7.2 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 7.2.1, 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.

7.2.1.2 **Indemnifying Party.** If an Indemnifying Party is obligated to indemnify and hold any Indemnified Person harmless under this Article 7.2, 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.

7.2.1.3 **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 7.2.1 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.

7.2.2 **Consequential Damages.** Other than the Liquidated Damages heretofore described, in no event shall either Party 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.

7.2.3 **Insurance.** Each party shall, at its own expense, maintain in force throughout the period of this agreement, 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:

7.2.3.1 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.

7.2.3.2 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.

7.2.3.3 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.

7.2.3.4 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.

7.2.3.5 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 agreement against the Other Party Group and provide thirty (30) days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

7.2.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the polices 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.

7.2.3.7 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 agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

7.2.3.8 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 agreement.

7.2.3.9 Within ten (10) days following execution of this agreement, 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 agreement, executed by each insurer or by an authorized representative of each insurer.

7.2.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 7.2.3.2 through 7.2.3.8 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 its self-insurance program meets the minimum insurance requirements of Articles 7.2.3.2 through 7.2.3.8. 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 7.2.3.2 through 7.2.3.9. 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 7.2.3.9.

7.2.3.11 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 agreement.

7.3 **Governing Law.** This Optional Interconnection Study Agreement shall be governed by and construed in accordance with the laws of the State where the Point of Interconnection is located, without regard to its conflict of law principles. The Parties hereby submit to the exclusive jurisdiction of the state or federal courts situated in the States of Louisiana and the state where the Point of Interconnection is located for purposes of any suit or action arising out of this Optional Interconnection Study Agreement. Nothing contained in this Section 7.3 shall be construed to impair the jurisdiction of the Commission.

7.4 **Waiver.** The failure of either Party to insist upon strict performance of any of the terms and conditions of this Optional Interconnection Study Agreement, or to exercise or delay the exercise of any rights or remedies provided by this Optional Interconnection Study Agreement or by law, shall not release the other Party from any of the responsibilities or obligations imposed by law or by this Optional Interconnection Study Agreement, and shall not be deemed a waiver of any right of the other Party to insist upon strict performance of this Optional Interconnection Study Agreement.

7.5 **Amendment.** This Optional Interconnection Study Agreement constitutes the entire agreement between the Parties hereto with reference to the subject matter hereof, and no change or modification as to any of the provisions hereof shall be binding on either Party unless reduced to writing and approved by a duly authorized representative of Interconnection Customer and the President or a Vice President of Transmission Provider.

7.6 **Assignment.** This Optional Interconnection Study Agreement shall not be assigned by Interconnection Customer without the prior written consent of Transmission Provider, not to be unreasonably withheld, conditioned or delayed. This Optional Interconnection Study Agreement, 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.

7.7 **Execution.** This Optional Interconnection Study Agreement may be executed in two or more counterparts, each of which is deemed an original, but all constitute one and the same instrument.

7.8 **Captions.** All indexes, titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive, or to affect the meaning of the contents or scope of this Agreement.

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 ICT]

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

APPENDIX 6 to LGIP
INTERCONNECTION PROCEDURES FOR A WIND GENERATING PLANT

Appendix G sets forth procedures specific to a wind generating plant. All other requirements of this LGIP continue to apply to wind generating plant interconnections. The ICT shall carry out the responsibilities of the Transmission Provider as provided in Attachment S (including all protocols attached thereto) to the Tariff.

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 N-1

Deliverability Test for Network Resource Interconnection Service Resources

1. Overview

Entergy will develop a two-part deliverability test for customers (Interconnection Customers or Network Customers) seeking to qualify a Generator as an NRIS resource: (1) a test of deliverability "from generation", that is out of the Generator to the aggregate load connected to the Entergy Transmission system; and (2) a test of deliverability "to load" associated with sub-zones. This test will identify upgrades that are required to make the resource deliverable and to maintain that deliverability for a five year period.

1.1 The "From Generation" Test for Deliverability

In order for a Generator to be considered deliverable, it must be able to run at its maximum rated output without impairing the capability of the aggregate of previously qualified generating resources (whether qualified at the NRIS or NITS level) in the local area to support load on the system, taking into account potentially constrained transmission elements common to the Generator under test and other adjacent qualified resources. For purposes of this test, the resources displaced in order to determine if the Generator under test can run at maximum rated output should be resources located outside of the local area and having insignificant impact on the results. Existing Long-term Firm PTP Service commitments will also be maintained in this study procedure.

1.2 The "To Load" Test for Deliverability

The Generator under test running at its rated output cannot introduce flows on the system that would adversely affect the ability of the transmission system to serve load reliably in import-constrained sub-zones. Existing Long-term Firm PTP Service commitments will also be maintained in this study procedure.

1.3 Required Upgrades.

Entergy will determine what upgrades, if any, will be required for an NRIS applicant to meet deliverability requirements pursuant to Appendix 1 of Attachment N-1.

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Appendix 1 – NRIS Deliverability Test

Description of Deliverability Test

Each NRIS resource will be tested for deliverability at peak load conditions, and in such a manner that the resources it displaces in the test are ones that could continue to contribute to the resource adequacy of the control area in addition to the studied resources. The study will also determine if a unit applying for NRIS service impairs the reliability of load on the system by reducing the capability of the transmission system to deliver energy to load located in import-constrained sub-zones on the grid. Through the study, any transmission upgrades necessary for the unit to meet these tests will be identified.

Deliverability Test Procedure:

The deliverability test for qualifying a generating unit as a NRIS resource is intended to ensure that 1) the generating resource being studied contributes to the reliability of the system as a whole by being able to, in conjunction with all other Network Resources on the system, deliver energy to the aggregate load on the transmission system, and 2) collectively all load on the system can still be reliably served with the inclusion of the generating resource being studied.

The tests are conducted for "peak" conditions (both a summer peak and a winter peak) for each year of the 5-year planning horizon commencing in the first year the new unit is scheduled to commence operations.

1) Deliverability of Generation

The intent of this test is to determine the deliverability of a NRIS resource to the aggregate load on the system. It is assumed in this test that all units previously qualified as NRIS and NITS resources are deliverable. In evaluating the incremental deliverability of a new resource, a test case is established. In the test case, all existing NRIS and NITS resources are dispatched at an expected level of generation (as modified by the DFAX list units as discussed below). Peak load withdrawals are also modeled as well as net imports and exports. The output from generating resources is then adjusted so as to "balance" overall load and generation. This sets the baseline for the test case in terms of total system injections and withdrawals.

Incremental to this test case, injections from the proposed new generation facility are then included, with reductions in other generation located outside of the local area made to maintain system balance. Generator deliverability is then tested for each transmission facility. There are two steps to identify the transmission facilities to be studied and the pattern of generation on the system:

1) Identify the transmission facilities for which the generator being studied has a 3% or greater distribution factor

2) For each such transmission facility, list all existing qualified NRIS and NITS resources having a 3% or greater distribution factor on that facility. This list of units is called the Distribution Factor or DFAX list.

For each transmission facility, the units on the DFAX list with the greatest impact are modeled as operating at 100% of their rated output in the DC load flow until, working down the DFAX list, a 20% probability of all units being available at full output is reached (e.g. for 15 generators with a Forced Outage Rate of 10%, the probability of all 15 being available at 100% of their rated output is 20.6%). Other NRIS and NITS resources on the system are modeled at a level sufficient to serve load and net interchange.

From this new baseline, if the addition of the generator being considered (coupled with the matching generation reduction on the system) results in overloads on a particular transmission facility being examined, then it is not "deliverable" under the test.

2) Deliverability to Load

The Entergy transmission system is divided into a number of import constrained sub-zones for which the import capability and reliability criteria will be examined for the purposes of testing a new NRIS resource. These sub-zones can be characterized as being areas on the Entergy transmission system for which transmission limitations restrict the import of energy necessary to supply load located in the sub-zone.

The transmission limitations will be defined by contingencies and transmission constraints on the system that are known to limit operations in each area, and the sub-zones will be defined by the generation and load busses that are impacted by the contingent transmission lines. These sub-zones may change over time as the topology of the transmission system changes or load grows in particular areas.

An acceptable level of import capability for each sub-zone will have been determined by Entergy Transmission based on their experience and modeling of joint transmission and generating unit contingencies. Typically the acceptable level of transmission import capacity into the sub-zones will be that which is limited by first-contingency conditionson the transmission system when generating units within the sub-region are experiencing an abnormal level of outages and peak loads.

The "deliverability to load" test compares the available import capability to each sub-zone that is required for the maintaining of reliable service to load within the sub-zone both with and without the new NRIS resource operating at 100% of its rated output. If the new NRIS resource does not reduce the sub-zone import capability so as to reduce the

reliability of load within the sub-zone to an unacceptable level, then the deliverability to load test for the unit is satisfied. This test is conducted for a 5-year planning cycle. When the new NRIS resource fails the test, then transmission upgrades will be identified that would allow the NRIS unit to operate without degrading the sub-zone reliability to below an acceptable level.

Other Modeling Assumptions:

1) Modeling of Other Resources

Generating units outside the control of Entergy (including the network resources of others, and generating units in adjacent control areas) shall be modeled assuming "worst case" operation of the units – that is, a pattern of dispatch that reduces the sub-zone import capability, or impact the common limiting flowgates on the system to the greatest extent for the "from generation" deliverability test.

2) Must-run Units

Must-run units in the control area will be modeled as committed and operating at a level consistent with the must-run operating guidelines for the unit.

3) Base-line Transmission Model

The base-line transmission system will include all transmission upgrades approved and committed to by Entergy Transmission over the 5-year planning horizon. Transmission line ratings will be net of TRM and current CBM assumptions will be maintained.

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ATTACHMENT O

STANDARD LARGE GENERATOR

INTERCONNECTION AGREEMENT

(LGIA)

(Applicable to Generating Facilities that exceed 20 MW)

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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 Southwest Power Pool, Inc. as Independent Coordinator of Transmission ("ICT"). Interconnection Customer, Transmission Provider, and the ICT each may be referred to as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, Transmission Provider operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease and/or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Large Generating Facility with the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Open Access Transmission Tariff (Tariff).

Article 1. Definitions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Distribution System shall mean the Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which distribution systems operate differ among areas.

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

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

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

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

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

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

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

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

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

Generating Facility shall mean Interconnection Customer's device for the production 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, ICT, 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 InterconnectionCustomer'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.

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 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.

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.

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. for purposes of this Agreement, the ICT shall carry out the responsibilities of the transmission Provider as provided in Attachment S (including all protocols attached thereto) to the Tariff.

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.

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 Standard Option or Alternate Option set forth below for completion of Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

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. 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, and unless the Parties agree otherwise, 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 Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within thirty (30) Calendar Days, and 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 a portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

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.

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 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.

5.10 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: (Current Tax Rate x (Gross Income Amount – Present Value of Tax Depreciation))/(1-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. 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. The settlement amount shall be calculated on a fully grossed-up basis to cover any related cost consequences of the current tax liability.

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 C.F.R. § 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.

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.

9.6.1 Power Factor Design Criteria. 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 Transmission Provider has established different requirements that apply to all generators in the Control Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators.

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 Governors and Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating unit pursuant to

Good Utility Practice) and voltage regulators are capable of operation, Interconnection
Customer shall operate the Large Generating Facility with its speed governors and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and 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.

9.7 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's right to payments and credits under this Section 11.4.1 shall be determined in accordance with Attachment T.

Interconnection Customer shall be entitled to a cash repayment (to the extent Attachment T provides for such repayment), equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated
with Network Upgrades, and not refunded to Interconnection Customer pursuant to Article 5.17.8 or otherwise, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Large Generating Facility. Any repayment shall include interest calculated in accordance with the methodology set forth in FERC=s regulations at 18 C.F.R. ∋ 35.19a(a)(2)(iii) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid (in the case of the Transmission Provider, to the extent Attachment T provides for such repayment), 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 (in the case of the Transmission Provider, to the extent Attachment T provides for such repayment) 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 (in the case of the Transmission Provider, to the extent Attachment T provides for such repayment) 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 (in the case of the Transmission Provider, to the extent Attachment T provides for such repayment). 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 C.F.R. § 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 C.F.R. ə 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 C.F.R. ə 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 C.F.R. ə 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 Requirement

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. Subcontractor

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 to LGIA

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this LGIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below. The LVRT standard provides for a transition period standard and a post-transition period standard.

Transition Period LVRT Standard

The transition period standard applies to wind generating plants subject to FERC Order 661 that have either: (i) interconnection agreements signed and filed with the Commission, filed with the Commission in unexecuted form, or filed with the Commission as non-conforming agreements between January 1, 2006 and December 31, 2006, with a scheduled in-service date no later than December 31, 2007, or (ii) wind generating turbines subject to a wind turbine procurement contract executed prior to December 31, 2005, for delivery through 2007.

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the

transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles at a voltage as low as 0.15 p.u., as measured at the high side of the wind generating plant step-up transformer (i.e. the transformer that steps the voltage up to the transmission interconnection voltage or "GSU"), after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system.

2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU or to faults that would result in a voltage lower than 0.15 per unit on the high side of the GSU serving the facility.

3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.

4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr Compensator, etc.) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT

Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

Post-transition Period LVRT Standard

All wind generating plants subject to FERC Order No. 661 and not covered by the transition period described above must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind GSU.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAr

Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant 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

GENERATOR IMBALANCE AGREEMENT

BETWEEN

ENTERGY SERVICES, INC.

AS AGENT FOR

Entergy_____, Inc.

AND

_____

ARTICLE ONE
PROVISIONS OF GENERATOR IMBALANCE SERVICE AND GENERATOR REGULATION SERVICE

I. **DEFINITIONS** – With regard to any definitions that are different in other agreements, for purposes of this Agreement, the following definitions control:

A. AGC - Automatic Generation Control. Automatically adjusting the output of generation on a real-time basis via a signal simultaneously sent to the Facility and the SOC from EMO or another Network Customer.

B. Avoided Cost - Avoided Cost shall be defined as incremental cost to Entergy of electric energy which, but for the imbalance, Entergy would generate itself or purchase from another source as defined by the applicable state jurisdictions.

C. Balancing Pool - An agreement among participating Delivering Parties and the Entergy Services, Inc. to self supply, or obtain third-party supply of, imbalances subject to the terms and conditions agreed to in Federal Energy Regulatory Commission Docket No. ER01-2201.

D. Commercial Schedule - That list of hourly scheduled quantities of energy submitted to the SOC in accordance with the scheduling procedures pursuant to Entergy's OATT, as adjusted from time to time. Any energy delivered to Entergy pursuant to Entergy's purchase obligation under PURPA is not included. A Schedule submitted by a Delivering Party to deliver energy during approved Testing Periods, approved Start-Up Periods and approved Shut-Down Periods is not included.

E. Conditional Schedule Adjustment - The adjustment, following a Notice Event, of all Schedules from a Facility on a *pro rata* basis when Entergy chooses to no longer provide the capacity and energy to supplement the Output of the Facility.

F. Daily Market Price - 100% of the On-Peak "Into Entergy" price posted in *Megawatt Daily*.

G. Deficient Energy - Energy, measured in megawatt hours, that a Delivering Party failed to deliver during a clock hour based upon the actual Schedules from a Facility. It is measured as the difference between the actual energy scheduled from a Facility during a clock hour and the Output of the Facility for the clock hour. During a Ramping Schedule Period, the Schedule will be calculated as a linear change from the old value to the new value over the ramp duration specified on the tag.

H. Delivering Party - Any entity within the Entergy control area that produces electric Output. In the event there is single ownership of multiple Facilities, and arrangements are made with the SOC under Entergy's Open Access Transmission Tariff ("OATT") to provide the necessary transmission service to support netting of imbalances, the Delivering Party may aggregate the imbalances of those Facilities into a single net imbalance under this Agreement. Entergy will negotiate in good faith other arrangements for netting imbalances as may be proposed by the Delivering Party from time to time. In the event there are multiple owners of a Facility, the signatory to the Interconnection Agreement with Entergy shall be the Delivering Party. Nothing in this section shall prohibit a signatory to the Interconnection Agreement from designating an agent to be the Delivering Party.

I. Emergency Event - A disturbance on the Entergy transmission system that was not caused by an event at the Facility and results in the Output of that Facility being increased or decreased by 2% or more of the Schedules of the Facility.

J. EMO - The Entergy Energy Management Organization. In the administration of the GIA, EMO is responsible for: (1) notification to SOC of Low-Load Events; (2) notification to the SOC of the availability of GIS and GRS; (3) calculation of ESIC and Avoided Cost; (4) determination of the ability to purchase energy during Testing Periods, Start-Up Periods and Shut-Down Periods; and (5) approval of tags and modification to tags associated with Testing Periods, Start-Up Periods, and Shut-Down Periods.

K. Entergy System Incremental Cost ("ESIC") - During any Peak Hour in which an under delivery occurred, the ESIC shall be the higher of (1) the energy cost for the hour of the most expensive source of energy generated (using incremental heat rates) or purchased by EMO, excluding any multi-year energy purchases, any annual purchases, and any Entergy generation that would not be operating in that hour but for transmission reliability purposes, or (2) the Daily Market Price. During Non-Peak Hours in which an under delivery occurred, ESIC shall be the cost of the most expensive source of energy generated (using incremental heat rates) or purchased by EMO, excluding any multi-year energy purchases, any annual purchases, and any Entergy generation that would not be operating in that hour but for transmission reliability purposes. If the total amount of Deficient Energy supplied by EMO under all GIAs is more than the most expensive purchase, then EMO will calculate the price of the most expensive purchase based on the weighted average costs of the most expensive purchases that supply an amount of energy equal to the total amount of Deficient Energy for that hour. ESIC will also include any costs for line losses and transmission service incurred by EMO in the purchase of energy that relate to the hour of the imbalance. SOC will furnish verification of its ESIC to a Delivering Party upon request.

L. Excess Energy - Energy, measured in megawatt hours, produced by the Facility in excess of the actual Schedules during a clock hour from the Facility and in excess of any unscheduled energy used to serve any network or host industrial load. During a Ramping Schedule Period, the Schedule will be calculated as a linear change from the old value to the new value over the ramp duration specified on the tag.

M. Facility - One or more generating units owned, operated or controlled by the Delivering Party that are located at the same point of interconnection within the Entergy control area as specified in the Interconnection and Operating Agreement and that send a common Output signal to the SOC.

N. Generator Imbalance Service ("GIS") Charge - A charge or payment for energy when the hourly integrated Output from a Facility differs from the Schedules from the Facility.

O. Generator Regulation Service ("GRS") Charge - A charge for the generating capacity that the EMO uses to compensate for the moment-to-moment (*i.e.*, within-the-hour) changes between a Delivering Party's Output and Schedules.

P. Immediate Schedule Adjustment - The adjustment, immediately following a Notice Event, of Schedules from a Facility pursuant to a Standing Schedule Adjustment Order, or in the absence of such an order, on a *pro rata* basis among all Schedules for the Facility, to match the current Output of the Facility.

Q. Intermittent Resource - An electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

R. Low-Load Event - Any period during which the EMO may be required to take an Entergy unit off-line due to low-load conditions based on criteria such as load profiles and generating schedules, to maintain minimum stable operating levels based on prudent utility practice. The SOC shall provide notice as soon as possible, but in no event less than two hours prior to the occurrence of a Low-Load Event via e-mail to all Delivering Parties that have provided the SOC with a current e-mail address. The SOC shall also provide notice of a Low-Load Event by broadcast fax, but for purposes of the two hour prior notice period, the email notification controls. If the SOC fails to provide two hour prior notification of a Low-Load Event, no penalties shall apply.

S. Meter Notification - The notification of a Notice Event to the SOC by metering to the SOC. The metering to the SOC shall be deemed to be a notification from the Delivering Party that the Output of the Facility is not delivering sufficient energy to meet the Schedules currently in place.

T. Notice Event - For aggregate Schedules of 1,500 MW or more from a Facility, a deviation in the magnitude of the Output of the Facility into Entergy's transmission system of at least 110 MW below the aggregate Schedules from the Facility as measured at the SOC for two readings within a two minute period but at least 30 seconds apart except during the 15 minute period immediately following a Notice Event. For aggregate Schedules from 1,000 to 1499 MW from a Facility, a deviation in the magnitude of the Output of the Facility into Entergy's transmission system of at least 75 MW below the aggregate Schedules from the Facility as measured at the SOC for two readings within a two minute period but at least 30 seconds apart except during the 15 minute period immediately following a Notice Event. For aggregate Schedules from 500 to 999 MW from a Facility, a deviation in the magnitude of the Output of the Facility into Entergy's transmission system of at least 35 MW below the aggregate Schedules from the Facility as measured at the SOC for two readings within a two minute period but at least 30 seconds apart except during the 15 minute period immediately following a Notice Event. For aggregate Schedules of less than 500 MW from a Facility, a deviation in the magnitude of the Output of the Facility into Entergy's transmission system of at least 25 MW below the aggregate Schedules from the Facility as measured by meters at the SOC for two readings within a two minute period but at least 30 seconds apart except during the 15 minute period immediately following a Notice Event. During a Ramping Schedule Period, the Schedule will be calculated as a linear change from the previous schedule to the new schedule. A Notice Event cannot occur at a Facility in an hour that has been designated as a Testing Period, Start-Up Period or Shut-Down Period, unless there is a Commercial Schedule that also flows during that clock hour. A Notice Event cannot occur at a Facility that has experienced an Emergency Event.

U. Output - The actual output of a Facility less the AGC signal simultaneously sent to the Facility and the SOC from EMO or another Network Customer regardless of whether any portion of the Facility has been designated as a Network or Substitute Resource.

V. Peak Hours - Peak Hours shall be defined as the weekday hours of 6:00 a.m. to 10:00 p.m., central prevailing time.

W. PURPA - The Public Utility Regulatory Policies Act of 1978, as amended.

X. Qualifying Facility - A "qualifying cogeneration facility" or a "qualifying small power production facility" as defined in PURPA that Entergy is obligated by federal statute or contract to purchase energy from at its Avoided Cost.

Y. Ramping Schedule Period - A period of time as agreed to by both parties in accordance with NERC Operating Policy No. 3, Section C.2.2, during which the Delivering Party will adjust the Output of the Facility to match a change in Schedules.

Z. Schedules - That list of hourly scheduled quantities of energy submitted to the SOC in accordance with the scheduling procedures pursuant to Entergy's OATT, all as adjusted from time to time. Any energy delivered to Entergy pursuant to Entergy's purchase obligation under PURPA is not included. Delivering Parties must submit a valid Schedule to deliver energy during approved Testing Periods, approved Start-Up Periods and approved Shut-Down Periods.

AA. Shut-Down Period - The period of time established by the Delivering Party with the consent of the SOC, which consent shall not be unreasonably withheld, conditioned or delayed, during which a Facility ramps down from run level to off-line. Shut-Down Periods will be approved by the SOC on a first-come, first-served basis along with requests for Testing Periods and Start-Up Periods. If Entergy is unable to use the energy resulting from the Shut-Down Period, due to a Low-Load Event or to maintain system reliability, the SOC will curtail the Schedule associated with the Shut-Down Period and the Delivering Party may schedule that shut-down energy to a third party. If the Schedule coincides with a Low-Load Event, when the Low-Load Event is no longer in effect, the Delivering Party can resume delivery to Entergy without approval for a new Shut-Down Period.

BB. SOC - Entergy Transmission's System Operations Center. In the administration of the GIA, the SOC is responsible for: (1) monitoring the generator imbalance system and taking action to adjust schedules as appropriate; (2) evaluating requests for Testing Periods, Start-Up Periods and Shut-Down Periods on a first-come, first-served basis, using parameters provided by EMO; (3) reviewing and matching Schedules to specific approved Testing Period, Start-Up Period or Shut-Down Period requests for correctness; (4) administering the billing process; (5) overseeing software development and maintenance; (6) resolving disputes involving meter and real time data; (7) evaluating and approving Schedules and changes to Schedules for Testing Periods, Start-Up Periods, and Shut-Down Periods; and (8) evaluating transmission availability and creating transmission reservations as needed for Schedules associated with Testing Periods, Start-Up Periods, and Shut-Down Periods.

CC. Start-Up Period - The period of time established by the Delivering Party with the consent of the SOC, which consent shall not be unreasonably withheld, conditioned, or delayed, during which a Facility synchronizes and ramps up to the level of its Schedules. Start-Up Periods will be approved by the SOC on a first-come, first-served basis along with requests for Testing Periods and Shut-Down

Periods. If Entergy is unable to use the energy resulting from the Start-Up Period, due to a Low-Load Event or to maintain system reliability, the SOC will curtail the Schedule associated with the Start-Up Period and the Delivering Party may schedule that start-up energy to a third party. If the Schedule coincides with a Low-Load Event, when the Low-Load Event is no longer in effect the Delivering Party can resume delivery to Entergy without approval for a new Start-Up Period.

DD. Telephone Notification - The notification of a Notice Event by telephone to the SOC from the Delivering Party, within two minutes of the Notice Event and including a revised Schedule for the new projected Output of the Facility for the remainder of the hour.

EE. Testing Period - At the request of a Delivering Party, a period of time Entergy has agreed to designate as a Testing Period for the delivery of test energy, where the granting of such requests shall not be unreasonably withheld, conditioned, or delayed. Testing Periods will be approved by the SOC on a first-come, first-served basis along with requests for Start-Up Periods and Shut-Down Periods. Once a Facility has begun commercial operations, any subsequent Testing Period request must contain a reasonable basis in accordance with Good Utility Practice. If Entergy is unable to use the test energy resulting from the Testing Period, due to a Low-Load Event or to maintain system reliability, the SOC will curtail the Schedule associated with the Testing Period and the Delivering Party may schedule that test energy to a third party. If the Schedule coincides with a Low-Load Event, when the Low-Load Event is no longer in effect, the Delivering Party can resume delivery to Entergy without approval for a new Testing Period. If a Testing Period is terminated, a Delivering Party may resume delivery to Entergy by requesting and receiving approval for a new Testing Period. Notwithstanding the foregoing definition, Delivering Parties shall have the option to test their units at any time absent reliability concerns on Entergy's system. If a Delivering Party chooses not to receive compensation from Entergy for this energy, it may elect not to engage in such transactions under the Testing Period provisions of the GIA and instead sell its energy to others.

II. APPLICABILITY

The terms and conditions of the service provided by Entergy herein shall apply to all Facilities operating in Entergy's control area that provide electric energy for transmission by Entergy under Schedules. Entergy agrees to provide GIS and GRS on an as-available basis, as defined in this Agreement. Transmission of energy from Entergy generation units providing GIS and GRS shall be treated as non-firm transmission service from a Secondary Point of Receipt pursuant to Section(s) 22.1 and/or 28.4 of Entergy's OATT and the transmission service agreement. Due to the real time dispatch of Entergy generation to match control area schedules, a transmission service request identifying the Secondary Point(s) of Receipt is not required.

Delivering Parties are not obligated to utilize GIS and GRS from Entergy under this Agreement, but may self-supply, these services or arrange for the supply of GIS and/or GRS by a third-party in whole or in part. Prior to obtaining GIS or GRS from a third party or through self-supply, a Delivering Party must demonstrate that it has in fact acquired the service from another source and that such alternative arrangements are adequate and consistent with Good Utility Practice, the protocols and guidelines set forth in the GIA Settlement Agreement filed in Docket Nos. ER01-2201 and ER04-901 and this Agreement. To the extent that Entergy's generation still responds to any under or over deliveries of electric energy, the Delivering Party shall make payments for Deficient Energy and GRS and will receive payments for Excess Energy in accordance with the terms of this Agreement.

Where GIS and/or GRS is to be entirely self-supplied or obtained entirely from a third-party (including a Regional Transmission Organization) and the adequacy of such arrangement has been approved by the Commission, Entergy and the Delivering Party shall cooperate to make any necessary filings with the Commission within 60 days of such approval to modify, amend or terminate the GIA consistent with such self-supply or third party alternative.

A. CONFIRMATION PROCEDURES

Entergy expects Delivering Parties to be responsible for all Schedules showing the Facility as the source generator. The SOC accepts NERC tags as Schedules and complies with NERC policy in its scheduling process. If a tag is submitted and approved and there are no objections from the Delivering Party or the Purchase Selling Entities ("PSEs") representing the Delivering Party, the transmission customer on the tag will be billed under terms of the OATT for delivering the scheduled energy and the Delivering Party must pay any resulting GIS charges and GRS charges pursuant to this Agreement. Each Delivering Party must designate one or more PSEs as authorized to schedule from their Facility. If a Delivering Party chooses to see all Schedules submitted from one of its Facilities, it may register as a PSE with NERC and only authorize itself as the official scheduler for its Facility. Every NERC tag must list an authoring PSE on the generator line that is authorized by the source generator listed on the tag. The SOC will maintain a list of authorized PSEs and a list of valid sources. Each Delivering Party may change or amend its PSE designations by giving 48 hour written notice to the SOC.

B. RESERVATION OF RIGHTS

The SOC reserves the right to order non-Qualifying Facility Delivering Parties to cease over deliveries in excess of 10% of the Schedules for the clock hour from the Facility and 20 MW to avoid causing a Low-Load Event or causing the system

to be unable to meet NERC Operating Criteria. The Delivering Party will be notified within a reasonable time to allow it to cease such over deliveries. The SOC also reserves the right to curtail non-Qualifying Facility Delivering Parties' schedules in the next hour if the regulation burden associated with the delivery of Excess Energy prior to and associated with a schedule increase from a Facility will cause Entergy to be unable to safely and reliably serve its load or meet NERC Operating Criteria and standards.

C. ADJUSTMENTS

No GIS charge shall apply under this Agreement for any transaction to the extent an over delivery or under delivery of energy relative to the Schedule is offset by a corresponding deviation between the Schedule and the load served by the transaction that is covered by Schedule 4 (Energy Imbalance Service). The SOC commits to adjust the GRS charge to account for complementary regulation service provided under OATT Schedule 3, if it is shown to offset the total regulation burden of a Delivering Party. The SOC, the Delivering Party, and the transmission customer receiving service under Schedule 3 will make the necessary arrangements in advance to measure and account for any offsetting regulation service.

III. DELIVERING PARTY NOTIFICATION OPTIONS

If the Delivering Party has not made a specific election of a notification option under this Agreement, then it must accept the terms and conditions of Meter Notification – Immediate Schedule Adjustment. Under each of the following options, the Delivering Party, if also a transmission customer on Entergy's system, retains the right to adjust Schedules through scheduling procedures pursuant to Entergy's OATT. In the event that the Delivering Party provides the SOC with notification of an Output change, outside the scope of a Notice Event, Entergy will make a reasonable attempt to restore the Schedules of the Delivering Party for the balance of the hour. The Delivering Party may elect for the SOC to impose an Immediate Schedule Adjustment, based upon the Output of the Facility into Entergy's transmission system in the event of a Notice Event by maintaining a Standing Schedule Adjustment Order ("SSAO"). The Delivering Party's SSAO election must be submitted in writing 30 days prior to implementation, must be effective on the first day of a calendar month, and must remain in effect for at least three calendar months. Similarly, prior to the purchase of Supplemental Capacity, the Delivering Party must notify the SOC in writing 10 business days prior to implementation. The minimum duration of a purchase of Supplemental Capacity is twelve months and the purchase election must be effective on the first day of a calendar month.

A. METER NOTIFICATION

1. Immediate Schedule Adjustment - The Delivering Party may elect for the SOC to impose an Immediate Schedule Adjustment, based upon the Output of the Facility into Entergy's transmission system as determined by SCADA readings, in the event of a Notice Event by maintaining a SSAO, in which event the SOC shall comply with the Delivering Party's SSAO. The SSAO must specify how the SOC is to adjust the Schedules of the Delivering Party when Entergy's SCADA system indicates a Notice Event has occurred. The Delivering Party will pay for an amount of Deficient Energy as though the Schedule were adjusted exactly 15 minutes from the time of the Notice Event for tags sinking outside the Entergy control area and exactly 10 minutes from the time of the Notice Event for tags sinking inside the Entergy control area. In the event notification is within 20 minutes of the end of the hour, the Schedules will remain adjusted for the following hour, unless the SOC is notified otherwise by the Delivering Party, in which case the SOC will make a reasonable attempt to restore the original Schedule of the Delivering Party.

   If the SOC has adjusted Schedules based on SCADA data, the SOC will contact the Delivering Party to verify that a Notice Event has occurred and to disclose the revised Schedule. The modified NERC tag will serve to notify the transmission customer and other parties to the Schedule. In the event that a Notice Event has not occurred, the SOC will make a reasonable attempt to restore the original Schedules of the Delivering Party for the balance of the hour. In the event of such a false Notice Event, any Excess Energy shall be purchased at 100% of Entergy's Avoided Cost. Entergy will not be held liable for adjusting Schedules as a result of the SCADA system falsely indicating a Notice Event has occurred.

2. Conditional Schedule Adjustment - If a Delivering Party elects Conditional Schedule Adjustments, the SOC has the right, but not the obligation, to adjust all Schedules from the Facility on a *pro rata* basis to meet the current Output of the Facility. The Delivering Party is responsible for any Deficient Energy, and the 10/15-minute limit on the Delivering Party's responsibility for Deficient Energy shall not apply.

   If the SOC has adjusted Schedules based on SCADA data, the SOC will contact the Delivering Party to verify that a Notice Event has occurred and to disclose the revised Schedules. The modified NERC tag will serve to notify the Transmission Customers and other parties to the Schedule. In the event that a Notice Event has not occurred, Entergy will make a reasonable attempt to restore the original Schedules of the Delivering

Party for the balance of the hour. In the event of such a false Notice Event, any Excess Energy shall be purchased at 100% of Entergy's Avoided Cost. Entergy will not be held liable for adjusting Schedules as a result of the SCADA system falsely indicating a Notice Event has occurred.

3. Conditional Schedule Adjustment/ Supplemental Capacity - If the Delivering Party chooses to defer Schedule adjustments, for the greater of the balance of the hour or 30 minutes, following a Notice Event to restore the Output of the Facility, it must purchase Supplemental Capacity from Entergy. To purchase Supplemental Capacity, the Delivering Party must purchase at least 6% of the maximum Scheduled amount of the Facility as Supplemental Capacity. The capacity cost of the Supplemental Capacity shall be $5.00/kW-month. The minimum duration of a purchase of Supplemental Capacity is twelve months. The cost of energy from Supplemental Capacity shall be equal to 100% of ESIC. Where such Supplemental Capacity has been purchased, the Schedule from the Facility shall not be subject to adjustment to the current Output of the Facility until the greater of the balance of the hour or the 30-minute period following a Notice Event has expired; provided, however, that Entergy reserves the right to curtail delivery of energy down to the amount of Supplemental Capacity purchased if necessary to supply native load and firm wholesale customers. Supplemental Capacity will be curtailed on a *pro rata* basis with Entergy's native load and firm wholesale customers. The modified NERC tag will serve to notify the Transmission Customers and other parties to the Schedule.

4. Limitation - During the fifteen-minute period following a Notice Event, any further reduction in the Output of the Facility shall not constitute a new Notice Event.

B. TELEPHONE NOTIFICATION

If the Delivering Party has elected Telephone Notification, the Delivering Party must notify the SOC and any customer purchasing power and energy directly from the Delivering Party by telephone of any under deliveries instead of relying on the Meter Notification set forth above. In the case of an outage or derate of a Facility not associated with a Notice Event, the Delivering Party may use the procedures set forth under Telephone Notification to adjust Schedules downward to the current level of Output of the unit; however, in such a case, the Schedules shall not be deemed adjusted until adjustment actually occurs.

IV. GENERATOR REGULATION SERVICE

A. NON-QUALIFYING FACILITY DELIVERING PARTIES

1. A charge will be assessed to each Delivering Party for the amount of GRS actually utilized in each calendar day, as determined in accordance with this Agreement. The daily charges will be totaled and billed on a calendar month basis. The following combined service level and rate structure will be used to calculate the GRS charges (all numbers are $/kW-day):

Comparison of Schedule vs. Output	Performance Class A Rates	Performance Class B Rates	Performance Class C Rates
Tier 1 – Lower bound – 0 MW Upper bound – the greater of 10 MW or 2.5% of the power scheduled at the time of the Snapshot.	$0.00	$0.00	$0.00
Tier 2 – Lower bound – the greater of 10 MW or 2.5% of the power scheduled at the time of the Snapshot. Upper bound – the greater of 25 MW or 20% of the power scheduled at the time of the Snapshot.	$0.008	$0.021	$0.041
Tier 3 Lower bound – the greater of 25 MW or 20% of the power scheduled at the time of the Snapshot. Upper bound – the greater of 40 MW or 40% of the power scheduled at the time of the Snapshot.	$0.016	$0.041	$0.082
Tier 4 Lower bound – the greater of 40 MW or 40% of the power scheduled at the time of the Snapshot. Upper bound – none	$0.058	$0.074	$0.115

2. Performance Class Definitions - The Performance Class grouping for each individual Delivering Party will be determined monthly, and GRS charges will be assessed based on the corresponding rates for Performance

Classes A, B, and C. Performance Class Definitions are a function of the Percentage Component and the Unit Trip Component as follows:

	Performance Class A	Performance Class B	Performance Class C
Percentage Component	$\geq$ 90%	< 90% $\geq$ 70%	< 70%
Unit Trip Component	No more than 2	No more than 4	5 or more

3. Percentage Component - The Percentage Component is a measure of the Delivering Party's ability to match its Output to its Schedules during the calendar month by evaluating the Delivering Party's performance through "instantaneous snapshots" (Snapshots) at ten-minute intervals during the calendar month. For each Snapshot, the Delivering Party's instantaneous Output and Schedule will be recorded, and the difference will be computed (all in MW). The Percentage Component will be computed as the quotient of Tier 1 Snapshots and Applicable Snapshots expressed as a percentage. A Snapshot shall be a Tier 1 Snapshot whenever the difference between the Delivering Party's Output and Schedule falls within the bounds described under Tier 1. The Applicable Snapshots will equal the total number of Snapshots that had either scheduled power or positive generation above 10 MW, less any Snapshots exempted by unit trips below, as discussed below. Testing Periods without a simultaneous Commercial Schedule are not included in the Tier 1 Snapshots or the Applicable Snapshots.

   The "instantaneous snapshots" initially will occur every hour at the top of the hour and every ten minutes thereafter (*i.e.*, :00, :10, :20, :30, :40, :50). During each calendar year, and upon ninety days prior written notice, the SOC can make a one time change of the timing of the "instantaneous snapshots" not originally adopted.

4. Unit Trip Component - A Delivering Party has the right, but not the obligation, to declare a unit trip and the associated time of occurrence, and the declaration of a unit trip will exempt the subsequent three consecutive Snapshots associated with the unit trip from the Percentage Component of the Performance Class calculation (*i.e.*, the Snapshots will be excluded from both the Tier 1 Snapshot count and the Applicable Snapshot count). A Delivering Party may declare up to 2 unit trips in a month and still be eligible for Performance Class A pricing. In the event a Delivering Party declares either 3 or 4 unit trips in a month, that Delivering Party is automatically ineligible to receive Performance Class A pricing, regardless of its Percentage Component performance during the month.

Up to and including 4 declared unit trips in a month will allow a Delivering Party to be eligible for Performance Class B during that month, subject to the Percentage Component performance of the Delivering Party meeting the Performance Class B standard. In the event a Delivering Party declares 5 or more unit trips in a month, that Delivering Party will pay Performance Class C pricing for all GRS charges incurred in that month, regardless of its Percentage Component performance in the month. The number of declared unit trips is counted on a calendar month basis with no rollover rights. To declare a unit trip, a Delivering Party must notify the SOC in writing no later than one business day after the end of the calendar month in which the trip occurred and provide the time of the unit trip with supporting documentation that the unit trip occurred. A Delivering Party will still be responsible for paying any GRS charges associated with a unit trip.

5. Calculation of GRS Charge - The GRS charge will be assessed daily based on the maximum quantity of GRS used during the calendar day. For each day, the largest absolute value (*i.e.*, the largest difference between a Delivering Party's Schedules and Output) of the greatest positive imbalance (for non-Qualifying Facilities) or negative imbalance (for Qualifying Facilities and non-Qualifying Facilities) as measured at the ten-minute Snapshots will be determined. The maximum quantity of GRS will be used in conjunction with the tiered rate table above to calculate the daily charge. If the maximum amount of GRS falls entirely within the Tier 1 bounds, then only the Tier 1 rates will apply. To the extent the GRS amount used exceeds the Tier 1 bounds, then any excess will be charged under the Tier 2 rates, up to the limit of the Tier 3 bounds. To the extent the GRS amount used exceeds the Tier 2 bounds, the amount above the Tier 2 bounds will be charged at either the Tier 3 or Tier 4 rates, depending on the magnitude of the GRS amount. The Tier 4 rates will apply only to the GRS amount used that exceeds the Tier 3 bounds. To the extent the GRS amount used equals the amount on the boundary of two tiers (*e.g.*, the upper bound for Tier 1 and the lower bound Tier 2), the rates in the lower tier will be used for that amount of GRS. Delivery Parties that are Intermittent Resources are exempt from Tier 4 rates. If the GRS amount used by an Intermittent Resource falls within the Tier 4 bounds, then Tier 3 rates will apply.

B. QUALIFYING FACILITY DELIVERING PARTIES

1. A GRS charge for Qualifying Facility Delivering Parties will be applicable only when a Qualifying Facility submits Schedules and when the Output of a Facility results in an under delivery in relation to such Schedules. In such instance, the GRS charge will be calculated as described in Section IV.A.5 above. Any over delivery by a Qualifying Facility will be treated as a PURPA put in accordance with Article One, Sections VII.A.1, VII.B.1, VII.C.1, and VIII of this Agreement and shall not be assessed a GRS charge as described in Section IV.A.5 above.

C. INSTRUCTIONS FROM TRANSMISSION PROVIDER OR RELIABILITY COORDINATOR

1. GRS charges shall not apply if such charges would be incurred as a direct result of direction from the Reliability Coordinator or Transmission Provider necessary to respond to a system emergency, for a period, not to exceed thirty minutes. This time period is provided to allow time for the Delivering Party to adjust its Schedules to the Output level directed by the Reliability Coordinator or Transmission Provider.

V. TERMS AND CONDITIONS OF METER NOTIFICATION

A. UNDER DELIVERIES ASSOCIATED WITH A NOTICE EVENT – GENERAL PROVISIONS

1. Delivering Party has requested Immediate Schedule Adjustment

   a. The Schedule of the Facility that sinks outside the Entergy control area shall be deemed reduced as if such adjustment occurred 15 minutes after the Notice Event. The Schedule of the Facility that sinks inside the Entergy control area shall be deemed reduced as if such adjustment occurred 10 minutes after the Notice Event.

   b. The Delivering Party shall purchase Deficient Energy at 110% of ESIC.

2. Delivering Party has requested Conditional Schedule Adjustments and has not purchased Supplemental Capacity

   a. The Delivering Party shall purchase Deficient Energy at 110% of ESIC.

3. Delivering Party has requested Conditional Schedule Adjustments and has purchased Supplemental Capacity

a. During any hour in which a Notice Event occurs, the Output of the Facility shall be adjusted to include the number of minutes of energy purchased from the Supplemental Capacity set forth in Section III.A.3 above. The MWh adjustment shall be equal to the quantity of Supplemental Capacity purchased times the number of minutes Supplemental Capacity was provided divided by 60 minutes. The amount of Deficient Energy shall then be recalculated based upon the adjusted Output.

b. The Delivering Party shall purchase the Deficient Energy at 110% of ESIC.

B. UNDER DELIVERIES ASSOCIATED WITH A NOTICE EVENT DURING AN HOUR WITH AN EMERGENCY EVENT

1. Delivering Party has requested Immediate Schedule Adjustment

Deficient Energy shall be priced at 100% of ESIC.

2. Delivering Party has requested Conditional Schedule Adjustments and has not purchased Supplemental Capacity

Deficient Energy shall be priced at 100% of ESIC.

3. Delivering Party has requested Conditional Schedule Adjustments and has purchased Supplemental Capacity Deficient Energy shall be priced at 100% of ESIC.

C. UNDER DELIVERIES NOT ASSOCIATED WITH A NOTICE EVENT

1. The Delivering Party shall purchase the Deficient Energy at 110% of ESIC.

D. PENALTIES

Penalties, as provided for in Article One, Sections VI.A.6 and VI.A.7, shall not be applicable to any Delivering Party that elects Meter Notification.

VI. TERMS AND CONDITIONS OF TELEPHONE NOTIFICATION

A. UNDER DELIVERIES ASSOCIATED WITH A NOTICE EVENT- GENERAL PROVISIONS

1. If a Facility experiences a Notice Event, the Delivering Party or its designated agent shall be required to notify the SOC by telephone within 2 minutes of the Notice Event and customers purchasing power and energy directly from the Delivering Party as promptly thereafter as is practicable. This notification shall include a revised Schedule for the remainder of the hour, and in the case of a Notice Event within twenty minutes of the end of the hour, for the subsequent hour as well, unless the SOC is notified otherwise by the Delivering Party, in which case the SOC will make a reasonable attempt to restore the original Schedule of the Delivering Party. During the fifteen minute period following a Notice Event, any further reduction in the Output of the Facility shall not constitute a new Notice Event.

2. The period for Telephone Notification required above shall be measured by the clock used in conjunction with the SCADA equipment supplying the real-time Output of the Facility to the SOC. Such period shall begin at the start of the first clock minute following the Notice Event.

3. Telephone Notification shall be considered given at the time of the start of the telephone call between the Delivering Party and the SOC in which a revised Output is provided. All Schedules that sink outside of the Entergy control area shall be deemed adjusted thirteen minutes after Telephone Notification. All Schedules that sink inside of the Entergy control area shall be deemed adjusted eight minutes after Telephone Notification.

4. Unless the Delivering Party provides other instructions as part of its Telephone Notification, all Schedules from the Facility will be adjusted to reflect the revised Output of the Facility on a *pro rata* basis.

5. During an hour when a Notice Event has occurred, the Delivering Party shall purchase the Deficient Energy at 110% of ESIC.

6. Penalties - In the event the Facility experiences a Notice Event and the Delivering Party does not provide the requisite two minutes notice, or provides notice and does not maintain an Output of 90% of the revised Schedule for the remainder of the hour, the Delivering Party will be assessed a penalty. Only one occurrence shall be deemed to occur during

a clock hour. Therefore, during one clock hour, if two shortfalls occur during that hour, it will be considered as one occurrence for the purpose of determining the number of occurrences per monthly billing period.

a. FOR THE FIRST EVENT WITHIN A ROLLING THREE-MONTH PERIOD - The penalty rate shall be $0.25 per kW multiplied by the greatest difference between the Schedule and the Output of the Facility during the clock hour in which the Notice Event occurred.

b. FOR THE SECOND AND THIRD EVENTS WITHIN A ROLLING THREE-MONTH PERIOD - The penalty rate shall be $0.50 per kW multiplied by the greatest difference between the Schedule and the Output of the Facility during the clock hour in which the Notice Event occurred.

c. FOR ALL SUBSEQUENT EVENTS WITHIN A ROLLING THREE-MONTH PERIOD - The penalty rate shall be $2.00 per kW multiplied by the greatest difference between the Schedule and the Output of the Facility during the clock hour in which the Notice Event occurred.

7. In addition to the above referenced penalties, in the event that a Notice Event results in a reportable event to NERC in which Entergy failed to meet the Disturbance Control Standard, as defined by NERC, the Delivering Party shall compensate Entergy for the Delivering Party's share of the additional contingent reserve requirements that Entergy must maintain. The Delivering Party shall pay Entergy the sum of $7.00/kW-month multiplied by the Delivering Party's share of the additional contingent reserve requirement that Entergy must maintain.

a. If the additional contingent reserve requirement is less than or equal to the sum of the magnitudes of all third-party Notice Events during the reportable event, the Delivering Party's share of the additional contingent reserve requirement shall be equal to the ratio of the Delivering Party's Notice Event amount divided by the total of third-party Notice Events times the additional contingent reserve requirement.

b. If the additional contingent reserve requirement is greater than the sum of the magnitudes of all third-party Notice Events during the reportable event, the Delivering Party's share of the additional

contingent reserve requirement shall be equal to the magnitude of the Delivering Party's Notice Event.

B. UNDER DELIVERIES ASSOCIATED WITH A NOTICE EVENT DURING AN HOUR WITH AN EMERGENCY EVENT

1. Deficient Energy shall be priced at 100% of ESIC.

C. UNDER DELIVERIES NOT ASSOCIATED WITH A NOTICE EVENT

1. The Delivering Party shall purchase the Deficient Energy at 110% of ESIC.

VII. OVER DELIVERIES PURSUANT TO METER AND TELEPHONE NOTIFICATION

A. OVER DELIVERIES – GENERAL PROVISIONS

1. Qualifying Facilities - Any Facility that is a Qualifying Facility under PURPA shall receive Entergy's Avoided Cost for all Excess Energy, provided that Entergy is obligated by federal statute, Federal Energy Regulatory Commission orders or regulations, or contract to purchase such energy at its Avoided Cost. Currently, the Federal Energy Regulatory Commission's regulations implementing PURPA are contained in 18 C.F.R. Part 292

2. Non-Qualifying Facility Delivering Parties

   a. Entergy shall purchase Excess Energy up to or equal to 120% of the Schedule at 90% of Entergy's Avoided Cost.

   b. Entergy shall purchase Excess Energy delivered above 120% of the Schedule and up to or equal to 150% of the Schedule at 75% of Avoided Cost.

   c. Entergy shall purchase Excess Energy delivered above 150% of Schedules at 50% of Avoided Cost.

3. Intermittent Resource Delivering Parties

   a. Entergy shall purchase Excess Energy up to or equal to 120% of the Schedule at 90% of Entergy's Avoided Cost.

b. Entergy shall purchase Excess Energy delivered above 120% of the Schedule at 75% of Avoided Cost.

B. OVER DELIVERIES DURING AN HOUR WITH AN EMERGENCY EVENT

1. Qualifying Facilities - Any Facility that is a Qualifying Facility under PURPA shall receive Entergy's Avoided Cost for all Excess Energy, provided that Entergy is obligated by federal statute, Federal Energy Regulatory Commission orders or regulations, or contract to purchase such energy at its Avoided Cost. Currently, Federal Energy Regulatory Commission's regulations implementing PURPA are contained in 18 C.F.R. Part 292.

2. Non-Qualifying Facility Delivering Parties - Entergy shall purchase all Excess Energy at the rate of 100% of Entergy's Avoided Cost.

C. OVER DELIVERIES DURING A LOW-LOAD EVENT

1. Qualifying Facilities - Any Facility that is a Qualifying Facility under PURPA shall receive Entergy's Avoided Cost for all Excess Energy, provided that Entergy is obligated by federal statute, Federal Energy Regulatory Commission orders or regulations or contract to purchase such energy at its Avoided Cost. Currently, Federal Energy Regulatory Commission's regulations implementing PURPA are contained in 18 C.F.R. Part 29.

2. Non-Qualifying Facility Delivering Parties - In the event that Entergy is experiencing a Low-Load Event, then any Excess Energy delivered in the clock hour beginning two hours after the notice of the Low-Load Event in excess of 2% of the Schedule for the clock hour from the Facility and more than 2 MWh, shall not be purchased and shall be assessed a charge equal to the Daily Market Price of energy on the following day for each MWh of Excess Energy in excess of 2% of the Schedule for the clock hour from the Facility and more than 2 MWh. If the SOC fails to provide two hour prior notification of a Low-Load Event, no penalties shall apply.

3. Notification Procedures

a. A Low-Load Alert is issued when the projected generation level is within 500 MW of the normal minimum energy limits. This is a preliminary warning to all generators that an over generation condition is approaching. Entergy will notify all Non-Qualifying

Facility Delivering Parties and Qualifying Facilities of a Low-Load Alert via email and broadcast fax.

b. A Low-Load Event is issued when the projected generation level is at or below the normal minimum energy limits. The penalties for Low-Load Events are not applicable to Qualifying Facilities. During Low-Load Events all Non-Qualifying Facility Delivering Parties will be subject to the penalties in Section VII.C.2 above. Entergy will provide two hour prior notice of a Low-Load Event by email and broadcast fax. For purposes of the two hour prior notice period, the e-mail notification controls. This two hour notice will also be provided to Qualifying Facilities as an indicator that a Low- Load Emergency will occur in two hours if nothing changes on the system.

c. A Low-Load Emergency is issued when the generation can no longer match the load (using normal generation minimum limits and accounting for regulating needs). The EMO System Dispatcher will utilize emergency reducible generation. In addition, Entergy will cease PURPA purchases from Qualifying Facilities when, due to operational circumstances, purchases from Qualifying Facilities will result in costs greater than those which Entergy would incur if it did not make such purchases, but instead generated an equivalent amount of energy itself pursuant to 18 C.F.R. § 292.304(f). Entergy will notify Qualifying Facilities via email and broadcast fax prior to the termination of purchases.

d. Cancellation of the three stages listed above will occur in reverse order when the margin is regained. The Low-Load Event end time will not occur until all of the curtailed Schedules associated with Testing Periods, Start-Up Periods, or Shut-Down Periods can again be accommodated by EMO.

4. Upon written request of a Delivering Party that has been billed for Low-Load Event charges, Entergy will provide the Delivering Party the following information concerning the specific Low-Load Event: (a) the start time and duration; (b) the triggering system conditions and events; and (c) Entergy's hourly load, total generation and net interchange. The Delivering Party must request this information within 60 days of receiving an invoice with a Low-Load Event charge.

VIII. UNDER/OVER DELIVERIES DURING AN HOUR THAT HAS BEEN DESIGNATED AS A TESTING PERIOD, START-UP PERIOD OR SHUT-DOWN PERIOD

A. QUALIFYING FACILITIES

1. Any Facility that is a Qualifying Facility under PURPA shall receive 100% of Entergy's Avoided Cost for all Excess Energy, provided that Entergy is obligated by federal statute, Federal Energy Regulatory Commission orders or regulations, or contract to purchase such energy at its Avoided Cost. Currently, Federal Energy Regulatory Commission's regulations implementing PURPA are contained in 18 C.F.R. Part 292. The Testing Period, Start-Up Period and Shut-Down Period procedures described below in Section VIII.B and Section IX are not applicable to Qualifying Facilities.

B. NON-QUALIFYING FACILITY DELIVERING PARTIES

1. Entergy shall purchase energy delivered during a Testing Period, Start-Up Period and Shut-Down Period provided that the Testing Period, Start-Up Period, or Shut-Down Period has been approved by the SOC and all other requirements relating to scheduling and tagging as described below are satisfied. Such energy deliveries meeting the criteria will be purchased at a rate of 90% of Avoided Cost. Energy delivered in excess of the approved MW profile of the tag will be purchased by Entergy at 50% of Avoided Cost as long as there is not a simultaneous Commercial Schedule. A simultaneous Commercial Schedule is one for which any portion of the Commercial Schedule flows during the same clock hour as the Testing Period, Start-Up Period, or the Shut-Down Period.

2. No Deficient Energy charges will be assessed for under deliveries in relation to the Schedule submitted for an approved Testing Period, Start-Up Period, and Shut-Down Period as long as there are not simultaneous Commercial Schedules. Likewise, Notice Events cannot occur during an approved Testing Period, Start-Up Period, or Shut-Down Period as long as there are not simultaneous Commercial Schedules.

3. GRS Charges are applicable to Start-Up Periods and Shut-Down Periods. GRS Charges are not applicable to Testing Periods as long as there is not a simultaneous Commercial Schedule.

4. There will be two Groups for submitting Testing Periods, Start-Up Periods, and Shut-Down Periods depending upon the timing of the request. Requests for approval of a Testing Period, Start-Up Period or Shut-Down Period in Group 1 should be provided to the SOC in writing by fax between 12:01 A.M. and 11:00 A.M. on the business day prior to the requested day. Requests for approval of a Testing Period, Start-Up Period

or Shut-Down Period in Group 2 should be provided to the SOC in writing by fax after the close of Group 1, but no later than two-hours prior to the requested start time. The chances of receiving approval in Group 2 may be diminished as compared to Group 1. EMO will provide the SOC with a clock ten-minute energy margin and ramping capability that EMO can accommodate during the next business day. The SOC will use the information provided by the Delivering Party to calculate the maximum MW value in each clock ten-minute period and use that data with the approval parameters from the EMO to evaluate approval of Testing Period, Start-Up Period and Shut-Down Period requests. Separately within Group 1 and Group 2, the SOC will allocate the margin and ramping capability among Testing Period requests, Start-Up Period requests and Shut-Down Period requests by the SOC on a first-come, first-served, and blind basis.

5. Communications between the SOC and EMO will be conducted through the Test Energy Posting Application, a web-based application or the File Transfer Protocol. If the request for a Testing Period, Start-Up Period or Shut-Down Period cannot be accommodated as proposed, the Delivering Party will be notified by the SOC as soon as possible. The SOC will post on the OASIS for public access the amount of margin approved for the next business day. When a Testing Period, Start-Up Period or Shut-Down Period has been approved, the SOC will ensure that any required OASIS reservations have been submitted, the approval of which will be subject to transmission availability. If the Facility has been designated as a network resource for EMO's load for the duration of the Testing Period, Start-Up Period or Shut-Down Period request and the sum of the approved Testing Period, Start-Up Period or Shut-Down Period amounts and any Commercial Schedules, which utilize the network service designation to EMO, does not exceed the MW profile of the reservation, no additional reservation will be needed. The SOC will notify the Delivering Party of the approval of its request, and provide the OASIS number to be used on the tag representing the approved request. The Delivering Party must submit a valid tag as a Schedule consistent with current scheduling practices and that matches the terms of the approved Testing Period, Start-Up Period or Shut-Down Period to deliver the energy. The tag must contain specified fields to indicate that it is for an approved Testing Period, Start-Up Period, or Shut-Down Period.
6. Testing Period, Start-Up Period and Shut-Down Period requests by a Delivering Party must contain the following information to be valid and considered for approval:
    1. Facility
    2. Contact information
    3. For each tag segment:

a. Start time
b. Stop time
c. Ramp duration
d. MW value

If the stop time of one segment of a Testing Period, Start-Up Period, or Shut-Down Period is the same as the start time of the next segment, the two segments must have the same ramp duration. The last segment of a Start-Up Period must be immediately followed by one or more Commercial Schedules, and the first segment of a Shut-Down Period must be immediately preceded by one or more Commercial Schedules. No Start-Up Period or Shut-Down Period request will be approved without an adjoining Commercial Schedule.

7. Delivering Parties will not receive counteroffers on a Testing Period, Start-Up Period and Shut-Down Period request if it cannot be completely accommodated by the approval parameters provided by the EMO. Delivering Parties who have a Testing Period, Start-Up Period and Shut-Down Period request rejected can submit another request (up to two hours ahead in Group 2) or negotiate with EMO or a third party for a bilateral sales agreement. Delivering Parties who wish to adjust, cancel, or otherwise modify a tag representing an approved Testing Period, Start-Up Period and Shut-Down Period must coordinate with the EMO by submitting an adjustment or cancellation to the tag.

8. In the event that Entergy is experiencing a Low-Load Event, Delivering Parties may continue delivering energy consistent with an approved Testing Period, Start-Up Period or Shut-Down Period. However, any energy delivered in the clock hour beginning two hours after the notice of Low-Load Event in excess of 2% of the Schedule for the clock hour from the Facility and more than 2 MWh shall not be purchased and shall be assessed a charge equal to the Daily Market Price of energy on the following day for each MWh of energy delivered. A Delivering Party may submit a Schedule change to sell its test, start-up or shut-down energy to a third-party during a Low-Load Event and avoid such charges. Entergy will permit the continuation of the Testing Period, Start-Up Period or Shut-Down Period at the conclusion of the Low-Load Event without the receipt of approval for a new Testing Period, Start-Up Period or Shut-Down Period. However, the Low-Load Event end time will not occur until all of the curtailed Schedules associated with Testing Periods, Start-Up Periods and Shut-Down Periods can again be accommodated by EMO.

IX. UNDER/OVER DELIVERIES DURING AN HOUR THAT HAVE SIMULTANEOUS COMMERCIAL SCHEDULES AND AN APPROVED TESTING PERIOD, START-UP PERIOD, OR SHUT-DOWN PERIOD

A. GENERAL PROVISIONS

1. Delivering Parties may have approved Testing Period, Start-Up Period, or Shut-Down Period energy for a Facility during an hour with one or more simultaneous Commercial Schedules. A simultaneous Commercial Schedule is one for which any portion of the Commercial Schedule flows during the same clock hour as the Testing Period, Start-Up Period, or the Shut-Down Period. The Schedule that the Delivering Party's output will be compared to will be the algebraic sum of all Commercial Schedules and approved Testing Period, Start-Up Period, or Shut-Down Period Schedules. Notice Events are applicable during Testing Periods, Start-Up Periods, or Shut-Down Periods that have simultaneous Commercial Schedules. The following logic will be applied in determining GIS/GRS charges during periods with Testing Period, Start-Up Period or Shut-Down Period and simultaneous Commercial Schedules:

   a. Deficient Energy - For any hour in which a Delivering Party has one or more Commercial Schedules, the sum of the Delivering Party's Schedules associated with a Testing Period, Start-Up Period, or Shut-Down Period and those associated with Commercial Schedules will be used for calculating Deficient Energy charges.

   b. Excess Energy - For any hour in which a Delivering Party has one or more Commercial Schedules, all Excess Energy above the amount approved for the Testing Period, Start-Up Period, or Shut-Down Period and the Commercial Schedule will be purchased at the tiered Excess Energy rates as applied to the Commercial Schedules.

   c. GRS Charges - For all Snapshots during which there are simultaneous Commercial Schedules and Testing Period, Start-Up Period, or Shut-Down Period energy, the value recorded will be the aggregate of all Schedules (*i.e.*, the sum of the Commercial Schedules and Testing Period, Start-Up Period, or Shut-Down Period Schedules).

   d. Real Time Monitoring - Tags associated with Commercial Schedules will be curtailed first during Notice Events. A Testing Period, Start-Up Period, or Shut-Down Period Schedule will only

be curtailed during a Notice Event if all Commercial Schedules are exhausted.

ARTICLE TWO
OTHER PROVISIONS

I. MISCELLANEOUS PROVISIONS

A. ANNUAL BILLING FEE AND INVOICES

The Delivering Party shall be subject to an annual billing fee of $10,000 for each Facility. Each Non-Qualifying Facility Delivering Party will pay a one-time increased annual billing fee of $25,000 in 2005. Each Qualifying Facility Delivering Party will pay a one-time increased annual billing fee of $17,500 in 2005. In 2006, the annual billing fee will revert back to $10,000 for all Delivering Parties. When applicable, the SOC shall prepare a statement for each monthly billing period specifying the amount owed to Entergy by the Delivering Party and the amount owed to the Delivering Party by Entergy. If the amount owed to Entergy is greater than the amount owed to the Delivering Party, then the SOC shall supply the Delivering Party with an invoice for the monthly billing period. If the amount owed to the Delivering Party is greater than the amount owed to Entergy, the SOC will provide a copy of the invoice specifying the payment required from Entergy to the Delivering Party. The invoice will be prepared and mailed within thirty (30) calendar days of the end of each monthly billing period.

B. 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 Federal Energy Regulatory 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.

C. DEFAULT

In the event a party fails, for any reason other than a billing dispute described below, to make payment on or before the due date, and such failure of payment is not corrected within thirty (30) calendar days of the due date, a default shall be deemed to exist. Upon the occurrence of a Default, Entergy may initiate a proceeding with the Federal Energy Regulatory Commission to terminate GIS and

GRS but shall not terminate these services until the Federal Energy Regulatory Commission so approves any such request. In the event of a billing dispute between Entergy and the Delivering Party with regard to amounts due Entergy, Entergy will continue to provide service under the Agreement as long as the Delivering Party (i) continues to make all payments not in dispute and (ii) pays Entergy the amount in dispute which Entergy will place in an interest bearing escrow account, pending resolution of such dispute. If the Delivering Party fails to meet these two requirements for continuation of service, then Entergy may provide notice to the Delivering Party of its intention to suspend service.

D. SECURITY

In the event the Delivering Party has failed to pay the amounts owed to Entergy within the time period specified, Entergy may require the Delivering Party to provide a security deposit, letter of credit, or other form of security commensurate with the outstanding amounts due to Entergy by the Delivering Party.

E. AUDIT RIGHTS

Delivering Parties shall have the right, upon prior reasonable notice and legitimate justification to request an audit of the calculation of ESIC or Avoided Cost arising under this Agreement. Delivering Parties shall also have the right to request an audit of the data used to derive the GRS charge. Any audit initiated under this provision will be paid for by the Delivering Party and will be conducted by a neutral third-party mutually agreed to by Entergy and the Delivering Party. The Delivering Party will not be responsible for the cost of Entergy Staff participating in the audit.

F. DESIGNATION OF AGENT

So long as a Delivering Party is not in default under this Agreement, upon 60 days prior written notice to Entergy, a Delivering Party may designate one agent who is authorized to act on the Delivering Party's behalf for a term of no less than 12 months; provided, however, that the Delivering Party's obligations under this Agreement shall continue in their entirety in full force and effect. A Balancing Pool may be a designated agent under this provision.

G. USE OF BLOCK ACCOUNTING

Block accounting will not be used for the calculation of Excess Energy and Deficient Energy. Instead, the actual Output of a Facility in an hour will be compared to the Schedules from the Facility in an hour, including a linear representation of any ramp.

For example, in the case of a 250 MWh schedule with a start time of 10:00, a stop time of 11:00, and a 20 minute ramp duration the schedule would result in the following actual scheduled energy allocation:

	Scheduled Energy (MWh)
Hour ending 10	10.42
Hour ending 11	229.16
Hour ending 12	10.42
Total	250

H. CLOCK SYNCHRONIZATION

In an effort to ensure clock synchronization, Delivering Parties can use the official time at www.time.gov. This time should be within 2-3 seconds of the time service utilized by Entergy. At the website referenced above, Delivering Parties can download software in order to use the Internet to automatically set their computer clocks to the correct time.

I. ACCESS TO METER DATA

To the extent Delivering Parties do not already have access to meter data at their Facilities, they have the right to access such data. To the extent that there is a cost associated with accessing the data, the Delivering Parties will bear such cost.

II. PAYMENTS

Payments for amounts due hereunder for GIS and GRS shall be paid so that such payments are received on the tenth (10^{th}) day after receipt of the bill. Payment shall be made in immediately available funds, through wiring of funds or other mutually agreeable methods of payments. If the due date falls on a non-business day of either party, then the payment shall be due on the next business day.

III. CREDITWORTHINESS

A. CREDIT REVIEW

For the purpose of determining the ability of a Delivering Party to fulfill its financial obligations pursuant to this Generator Imbalance Agreement, Entergy shall require commercially reasonable credit review procedures. Acreditworthiness review shall be conducted for each Delivering Party upon its

initial request for GIS and GRS, and thereafter generally annually, or upon the anniversary of the Delivering Party's receipt of GIS and GRS, or upon reasonable request by the Delivering Party. Provided, however, any time that a Delivering Party experiences any credit downgrade that may place it below the standards specified in Section III.B below, Entergy reserves the right to re-evaluate the Delivering Party's creditworthiness pursuant to this Article Two, Section III. Further, if in accordance with Section III.C.3 below, Entergy determines that financial assurances that a Delivering Party has previously provided pursuant to this Section III have become insufficient to protect Entergy against the risk of non-payment, Entergy can require the Delivering Party to increase such financial assurances.

B. CREDITWORTHINESS

Both new and existing Delivering Parties that satisfy the criteria delineated in this Section III.B throughout the terms of this Generator Imbalance Agreement will be considered creditworthy by Entergy. Such Delivering Parties will not be required to submit financial assurances in order to protect Entergy from the risk of non-payment. Pursuant to this Section III.B, if applicable, a Delivering Party is creditworthy if it has not Defaulted more than once in the last twelve (12) months and:

1. has a Standard and Poor's ("S&P") Long-Term Issuer Credit Rating of BBB- (or better); or (b) a Moody's Investor Service, Inc. ("Moody's") Long-Term Issuer Credit Rating of Baa3 (or better). In the event that a Delivering Party or its guarantor is rated by both S&P and Moody's, then Entergy will use the lower of the two ratings; or

2. is a borrower from the Rural Utilities Service ("RUS") and has a "Times Interest Earned Ratio" of 1.05 (or better) and a "Debt Service Coverage Ratio" of 1.00 (or better) in the most recent calendar year, or is maintaining the Times Interest Earned Ratio and Debt Service Coverage Ratio as established in the Transmission Customer's RUS Mortgage. The Delivering Party must provide appropriate documentation annually, or as agreed-upon by both parties; or

3. is a federal agency and its financial obligations under this GIA are backed by the full faith and credit of the United States; or

4. is a municipal or state agency, or a rural electric cooperative (without RUS debt) that: (a) if applicable, has been taking GIS for one (1) year and has provided documentation that its financial obligations pursuant under this Agreement are backed by the full faith and credit of the municipality or state in which it is established; or (b) has provided documentation that under the

applicable laws of the state in which it is established, that its financial obligations pursuant to this GIA are deemed to be operating expenses and that the agency or the electric cooperative is required by such applicable laws to devote its revenues first to the payment of its operating and maintenance expenses and the principal and interest of its outstanding obligations prior to payment of all other obligations; or

5. the Delivering Party provides a letter of unconditional and continuing guaranty from its parent company. Such letter of guaranty must be acceptable to Entergy as to form and substance and can be used only if the guarantor maintains a minimum credit rating as stated in Section III.B.1. However, to the extent that the guarantor is placed on watch for possible downgrade and has: (i) a S&P Long-Term Issuer Credit Rating of BBB- (or below); or (ii) a Moody's Long-Term Issuer Credit Rating of Baa3 (or below), then the Delivering Party will be required to provide additional financial assurances as provided in this Article II, Section III. A draft, acceptable form of a continuing guaranty shall be posted on OASIS; or

6. the Delivering Party has been in business for at least one (1) year and provides its most recent audited financial statements to Entergy which demonstrate that the Delivering Party meets standards that are at least equivalent to the standards underlying a S&P Long-Term Issuer Credit Rating of BBB- (or better) or a Moody's Long-Term Issuer Credit Rating Baa3 (or better); provided that if the Delivering Party is not found to be creditworthy pursuant to this Section III.B.6, then pursuant to Section III.C.5 below, Entergy will inform the Delivering Party of the reasons for that determination.

C. CREDITWORTHINESS PROCEDURES

Entergy shall require financial assurances in accordance with the procedures set forth below:

1. New GIS and GRS Customers - A new Delivering Party (or an existing Delivering Party requesting new GIS or GRS) that does not meet the creditworthiness requirements established in Section III.B above shall provide an unconditional and irrevocable standby letter of credit, or an alternative form of security identified in Section III.E, in an amount equal to three (3) times the estimated charges for GIS and GRS for an average month. All costs associated with the issuance and maintenance of a letter of credit shall be paid by the Delivering Party. A draft, acceptable form of a letter of credit shall be posted on OASIS. Provided, however, a new Delivering Party may request a creditworthiness re-evaluation after taking GIS and GRS for six (6) months and request that its form of security be

adjusted to an amount equal to three (3) times the Delivering Party's actual average monthly charge for GIS and GRS during the initial six (6) month period of receiving such service; or

2. Existing GIS and GRS Customers - Any Delivering Party that originally meets the creditworthiness requirements of Section III.B and subsequently fails to meet those requirements after it initially receives GIS and GRS but before termination of that service shall:

   a. Within eight (8) business days of receipt of a notice from Entergy, provide Entergy an acceptable form of financial assurance permitted by this Article II, Section III that is equal to the Delivering Party's average monthly charge for GIS and GRS; and

   b . Within thirty-five (35) calendar days of such notification, provide Entergy either: (i) an unconditional and irrevocable letter of credit that is equal to an additional two (2) times the Delivering Party's average monthly GIS charge and GRS charge; or (ii) an equivalent alternate form of financial assurance pursuant to Section III.E below. Provided, however, the Delivering Party must provide Entergy payment for all outstanding GIS charges and GRS charges no later than five (5) business days prior to the beginning of the next month.

3. Right to Protect Against Additional Risk of Non-payment - All financial assurances calculated and collected pursuant to Sections III.C.1 and III.C.2 must be sufficient to protect Entergy from the risk of non-payment with respect to a non-creditworthy Delivering Party during the entire term of this Generator Imbalance Agreement. Accordingly, after a non-creditworthy customer has provided Entergy financial assurances pursuant to Sections III.C.1 or III.C.2, Entergy will monitor the amount of such customer's net GIS and GRS charges to ensure that it has provided a sufficient amount of security to protect Entergy against the risk of non-payment. If a Delivering Party is not in Default, then the Delivering Party shall provide the adjusted amount of financial assurances required pursuant to this Section III.C.3 within thirty-five (35) calendar days of receipt of a notice from Entergy. A Delivering Party will not be required to adjust its financial assurances pursuant to Section III more than twice every twelve (12) months.

   a. Adjustment of Financial Assurances Provided Pursuant to Section III.C.1 - If a Delivering Party provided security when initially applying for service pursuant to Section III.C.1 and Entergy determines that the Delivering Party's

actual average monthly GIS and GRS charges over any subsequent twelve (12) month period exceed the original average estimated charges for GIS and GRS upon which a financial assurance initially was based, then the Delivering Party must increase its financial assurance to be equal to three (3) times its current actual average monthly purchases of GIS and GRS. The value of the actual average monthly purchases of GIS and GRS evaluated pursuant to this Section III.C.3a will be based on the preceding twelve (12) month period as measured from the date immediately prior to the Delivering Party's credit re-evaluation.

b. Adjustment of Financial Assurances Provided Pursuant to Section III.C.3.b - If a Delivering Party provided security pursuant to Section III.C.2 and Entergy determines that the customer's *actual* average monthly purchases of GIS and GRS over a subsequent twelve (12) month period exceed the original monthly average for charges for GIS and GRS upon which the amount of a financial assurance initially was based, then the Delivering Party must increase the amount of its financial assurance to be equal to three (3) times its actual average purchases of GIS and GRS. The value of the actual average monthly purchases of GIS and GRS evaluated pursuant to this Section III.C.3.b will be based on the preceding twelve (12) month period as measured from the date immediately prior to the Delivering Party's credit re-evaluation.

c. Delivering Party Right To Request a Credit Re-evaluation - Delivering Parties may make reasonable requests for Entergy to re-evaluate their creditworthiness pursuant to the relevant standard established in either Sections III.C.3.a or III.C.3.b. Based on such a re-evaluation, if appropriate, Entergy will reduce the amount of financial security requested from a Delivering Party if an analysis of its usage of GIS and GRS over the preceding twelve (12) month period indicates that the Delivering Party has provided security in excess of that required by this Section III.C. This is a separate right from that of a new Delivering Party to request a creditworthiness re-evaluation pursuant to Section III.C.1 after taking GIS and GRS for six (6) months.

4. Right to Draw Upon Financial Assurances Upon Default - Entergy has the right to liquidate, or draw upon, all or a portion of a Delivering Party's form of financial assurance(s) in order to satisfy a Delivering Party's total net obligations to Entergy upon a Defaultpursuant to Section III.C. A Delivering Party shall replace any liquidated, or drawn-upon, financial assurances pursuant to the timeframe delineated in Section III.C.2 above.

5. Notice - Entergy's notification to a Delivering Party will inform the Delivering Party: (i) that it is not creditworthy pursuant to this Section III, or in accordance with Section III.C.3, that it must adjust previously provided financial assurances; (ii) why it is not creditworthy or why it must adjust previously provided financial assurances; (iii) that it must provide any required financial assurances by the deadlines specified in the notice; and (iv) that Entergy may take corrective actions, including suspension of service pursuant to Section III.D, if the Delivering Party fails to provide the required financial assurances by the specified deadlines. All notices sent to a Delivering Party pursuant to this Section III.C.5 shall be in writing and shall be sent to the Delivering Party by fax or overnight courier at the respective telephone number or courier address specified by the Delivering Party and shall become effective upon actual receipt as evidenced by fax confirmation sheet or tracking information provided by the overnight courier, as the case may be.

D. SUSPENSION OF SERVICE

1. Entergy may suspend GIS and/or GRS if:

   a. a Delivering Party that is not in Default fails to provide the entirety of three (3) months of required financial assurances (or the entirety of any additional financial assurances required pursuant to Section III.C.3 or III.C.4) within thirty-five (35) calendar days after Entergy's notification to such Delivering Party pursuant to Section III.C. Entergy will provide at least thirty (30) calendar days written notice to the Commission before suspending GIS and/or GRS; or

   b. a Delivering Party that is in Default fails to provide the entirety of the one month's requested financial assurance within five (5) business days after Entergy's notification to such Delivering Party

pursuant to Section III.C. Entergy will provide five (5) calendar days written notice to the Commission before suspending GIS.

Any notices sent to the Delivering Party and to the Commission pursuant to this Section III.D may be faxed/mailed concurrently. The suspension of service shall continue only for as long as the circumstances that entitle Entergy to suspend service continue. A Delivering Party is not obligated to pay for GIS and GRS that is not provided as a result of a suspension of service.

E. ALTERNATIVE FORMS OF FINANCIAL ASSURANCE

Delivering Party may provide the following as acceptable alternative forms of financial assurance in the amounts specified in Sections III.C.1 or III.C.2:

1. Cash Deposit - The Delivering Party may provide a cash deposit that will be retained during the term of (and until full and final payment and performance of) this Generator Imbalance Agreement. If a Delivering Party has submitted multiple requests for GIS and GRS, then Entergy may require a cash deposit for each Generator Imbalance Agreement. Cash deposits submitted as a form of financial assurance will be held by Entergy and the Delivering Party will be paid an interest rate that is equal to the interest rate earned on the escrow account in which the cash deposit is held. The cash deposit can be made by wiring immediately available funds to Entergy's account.

2. Surety Bond - The Delivering Party may provide, and maintain in effect during the term of (and until full and final payment and performance of) this Generator Imbalance Agreement, a surety bond issued by a financial institution acceptable to Entergy. All costs associated with the issuance and maintenance of a surety bond shall be paid by the Delivering Party. A draft, acceptable form of a surety bond shall be posted on OASIS.

F. RETURN OF FINANCIAL ASSURANCES UPON RE-ESTABLISHMENT OF CREDITWORTHINESS

If a Delivering Party re-establishes creditworthiness pursuant to Section III.B, then upon verification by Entergy, all financial assurances will be returned (or terminated, if applicable) to the Delivering Party with interest (if applicable), upon payment of all past due balances to Entergy, including those for GIS, GRS and all other services provided pursuant to Entergy's Tariff.

IV. DISPUTE RESOLUTION

A. INFORMAL DISPUTE RESOLUTION

Before binding dispute resolution or any other form of litigation may proceed, any dispute between the Delivering Party and Entergy to a transaction under this Agreement first shall be referred to senior executives in each organization for resolution. If the parties are unable to resolve the dispute within thirty (30) days, either party may seek legal recourse.

B. BINDING DISPUTE RESOLUTION

The parties to a dispute may elect binding resolution using the following process to resolve such disputes:

1. Dispute Resolution - The parties may initiate binding dispute resolution procedures by one party notifying the other and both parties agreeing to the binding dispute resolution. The party originating the binding resolution or his or her designee shall provide the second party with a list of ten (10) eligible arbitrators. Within ten (10) days of receiving the list, the second party shall agree on a single arbitrator from the list to conduct the arbitration, or notify the originating party of their inability to reach agreement. If the parties are unable to reach agreement on a single arbitrator, then each party shall choose one arbitrator who shall sit on a three (3) member arbitration panel. The two (2) arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. The arbitrators shall not possess a direct or indirect interest in either party or the subject matter of the arbitration. The procedures to be used for this arbitration will be generally consistent with the commercial arbitration rules of the American Arbitration Association though not involving the Association.

2. If the parties agree to binding dispute resolution, each party understands that it will not be able to bring a lawsuit concerning any dispute that may arise, which is covered by this arbitration provision.

C. COSTS

Each party shall be responsible for its own costs and those of its counsel and representatives. The parties shall equally divide the costs of the arbitrator or mediator and the hearing.

D. CONFIDENTIALITY

Any arbitration or mediation shall be conducted on a confidential basis and not disclosed, including any documents or results which shall be considered confidential, unless the parties otherwise agree or such disclosure is required by law.

E. MODIFICATION

The parties may by mutual written agreement modify, eliminate, or replace the above Sections IV.B, IV.C, and IV.D.

V. FEDERAL POWER ACT RIGHTS PRESERVED

Nothing contained in this Agreement shall be construed as affecting in any way the ability of Entergy or a Delivering Party to exercise its rights under the Federal Power Act (including a Delivering Party's complaint rights under Section 206) and pursuant to Federal Energy Regulatory Commission's rules and regulations promulgated thereunder.

ATTACHMENT Q

[Reserved for Future Use]

ATTACHMENT R

[Reserved for Future Use]

ATTACHMENT S

INDEPENDENT COORDINATOR OF TRANSMISSION

1. OVERVIEW

1.1 Purposes and Objectives

This Attachment S sets forth a framework whereby objective and verifiable assurance is provided to Market Participants and Interested Government Agencies that transmission and interconnection service under the Tariff is administered in a non-discriminatory manner consistent with reliability and Good Utility Practice. To achieve these objectives, the Transmission Provider will contract with an independent party that meets the independence requirements described in this Attachment. This party, referred to herein as the Independent Coordinator of Transmission (ICT), will implement the provisions of this Attachment by performing the functions set forth herein.

1.2 Applicability

The Transmission Provider, the ICT, and any Market Participant that requests or reserves transmission or interconnection service under the Tariff shall be subject to the terms, conditions and obligations of this Attachment.

1.3 Effective Date and Term

(a) This Attachment shall take effect thirty (30) days following the later of (i) the receipt by the Transmission Provider of all retail regulatory approvals to implement the Transmission Provider's ICT proposal, or (ii) the date on which the FERC approves the Agreement between the ICT and the Transmission Provider, unless either the Transmission Provider or the ICT petitions the FERC for a delay in such effective date and such delay is granted. This Attachment shall remain in effect thereafter for an initial term of four (4) years ("Initial Term").

(b) This Attachment will terminate automatically after the Initial Term unless: (i) the Transmission Provider requests FERC approval to extend this Attachment beyond the Initial Term; and (ii) the Transmission Provider receives approval from the FERC, and any necessary approvals from other Interested Government Agencies, to continue this Attachment beyond the Initial Term.

1.4 Designation of ICT for Initial Term

The Southwest Power Pool ("SPP") shall be the ICT for the initial four-year term of this Attachment, subject to all necessary board and regulatory approvals.

1.5 Expandability

Nothing in this Attachment precludes the ICT from providing the same or similar functions to other entities under a separate contract or expanding to a larger regional entity, provided that the Transmission Provider is reimbursed in an equitable manner for its capital investment as well as its ongoing operations and maintenance costs and provided further that the ICT's performance of such additional functions does not impair its ability to perform its obligations, or otherwise change the obligations, set forth in this Attachment.

1.6 Definitions

The capitalized terms used herein shall have the meaning ascribed to them in Section 1 of the Tariff. Capitalized terms not included in Section 1 of the Tariff shall be defined as follows:

Confidential Information: information or data that is proprietary, commercially valuable or competitively sensitive, or is a trade secret, and has been designated as confidential by the supplying party, provided that such information is not available from public sources or is not otherwise subject to disclosure under any tariff or agreement administered by the Transmission Provider. Confidential Information includes, but is not limited to, (1) customer-specific information regarding: load forecasts, billing determinants, scheduling and reservation data, power purchases and contracts; (2) generator-specific information regarding: unit commitment and dispatch levels, generator cost data, heat rates, outage and maintenance schedules, operating restrictions, ramp rates, AGC capability and ranges; and (3) system information regarding: avoided costs and system incremental costs.

Entergy Transmission: the business unit and employees of the Transmission Provider that are responsible for Transmission System operations and reliability.

Independent Coordinator of Transmission or ICT: SPP for the initial four-year term of this Attachment and thereafter any party that meets the independence criteria of Section 2 and contracts with the Transmission Provider to implement the provisions of this Attachment.

Interested Government Agencies: the Federal Energy Regulatory Commission (Commission), the Council of the City of New Orleans, La., the Mississippi Public Service Commission, the Louisiana Public Service Commission, the Public Utility Commission of Texas, and the Arkansas Public Service Commission.

Market Participant: any entity that, either directly or through an affiliate, purchases, sells or brokers electric energy or provides ancillary services to the Transmission Provider, unless FERC finds that the entity does not have economic or commercial interests that would be significantly affected by the Transmission Provider's or the ICT's actions or decisions; and any entity that FERC finds has economic or commercial interests that would be significantly affected by the Transmission Provider's or the ICT's actions or decisions.

2. INDEPENDENT COORDINATOR OF TRANSMISSION

2.1 Retention of the Independent Coordinator of Transmission

The Transmission Provider shall contract with an independent party to be known as the Independent Coordinator of Transmission (ICT). The ICT shall have experience and expertise appropriate to the performance of Reliability Coordinator functions, the analysis of transmission system operations and open access regulatory requirements, and such other responsibilities as are assigned to the ICT under this Attachment. The Transmission Provider and ICT shall negotiate the terms and conditions upon which the ICT will contract with the Transmission Provider, and the Transmission Provider will submit that contract, and any subsequent changes, to the FERC for approval.

2.2 Independence of the ICT

(a) To maintain independence, the ICT will satisfy and maintain compliance with the following criteria: (1) the ICT will not be a Market Participant; (2) the ICT, its employees and its directors will be prohibited from having a financial interest in any Market Participant; (3) the ICT will not own any transmission, generation or distribution facilities in the regions relevant to the Transmission Provider; and (4) the ICT's decision making process will be independent of control by any Market Participant including the Transmission Provider. The ICT shall exercise independent decision making in performing all activities associated with its responsibilities under this Attachment. The ICT shall maintain its offices separate from the offices of the Transmission Provider and its affiliates. No employees of the ICT shall share office space with any transmission/reliability employee or merchant employee of the Transmission Provider or of any affiliate of the Transmission Provider, or those of any Market Participant.

(b) To further ensure the independence of the ICT and meet the objectives established in this Attachment, the ICT will have the authority to collect and analyze data relevant to its responsibilities, and submit periodic and ad-hoc reports directly to Interested Government Agencies. No person, party or agent, including the Transmission Provider, Market Participants, Interested Government Agencies, or any other administrative oversight group, shall be granted authority to screen the ultimate findings, conclusions, and recommendations developed by the ICT that fall within the scope of this Attachment.

2.3 Standards of Conduct and Conflicts of Interest

(a) All employees of the ICT performing functions under this Attachment shall be treated, for purposes of the FERC's Standards of Conduct set forth in 18 C.F.R. § 358.4, as the equivalent of transmission/reliability employees of the Transmission Provider, and all restrictions relating to information sharing and other relationships between merchant employees of Transmission Provider or its affiliates and transmission/reliability employees of Transmission Provider or its affiliates shall apply to such employees.

(b) The ICT shall adopt a policy on conflicts of interest establishing appropriate standards for the professional and financial independence of the ICT, consistent with FERC policies and regulations. In addition, the ICT shall adopt ethics policies and standards for its employees and subcontractors. The ICT, including each member and employee of the ICT's firm, shall comply at all times with the conflicts of interest and ethics policies, and shall certify such compliance to the Transmission Provider and FERC upon request. The ICT shall submit its policies on conflicts of interest and ethical standards to the Interested Government Agencies in its first quarterly report prepared pursuant to Section 7 and shall, once annually in such reports, certify that it is in compliance with such policies.

3. ICT FUNCTIONS

3.1 Transmission and Interconnection Service

The ICT shall oversee the provision of transmission service pursuant to this OATT and the provision of interconnection service pursuant to the Large Generator Interconnection Procedures and Large Generator Interconnection Agreement. The ICT shall also perform the specific functions enumerated below and, where appropriate, described further in the protocols attached hereto.

(a) The ICT shall perform the following functions:

(1) The ICT shall grant or deny requests for transmission service pursuant to the Transmission Service Protocol attached hereto.

(2) The ICT shall grant or deny requests for interconnection service pursuant to the Interconnection Service Protocol attached hereto.

(3) The ICT shall maintain Entergy's Open Access Same Transmission Information System ("OASIS") site.

(4) The ICT shall implement Attachment T, Recovery of New Facilities Costs.

(5) The ICT shall prepare the Base Plan pursuant to the Transmission Planning Protocol attached hereto.

(6) The ICT shall perform a regional planning function pursuant to the Transmission Planning Protocol attached hereto.

(7) The ICT shall identify economic upgrades pursuant to the Transmission Planning Protocol attached hereto.

(b) The ICT shall not oversee transmission service that is provided under pre-Order No. 888 "grandfathered" transmission agreements outside of the Tariff. Although the ICT will not oversee the calculation of the Transmission Provider's transmission rates provided for in Schedule 7 and Attachment H of the Tariff and the Ancillary Service rates under Schedules 1-6 of the Tariff, the ICT will oversee the billing and settlement of Ancillary Services under

Schedules 1-6, and aspects of incremental cost transmission rates as provided in Section 5 of this Attachment and Attachment T of the Tariff.

3.2 Weekly Procurement Process

(a) The ICT shall oversee the design and operation of the WPP by the Transmission Provider. The ICT shall participate in the design of and upgrades to the security-constrained optimization software used to evaluate service requests and redispatch options submitted as part of the WPP. The ICT shall oversee the optimization process to ensure that it is functioning properly and shall evaluate whether the WPP operating protocols should be modified to improve the reliability and availability of transmission service. The ICT may also commission an independent audit of the WPP model prior to implementation.

(b) The Transmission Provider will provide the results of the WPP to the ICT for the granting of Point-to-Point Transmission Service and the designation of new Network Resources. The results of the WPP optimization will be treated as requests for new Point-to-Point Transmission Service and to designate new Network Resources, including the offers of redispatch needed to grant that new service. The ICT will review those requests and the information underlying the requests and grant or deny transmission service pursuant to the protocols in Attachment V.

(c) The ICT shall not oversee bilateral energy, capacity or ancillary services markets, including the procurement decisions of the Transmission Provider's wholesale merchant function or other Market Participants as part of the WPP. The ICT will not be responsible for monitoring bidding behavior of generation owners who submit bids to Participating Customers.

(d) The ICT shall monitor requests for transmission service through the WPP to ensure that the behavior of transmission customers does not improperly affect the outcome of the WPP.

3.3 Texas Retail Open Access

Subject to negotiating any necessary modifications to this Attachment, or providing for any other necessary implementation activities, the ICT shall be responsible for serving as the "Third-Party Overseer" (TPO) to the extent implemented in Entergy's Settlement Area in Texas (ESAT) in accordance with the orders of the Public Utility Commission of Texas (PUCT) issued in PUCT Docket No. 28818 and any related dockets. The ICT shall perform the oversight functions for the ESAT region, as may be more specifically addressed in the applicable PUCT and FERC orders, and in accordance with the reporting requirements specified in such orders.

3.4 Additional Matters

As set forth in Section 4 of this Attachment, the ICT shall serve as the NERC Reliability Coordinator for the Reliability Area. The ICT shall also oversee real-time transmission system operations that are not part of the ICT's responsibilities as the Reliability Coordinator. The ICT

shall monitor Market Participant scheduling and reservation practices to ensure that those practices do not improperly reduce the quality or quantity of transmission service on the Transmission System.

4. COORDINATION BETWEEN TRANSMISSION PROVIDER AND ICT REGARDING SYSTEM STUDIES AND TECHNICAL ANALYSES

4.1 General

(a) The provision of transmission and interconnection service pursuant to Order Nos. 888 and 2003 requires the coordination of the roles of the Transmission Provider and ICT. The protocols attached hereto provide that the Transmission Provider and ICT will coordinate these functions such that, in certain circumstances, the ICT will require the provision of data inputs, criteria, studies or other information (hereinafter "Required Information") from the Transmission Provider that is necessary to perform the functions of the ICT.

(b) In any such instance when the Transmission Provider supplies Required Information to the ICT to facilitate the performance of its functions, the Transmission Provider shall supply such Required Information using Good Utility Practice, its knowledge of the system and in a manner consistent with its obligations under Order Nos. 888 and 2003 to provide transmission and interconnection service on a nondiscriminatory basis. The ICT shall, upon receipt of such Required Information, use its independent judgment to review the information and determine whether it meets applicable Tariff requirements, reliability criteria or other applicable standards and is otherwise consistent with the requirement to provide transmission and interconnection service on a nondiscriminatory basis.

4.2 Data Inputs

(a) The Transmission Provider’s obligation to supply Required Information will include the obligation to supply the ICT with certain data inputs necessary to develop base case models and studies of the Transmission System. As described in the protocols attached hereto, the ICT will independently review and validate the specific data inputs supplied by the Transmission Provider for use in individual models and studies.

(b) In addition to the ICT’s responsibility to review and validate the data inputs supplied for use in individual models and studies, the ICT will also perform a separate evaluation of the Transmission Provider’s methodology for developing each category of data inputs supplied by the Transmission Provider. To facilitate this evaluation, the Transmission Provider will provide the ICT with a detailed description of the methodology for developing each data input.

(c) To the extent the ICT deems necessary, it may recommend that the Transmission Provider modify the methodology for developing a particular data input in order to ensure compliance with Section 4.1(b). If the ICT believes that a modification may be

appropriate, it shall meet and confer with the Transmission Provider to discuss the data input at issue and any potential modifications. If the matter cannot be resolved informally, Section 4.3(b) or (c) below shall apply.

4.3 Dispute Resolution

(a) If the ICT believes that certain Required Information submitted by the Transmission Provider does not meet tariff requirements, reliability criteria, other applicable standards, or is otherwise inconsistent with the Transmission Provider's obligation to provide transmission and interconnection service on a nondiscriminatory basis, it shall meet and confer with the Transmission Provider in an effort to resolve the matter. Both parties shall have an obligation to use reasonable efforts to resolve the dispute expeditiously.

(b) In the event that a dispute cannot be resolved informally, and the dispute involves issues of significance to Market Participants or Interested Government Agencies, the ICT shall take all reasonable steps, on an expeditious basis, to inform Market Participants and Interested Government Agencies of the dispute, as further described below. Such steps need not be performed in the sequence listed below.

(i) If the Transmission Provider and ICT cannot resolve a dispute informally, the ICT shall immediately post a notice of the disagreement on Entergy's OASIS site. The notice shall identify the nature of the dispute and provide a brief description of the respective positions of the Transmission Provider and ICT.

(ii) The ICT shall discuss the issue with Market Participants at the next applicable stakeholder meeting and solicit their views as to how it should be resolved.

(iii) The ICT shall, as soon as practicable, inform Interested Government Agencies of the existence of the dispute and recommend any appropriate action to resolve the dispute.

(c) In the event the dispute relates to a specific request for interconnection or transmission service, the ICT shall seek to resolve the matter expeditiously by meeting with the affected customer and the Transmission Provider and, if the matter cannot be resolved informally, either the customer or the Transmission Provider may request that the FERC resolve the dispute. The ICT may inform Interested Government Agencies of such dispute at any time.

(d) The foregoing is without prejudice to any affected Market Participant requesting that the Commission resolve any dispute at any time that is within the jurisdiction of the Commission, including, but not limited to, by submitting a complaint pursuant to Section 206 or requesting the filing of an unexecuted service agreement to resolve a customer-specific dispute with the Transmission Provider.

(e) The ICT's position shall control pending resolution of any dispute under this Section 4 or the Transmission Planning Protocol attached hereto.

5. RELIABILITY COORDINATOR

5.1 Responsibilities and Standards

The ICT will serve as the Reliability Coordinator for the Transmission Provider's Transmission System and Balancing Authority Area (the "ICT Reliability Area") and will have authority over all matters within the scope of its Reliability Coordinator duties, as described in this Attachment and the Reliability Coordinator Protocol. The ICT will perform all functions identified for Reliability Coordinators set forth in the most current applicable NERC Standards, or successor standards thereto, while the Transmission Provider will retain all remaining NERC obligations, including obligations associated with its status as Balancing Authority, Transmission Operator, and Transmission Provider under the Tariff. The Transmission Provider will retain its ability to address reliability problems through its role as Balancing Authority, Transmission Operator and Transmission Provider, and the ICT's authority as Reliability Coordinator does not preclude the Transmission Provider from taking action necessary to protect reliability of the Transmission System, including circumstances where such action is necessary to protect, prevent or manage emergency situations, such as abnormal system conditions that require automatic or immediate manual action to prevent or limit equipment damage or the loss of facilities or supply that could adversely affect the reliability of the Transmission System or to restore the system to a normal operating state.

To ensure the ICT's ability to direct the actions described above, the Reliability Coordinator Protocol specifies the division of reliability-related functions and the procedures for coordinating these functions. The Reliability Coordinator Protocol shall be consistent with all NERC requirements applicable to Reliability Coordinators, Transmission Operators, and Balancing Authorities.

5.2 Implementation

(a) The ICT's assumption of the Reliability Coordinator responsibility will be achieved in phases and will reflect the ICT's previous qualifications, if any, as a Reliability Coordinator. Each phase will have to be completed before moving to the next phase, but individual milestones within each phase can be implemented in parallel.

(b) Under Phase I, the ICT will establish its compliance with NERC's Reliability Standards of Conduct and will execute any necessary confidentiality agreements. The ICT and the Transmission Provider will develop a plan for ensuring that the ICT can meet the "adequate facilities" requirement in NERC Standards, or successor standards thereto. During Phase I, the ICT and Transmission Provider will meet with SERC and/or NERC to establish the process for NERC certification of the ICT as Reliability Coordinator, including guaranteeing that the ICT has sufficient staff certified at the Reliability Coordinator level to meet the requirements of

NERC Standard PER-004-0 or successor standards thereto. The Transmission Provider will notify those entities for which it currently serves as Reliability Coordinator that the ICT will be assuming these responsibilities. These entities will be given the option (to be exercised at the end of Phase II) of having the ICT serve as their Reliability Coordinator or obtaining a different third-party to serve as their Reliability Coordinator.

(c) Under Phase II, the ICT will initiate the process for guaranteeing that the ICT has sufficient staff certified at the Reliability Coordinator level to meet the requirements of NERC Standard PER-004-0 or successor standards thereto. As part of this process, the ICT's system operators will work with the Transmission Provider's system operators to improve the ICT's knowledge of operating procedures and the Transmission System and to prepare for NERC certification of the ICT as Reliability Coordinator. The ICT will review and become familiar with Transmission Provider's existing Reliability Plan and Reliability Coordinator procedures and policies. The ICT and Transmission Provider will develop a Draft Reliability Plan and any additional procedures and policies related to the ICT's assumption of Reliability Coordinator functions. During Phase II, the Transmission Provider and ICT complete installation of any new facilities required for the ICT to meet the "adequate facilities" requirement, including the 24 hour/7 day desk and remote access to Entergy Transmission's EMS. Upon completion of these steps, the Transmission Provider and the ICT will evaluate whether the ICT is prepared to begin the NERC certification process and ready to actually serve as the Reliability Coordinator.

(d) Under Phase III, the ICT will submit its application to SERC and NERC for certification as the Reliability Coordinator for the Reliability Area. Upon completion of the review process and a satisfactory determination by NERC, the ICT will assume the Reliability Coordinator functions described in this Attachment. The ICT will not assume Reliability Coordinator functions until NERC certification has been obtained and the ICT and Entergy Transmission mutually agree that the ICT is able to assume those functions.

6. DATA COLLECTION AND DISCLOSURE

6.1 Access to Entergy Transmission's Data and Information

(a) For purposes of carrying out its responsibilities, the ICT shall have complete access to all data or other information that is: (i) gathered or generated by Entergy Transmission in the course of its operations; and (ii) reasonably necessary to achieve the purposes or objectives of this Attachment and not subject to a legal privilege. This access shall include direct access to Entergy Transmission's EMS. Addendum A to this Attachment is a non-exclusive list of those categories of data and information that are presumed to meet the criteria above. Entergy Transmission may designate data or other information gathered or generated in the course of its operations as Confidential Information to be treated by the ICT in accordance with Section 6.3. To the extent the ICT requires access to data or information obtained by Entergy Transmission from other Market Participants, including the Transmission Provider's wholesale merchant function, that data and information shall be treated as Confidential Information, unless already available from a public source or otherwise subject to disclosure under any tariff or agreement

administered by the Transmission Provider.

(b) The ICT and Transmission Provider shall establish a process for providing the ICT with transmission information without the necessity of formal data requests. Provided that the ICT agrees to treat Confidential Information in accordance with Section 6.3, the Transmission Provider may only challenge a request for data or information specified on the list included as Addendum A based on a good faith assertion of legal privilege. Provided that the ICT agrees to treat Confidential Information in accordance with Section 6.3, the Transmission Provider may challenge a request for data or information not specified on the list included as Addendum A based on a good faith assertion that such data or information is: (i) not reasonably necessary to achieve the purposes or objectives of this Attachment; or (ii) subject to a legal privilege. If the Transmission Provider and ICT are unable to resolve a disagreement over the ICT's entitlement to transmission information, the ICT shall report the disagreement to Interested Government Agencies.

(c) In the event that a dispute arises over access to data or information, either the Transmission Provider or ICT may request that the Commission resolve that dispute.

(d) Pending resolution of a dispute over access to data or information for evaluating short-term transmission service requests under the Available Flowgate Capability process, the position of the ICT shall control.

6.2 Access to Market Participant's Data and Information

6.2.1 Data Requests

If the ICT determines that additional data or other information is required to accomplish the objectives of the Attachment, the ICT may request such information from Market Participants (including the Transmission Provider's wholesale merchant function) possessing, having access to, or having the ability to generate or produce such data or other information. Any such request shall be accompanied by an explanation of the need for such data or other information, a specification of the form or format in which the data is to be produced, and, to the extent the data qualifies as Confidential Information, an acknowledgment of the obligation of the ICT to maintain the confidentiality of the data. All information provided to the ICT by Market Participants, including the Transmission Provider's wholesale merchant function, shall be treated as Confidential Information, unless already available from a public source or otherwise subject to disclosure under any tariff or agreement administered by the Transmission Provider.

6.2.2 Enforcement of Data Requests

(a) Any Market Participant receiving an information request from the ICT shall furnish all information, in the requested form or format, that is reasonably necessary to achieve the purposes or objectives of this Attachment, not readily available from some other source that is more convenient, less burdensome and less expensive, and not subject to a legal privilege. Information that may be requested shall include, but not be limited to, executed contracts and contract summary

forms associated with transmission service requests and other information required to be provided to the Transmission Provider under the Transmission Provider's Tariffs, operating agreements, reliability organization requirements, or Interested Government Agency orders. No party that is the subject of a data request shall be required to produce any summaries, analyses, or reports of the data that do not exist at the time of the data request.

(b) Any Market Participant, including the Transmission Provider's wholesale merchant function, receiving a request for data or information specified may contest the right of the ICT to obtain such data or information to the extent that such data or information is: (i) not reasonably necessary to achieve the purposes or objectives of this Attachment; (ii) readily available from some other source that is more convenient, less burdensome and less expensive; or (iii) subject to a legal privilege. The ICT and the party from whom the information has been requested may submit, by mutual agreement**,** any such dispute for resolution under the dispute resolution provisions of Section 12 of the Tariff. If the party from whom the data or other information has been requested does not voluntarily agree to use of the dispute resolution provisions of Section 12 of the Tariff, or has not contested the request with the FERC, the ICT will report such dispute to the Interested Government Agencies.

(c) In the event that a dispute arises over access to data or information, either the Market Participant or ICT may request that the Commission resolve that dispute.

6.3 Confidentiality

The ICT shall use all reasonable procedures necessary to protect and to preserve the confidentiality of Confidential Information obtained in connection with the implementation of this Attachment. Except as may be required by subpoena or other compulsory process, the ICT shall not disclose Confidential Information to any person or entity without prior written consent of the party supplying the Confidential Information. To the extent the ICT requires access to Confidential Information obtained by Entergy Transmission from other Market Participants, including the Transmission Provider's wholesale merchant function, the ICT shall not disclose Confidential Information to any person or entity without prior written consent of the party supplying the Confidential Information to the Transmission Provider, except as may be required by subpoena or other compulsory process. Upon receipt of a subpoena or other compulsory process for the disclosure of Confidential Information, the ICT shall promptly notify the party that provided the data and shall provide all reasonable assistance requested by the party to prevent disclosure, and shall not release the data until the party provides written consent or until the party's legal avenues are exhausted. The confidentiality of data and information provided to Interested Government Agencies will be maintained with a protective order or other procedures of the agency for protecting Confidential Information.

6.4 Access to Data by Interested Government Agencies

The ICT shall provide data and information to the Interested Government Agencies upon request consistent with Section 6.3. Upon request from an Interested Government Agency for Confidential Information that the ICT received from any entity, the ICT shall promptly notify the

entity that provided the information and shall not release the Confidential Information without prior written consent from that entity; provided however that such consent may not be unreasonably withheld if the Interested Government Agency agrees to maintain confidentiality with a protective order or other procedures of the agency for protecting Confidential Information.

6.5 Collection and Retention of Information

(a) The ICT shall regularly collect and maintain the information necessary for implementing this Attachment. The ICT also shall create a log for each request to change an assumption used in any transmission system model affecting transmission service or planning under the Tariff, whether the request comes from the Transmission Provider, a customer, or users. The log shall identify the party that made the request, describe the request and the systems affected, and state the date and time the ICT provides notice of whether it agrees or disagrees with the proposed change in assumption.

(b) The ICT shall ensure that data and information necessary to carry out its duties is retained in usable form and shall be turned over to any successor ICT. The ICT may adopt schedules for the periodic destruction of information in the possession of the ICT the retention for which is no longer reasonably necessary for purposes of this Attachment. The ICT shall adopt policies and requirements for the retention of information by Market Participants, and submission of such information to the ICT as necessary for the implementation of this Attachment, after providing an opportunity for interested parties to review and comment on such procedures.

7. REPORTS AND OASIS POSTINGS

(a) The ICT shall prepare the following reports:

(1) The ICT shall prepare a report, at least quarterly, on the matters within its duties as specified herein. Such report shall include any recommendations of the ICT for the improvement of the Transmission Provider's transmission services, or of the oversight, reporting and other functions undertaken pursuant to this Attachment.

(2) Every twelve months the ICT shall file a publicly available assessment and self-evaluation with Interested Government Agencies. Such assessment and self-evaluation shall address how the ICT and Weekly Procurement Process are remedying any problems that have been identified by transmission customers and other stakeholders, and shall include metrics for measuring the success of the ICT and Weekly Procurement Process. Such assessment and self-evaluation shall include, but need not be limited to, information or data pertaining to the following:

(i) the accuracy rate of posted Available Flowgate Capability (AFC) data compared to that experienced before the ICT was installed;

(ii) the number of times, if any, the Transmission Provider or the ICT lost data during the initial term of the ICT;

(iii) the number of times, if any, users were given inaccurate or incomplete data;

(iv) the number of times, if ever, the Transmission Provider used inaccurate modeling assumptions;

(v) how frequently, if ever, the Transmission Provider failed to timely post or provide required data or posted inaccurate data;

(vi) the number of times transmission users complained that AFC is not available;

(vii) the number of times, if any, available AFC when needed was different from posted AFC on the OASIS; and

(viii) the length of time it took to perform interconnection or transmission service studies.

(3) The ICT shall develop a report detailing the level of savings to the Transmission Provider's retail customers during the Initial Term due to the WPP, including but not limited to savings to the Transmission Provider's retail customers due to power purchased through the WPP. Such report also shall address the increase in the number of transactions and volume of energy purchased under the Weekly Procurement Process and the number of transmission transactions that were accomplished by virtue of redispatch under the Weekly Procurement Process.

(4) The ICT shall prepare such other reports on matters within its purview as it may deem necessary or as may be requested by any of the Interested Government Agencies.

(b) Any complaints made with the ICT associated with the Transmission Provider's data systems (including any resolution of such complaints) must be posted on OASIS within 24 hours of such complaint. The Transmission Provider shall notify the Commission, the ICT, and the users group under Section 8(b) within 15 days if the Transmission Provider discovers that it has lost data, reported inaccurate data, or otherwise believes that it has mismanaged data. The ICT shall post such information on OASIS within 24 hours of receiving notice from the Transmission Provider. For any data errors reported by the Transmission Provider, the ICT shall advise Interested Government Agencies, in its next scheduled report, whether the Transmission Provider has remedied the problem, and if not, whether and when the Transmission Provider proposes to implement an appropriate remedy. The ICT also shall advise Interested Government Agencies whether it believes that the Transmission Provider's proposed remedy is adequate to remedy the data error that occurred and to avert any such data errors in the future.

(c) No person, party or agent, including the Transmission Provider, Market Participants, Interested Government Agencies, or any other administrative oversight group, shall be granted authority to screen the ICT's ultimate findings, conclusions, and recommendations that fall within the scope of this Attachment. A copy of each report shall be forwarded by the ICT to each of the Interested Government Agencies, and shall be made publicly available, subject to redaction or other measures necessary for the protection of Confidential Information. The Transmission Provider may respond to the ICT's reports within 45 days, and Market Participants shall also have the opportunity to comment on the ICT's reports within the period.

8. STAKEHOLDER PROCESS

(a) Prior to submitting each assessment and self-evaluation required under Section 7(a)(2), the ICT shall survey the Transmission Provider's transmission customers and obtain their views regarding ICT and Transmission Provider performance related to matters under the Tariff and the ICT Agreement. Such survey shall be sufficiently comprehensive, in terms of topics covered and number of respondents, to be meaningful for evaluating the ICT and for the stakeholder process.

(b) The ICT and transmission and data (IT) experts from the Transmission Provider shall meet quarterly with a users group established by users of the Transmission Provider's transmission and data systems to assess how the Entergy transmission and IT systems are performing. Such users group shall notify the Transmission Provider and the ICT of any problems with these systems identified by such group, and the parties shall discuss proposed solutions to any such problems. The ICT and the users group also shall conduct annual reviews of error rates associated with Transmission Provider data in accordance with Section 7(a)(2). The ICT shall notify Interested Government Agencies of the results of meetings held in accordance with this Section 8(b) in its next scheduled report. The ICT or the users group also may at any time recommend to Interested Government Agencies changes to Transmission Provider IT systems and IT resource allocations.

(c) The ICT may establish such other stakeholder process as it deems necessary to solicit the views of Market Participants regarding the functions performed by the ICT pursuant to this Attachment S.

9. BUDGETING AND FUNDING

The ICT and the Transmission Provider shall reach agreement on budgeting and funding contract provisions designed to ensure, among other things, that the ICT has sufficient funding to discharge its responsibilities and obligations as ICT and that the terms of payment of the ICT by the Transmission Provider do not result in inappropriate incentives to find in favor of one Market Participant, or the Transmission Provider, over another Market Participant. If disputes arise over the budgeting or funding matters that cannot be resolved between the parties, then within 15 days the Transmission Provider will request that the FERC resolve such issues. Pending resolution of any budget disputes, the budget will based on the ICT's actual costs for the preceding contract

year under the Agreement between the ICT and Transmission Provider, until such time as the dispute is resolved. The ICT may also request that the FERC resolve such issues and may also include the areas of disagreement in its periodic reports to Interested Government Agencies.

10. RIGHTS AND REMEDIES

(a) With the exception of the limitation of liability provisions agreed to by the ICT and the Transmission Provider, nothing herein shall prevent the Transmission Provider or any other person or entity from asserting any rights it may have under the Federal Power Act or any other applicable law, statute, or regulation, including the filing of a petition with or otherwise initiating a proceeding before the FERC regarding any matter which is the subject of this Attachment.

(b) Disputes as to the implementation of or compliance with this Attachment may be resolved under the dispute resolution procedures of Section 12 of the Tariff, subject to the mutual agreement of the parties to the dispute.

(c) A Market Participant may submit a complaint under Section 206 of the FPA if it believes the ICT is performing its functions in a manner inconsistent with this Attachment, or any other OATT attachment or protocol administered by the ICT, or is otherwise acting inconsistent with any rule or regulation adopted by the Commission.

11. REMOVAL AND REPLACEMENT OF ICT

Any person, including Market Participants, Interested Government Agencies and the Transmission Provider, may petition the FERC to replace the ICT. If FERC agrees that the ICT is no longer properly carrying out its duties and responsibilities, including its responsibility to maintain independence, the contract between the ICT and the Transmission Provider shall be terminated, and the Transmission Provider shall select, and seek FERC approval for, a new ICT that meets the qualifications of Section 2 of this Attachment.

INDEPENDENT COORDINATOR OF TRANSMISSION
ADDENDUM A

NON-EXCLUSIVE LIST OF DATA THE ICT MAY REQUEST FROM ENTERGY TRANSMISSION

1. Hourly transmission service schedules and actual output for the generating facilities interconnected to or scheduled into the Transmission System;
2. Reserved and scheduled transmission service into, out of, or through the Transmission System;
3. Transmission limits (including temporary deratings) on each of the monitored flowgates or other relevant transmission facilities;
4. Hourly flow over each of the monitored flowgates or other transmission facilities;
5. Redispatch of generating facilities or other actions to manage transmission congestion;
6. Transmission facility outage data;
7. Records of complaints related to OATT transmission or interconnection service by customers of the Transmission Provider; and
8. Other information required to be provided to the Transmission Provider under the Transmission Provider's Tariffs, operating agreements, reliability organization requirements, or Interested Government Agency orders.
9. Settlement and billing statements for individual Market Participants;
10. Financial or credit information for individual Market Participants;
11. Executed contracts and contract summary forms.
12. Any information required to be provided pursuant to the Protocols attached hereto or Attachments T and V; and
13. Access to all files on Entergy's OASIS.

INDEPENDENT COORDINATOR OF TRANSMISSION TRANSMISSION SERVICE PROTOCOL

1. General

1.1. The purpose of this protocol is to describe the division of responsibilities and duties between the Transmission Provider and the Independent Coordinator of Transmission (ICT) in processing requests for Point-to-Point Transmission Service and Network Integration Transmission Service under the Tariff and in performing transmission system studies used to evaluate such requests. Attachment V of the Tariff will govern requests for service or studies submitted as part of the Weekly Procurement Process. This protocol does not modify existing Tariff requirements regarding such service requests or studies.

1.2. The ICT shall perform the functions enumerated herein and in Attachment S in an independent manner and, in all cases, shall use its independent judgment in ensuring that Transmission Service is provided on a nondiscriminatory basis. The Transmission Provider shall perform its functions in a manner consistent with Good Utility Practice, its obligations to Native Load Customers and its obligations to Transmission Customers under FERC Order No. 888.

2. Definitions The following definitions will apply to this protocol. Capitalized terms that are not specifically defined in this protocol will have the meaning assigned to them under the Tariff.

2.1. AFC Criteria shall mean the criteria, standards and procedures used to calculate AFC values as set forth in the following: (i) Tariff provisions applicable to AFC and ATC calculations, including Attachment C to the Tariff; (ii) applicable NERC Reliability Standards and SERC supplements to those standards; (iii) the Transmission Provider's AFC Manual that is provided to the ICT for posting on OASIS pursuant to Section 5 herein; and (iv) the Transmission Provider's local reliability criteria provided to the ICT for posting on OASIS pursuant to Section 5 herein.

2.2. AFC Software shall mean the computer software programs and automated processes used to calculate and post AFC values.

2.3. Base Case Model shall mean a power flow model representing the Transmission System used for reliability assessments, transmission service request studies, and economic studies. When referenced in this protocol, "Base Case Model" refers to the annual, seasonal, monthly or other power flow models used by the ICT to evaluate TSRs.

2.4. Facilities Study Criteria shall mean the criteria, standards and procedures used to perform Facilities Studies as set forth in the following: (i) Tariff provisions applicable to the performance of Facilities Studies; (ii) applicable NERC Reliability Standards and SERC supplements to those standards; (iii) the Transmission Provider's business practices related to Facilities Studies that are provided to the ICT for posting on OASIS pursuant to Section 5 herein; and (iv) the Transmission Provider's local reliability criteria that are provided to the ICT for posting on OASIS pursuant to Section 5 herein.

2.5. Independent Contractor shall mean a third-party that the ICT and Transmission Provider agree is qualified to perform transmission system studies on behalf of the ICT. An Independent Contractor cannot be the Transmission Provider or an Energy Affiliate of a Transmission Provider as defined by FERC's regulations.

2.6. Long-Term TSRs shall mean the TSRs that, according to Section 1 of Attachment C to the Tariff, are to be evaluated under the SIS and Facilities Study process.

2.7. Short-Term TSRs shall the mean the TSRs that, according to Section 1 of Attachment C to the Tariff, are to be evaluated under the AFC process.

2.8. SIS shall mean the System Impact Study required under the Tariff to evaluate TSRs.

2.9. Transmission Studies shall mean transaction-specific SISs and Facilities Studies and the studies used to calculate AFC values.

2.10. Transmission Study Criteria shall mean the AFC Criteria, the SIS Criteria and the Facilities Study Criteria as defined in this protocol.

2.11. Transmission Service Request or TSR shall mean a request submitted by an Eligible Customer under the Tariff for either Point-to-Point Transmission Service or Network Integration Transmission Service.

2.12. TSR Processing Criteria shall mean the criteria, standards, and procedures used to process TSRs as set forth in the following: (i) Tariff provisions applicable to TSR processing; (ii) FERC's OASIS Standards and Communication Protocols and Business Practice Standards for OASIS Transactions; and (iii) the Transmission Provider's business practices related to OASIS and TSR processing that are provided to the ICT for posting on OASIS pursuant to Section 5 herein.

2.13. SIS Criteria shall mean the criteria, standards and procedures used to perform System Impact Studies as set forth in the following: (i) Tariff provisions applicable to the performance of SISs, including Attachment D to the Tariff; (ii) applicable NERC Reliability Standards and SERC supplements to those standards; (iii) the Transmission Provider's business practices related to SISs that are provided to the ICT for posting

on OASIS pursuant to Section 5 herein; and (iv) the Transmission Provider's local reliability criteria that are provided to the ICT for posting on OASIS pursuant to Section 5 herein.

3. Processing and Evaluating Transmission Service Requests

3.1. ICT Duties and Responsibilities The ICT will process and evaluate (*i.e.,* grant or deny) all TSRs on a non-discriminatory basis consistent with the TSR Processing Criteria and the Transmission Study Criteria. The ICT's responsibilities in processing and evaluating TSRs include the following:

3.1.1. Collecting all necessary information for the processing and evaluation of a TSR;

3.1.2. Determining that all preconditions necessary for a TSR to be considered a Completed Application have been met;

3.1.3. Maintaining appropriate TSR queues for Short-Term and Long-Term TSRs;

3.1.4. Determining whether sufficient transmission capability exists to grant or deny a TSR;

3.1.5. Providing and executing SIS Agreements and Facilities Studies Agreements;

3.1.6. Performing SISs, consistent with Section 7.1 of this protocol, as necessary to further evaluate whether sufficient transmission capability exists to accommodate a TSR;

3.1.7. Performing SISs in response to requests to designate new Network Resources under Section 30 of the Tariff, including request by the Transmission Provider's wholesale merchant function on behalf of Native Load Customers, and verifying that applicable Tariff requirements have been met;

3.1.8. Providing all notices related to the processing and evaluation of a TSR to the Transmission Customer;

3.1.9. Independently reviewing and validating data, information and analyses, including Facilities Studies, provided or performed by the Transmission Provider;

3.1.10. Responding to inquiries by Transmission Customers regarding TSRs; and

3.1.11. Overseeing the billing and settlement of Ancillary Services under Schedules 1-6, Generator Imbalance Service under Attachment P of the Tariff, and aspects of incremental cost transmission rates as provided in Attachment T of the Tariff.

3.2. Transmission Provider Duties and Responsibilities The processing and evaluation of TSRs will require coordination between the Transmission Provider and the ICT. The Transmission Provider will be responsible for the following functions associated with the processing and evaluation of TSRs, and the ICT will ensure that these functions are performed on a non-discriminatory basis consistent with the TSR Processing and Transmission Study Criteria:

3.2.1. Providing data inputs and other information and analyses required by the ICT to study individual TSRs;

3.2.2. Tendering, entering into, and filing all Transmission Service Agreements in accordance with the Tariff;

3.2.3. Processing and evaluating schedules for transmission service;

3.2.4. Performing Facilities Studies and executing Facilities Study Agreements consistent with Section 7.2 of this protocol; and

3.2.5. Determining, billing and collecting the applicable charges for transmission service under Schedule 7 and Attachment H to the Tariff, Ancillary Services under Schedules 1-6 of the Tariff, and Generator Imbalance Service under Attachment P of the Tariff.

4. OASIS Administration

4.1. ICT Duties and Responsibilities The ICT will administer the Transmission Provider's existing OASIS node for purposes of processing and evaluating TSRs and ensuring compliance with the Transmission Provider's obligation to publicly post transmission-related information pursuant to the Commission's OASIS regulations. The ICT's responsibilities and duties in administering OASIS will include the following:

4.1.1. Performing the duties of a Responsible Party as defined in the Commission's OASIS regulations, 18 C.F.R. § 37.5; and

4.1.2. Posting information required to be on the Transmission Provider's OASIS under the Commission's OASIS regulations, 18 C.F.R. § 37.6.

4.2. Transmission Provider Duties and Responsibilities The Transmission Provider will be responsible for the following functions associated with OASIS operations, and the ICT will ensure that these functions are performed consistent with the TSR Processing Criteria and the Commission's OASIS regulations:

4.2.1. Maintaining and servicing any software or automated process designed to post required information on OASIS; and

4.2.2. Providing the ICT with the information necessary to comply with the posting requirements.

5. Criteria for Processing and Evaluating TSRs

5.1. Applicability The ICT will process all TSRs on a non-discriminatory basis in accordance with the TSR Processing Criteria and will evaluate all TSRs on a non-discriminatory basis in accordance with the Transmission Study Criteria.

5.2. Transparency The ICT will be responsible for ensuring that the TSR Processing Criteria and the Transmission Study Criteria are posted on OASIS and are sufficiently detailed so that the evaluation and processing of TSRs is transparent and understandable, subject to the confidentiality provisions of Attachment S to the Tariff.

5.2.1. The Transmission Provider will supply the ICT with detailed descriptions of the current Transmission Study Criteria and TSR Processing Criteria, including: (i) the Transmission Provider's current Tariff; (ii) applicable NERC Reliability Standards and SERC supplements to those standards; (iii) the Transmission Provider's local reliability criteria; and (iv) the Transmission Provider's business practices related to processing TSRs and OASIS administration, and the methodologies for calculating AFC values and conducting SISs and Facilities Studies.

5.2.2. The ICT will independently review the Transmission Provider's description of the AFC Criteria, SIS Criteria, Facilities Study Criteria, and TSR Processing Criteria to ensure that these criteria are sufficiently defined for Transmission Customers to understand how TSRs are processed and evaluated. If the ICT concludes that additional detail is required, the Transmission Provider will modify the appropriate business practice documents to include the additional detail. The ICT will post on OASIS the final versions of the criteria, subject to the confidentiality provisions of Attachment S to the Tariff.

5.3. Modifications The Transmission Provider will not modify the TSR Processing Criteria or the Transmission Study Criteria without providing prior notice to the ICT. The ICT may independently propose that the Transmission Provider modify the Transmission Study Criteria or TSR Processing Criteria by raising such a proposal with the Transmission Provider, the Transmission Service Stakeholder Process, or in a report to Interested Governmental Agencies under Attachment S. The ICT will post on OASIS notice of any modification to the Transmission Study Criteria or TSR Processing Criteria. The Transmission Provider will remain the sole entity with the right to file modifications to the Tariff under Section 205 of the Federal Power Act.

6. Base Case Models for Evaluating TSRs

6.1. Base Case Model Development After developing the Base Case Model referenced in the ICT Transmission Planning Protocol, the ICT will participate with the Transmission Provider in any additional regional model development processes necessary to create updated quarterly and monthly regional models from the seasonal and annual models. These models, which are updated quarterly or monthly, will serve as the basis for the annual, seasonal, monthly or daily Base Case Models for the Transmission System used to evaluate TSRs.

6.2. Coordination In order to develop the regional models and Base Case Models for the Transmission System referenced above, the Transmission Provider will provide to the ICT and other modeling group participants such data and information as may be necessary to prepare and update the models. The ICT will review and validate the data inputs provided by the Transmission Provider to ensure that the data inputs and resulting models are consistent with the Transmission Study Criteria.

7. Studies for Long-Term TSRs All Long-Term TSRs will be evaluated by SISs in accordance with the Tariff. If a SIS indicates that additions or upgrades are needed to accommodate the TSR, the Transmission Customer may request a Facilities Study. The division of responsibilities and duties related to such studies are described below.

7.1. System Impact Studies

7.1.1. The ICT shall inform the Transmission Customer of the need for an SIS and provide the Transmission Customer with the standard form SIS Agreement to be executed by the ICT and the Transmission Customer. The SIS Agreement shall obligate the Transmission Customer to pay for the actual cost of the SIS, including any costs incurred by the ICT or Transmission Provider associated with performing their respective functions under Section 7.1 herein. The ICT will be responsible for determining whether the Transmission Customer has timely complied with all requirements necessary for an SIS and for a request to remain a Completed Application. The ICT will provide a copy of the executed SIS Agreement to Transmission Provider.

7.1.2. After confirming that all applicable requirements have been met by the Transmission Customer, the ICT will perform (or cause to be performed by an Independent Contractor) the required SIS. To perform the SIS, the ICT will use the current set of applicable Base Case Models developed pursuant to Section 6 herein. The ICT will update the applicable Base Case Models to reflect then-current data from the Transmission Provider's OASIS regarding additional Long-Term TSRs, including new or expired rollover rights. The ICT will perform the SIS as set forth in the SIS Criteria and will ensure that the Base Case Models, including any updates thereto, are consistent with the SIS Criteria.

7.1.3. The ICT will provide the Transmission Provider with an initial draft of the SIS report including a list of any constrained transmission elements. The Transmission Provider will have the opportunity to review and comment on the report and will be responsible for developing a mitigation plan to address any constrained transmission elements. The ICT will review and validate the Transmission Provider's mitigation plan and will include the mitigation plan and the Transmission Provider's comments in the final SIS report provided to the Transmission Customer.

7.1.4. The ICT, in conjunction with the Transmission Provider, will use due diligence to finalize the required SIS in accordance with the Tariff and will provide all notices to the Transmission Customer required under the Tariff. The ICT will post the SIS on OASIS and respond to requests for work papers supporting the SIS. If the Transmission Provider and the ICT cannot resolve any disagreements regarding the SIS, the ICT will modify the draft SIS report to identify the areas of disagreement and will provide this SIS report to the Transmission Customer by posting on OASIS.

7.1.5. If the SIS indicates that no addition or upgrades to the Transmission System are needed to accommodate the TSR, and the ICT has determined that the Transmission Customer has met the necessary Tariff requirements, the Transmission Provider will provide the Transmission Customer with a Transmission Service Agreement to be executed by the Transmission Provider and the Transmission Customer. The Transmission Customer may request that the Transmission Provider file an unexecuted Transmission Service Agreement with FERC in accordance with the Tariff if: (i) the Transmission Provider and the ICT cannot agree on whether any additions or upgrades to the Transmission System are needed to accommodate the TSR; (ii) the Transmission Customer does not accept the results of the SIS; or (iii) the Transmission Provider and the Transmission Customer cannot agree on the terms and conditions of the Transmission Service Agreement. If the Transmission Provider and the ICT cannot agree on the scope of the additions or upgrades to the Transmission System that are needed to accommodate the TSR, or if the Transmission Customer does not accept the scope of the necessary additions or upgrades, the parties shall attempt to resolve any such disagreement through the more detailed Facilities Study process in Section 7.2 below if the Transmission Customer elects to undertake such a study.

7.2. Facilities Studies

7.2.1. If a SIS indicates that additions or upgrades are needed to accommodate the TSR, the ICT will provide the Transmission Customer with the standard form Facilities Study Agreement to be executed by the ICT, the Transmission Provider and the

Transmission Customer. The Facilities Study Agreement shall obligate the Transmission Customer to pay for the actual cost of the Facilities Study, including any costs incurred by the ICT or the Transmission Provider associated with performing their respective functions under Section 7.2 herein. The ICT will be responsible for determining whether the Transmission Customer has timely complied with all requirements necessary for a Facilities Study and for a request to remain a Completed Application.

7.2.2. After confirming that all applicable requirements have been met by the Transmission Customer, the ICT shall direct the Transmission Provider to perform a Facilities Study. The ICT will provide the Transmission Provider with the updated Base Case Models used by the ICT in performing the SIS, including any additional data that the ICT determines may have material impact on the Facilities Study results. The ICT shall direct the Transmission Provider to determine the scope and estimate the cost of the additions or upgrades to the Transmission System needed to accommodate the TSR. The Transmission Provider shall use the updated Base Case Models provided by the ICT as the basis for this determination and shall make this determination on a non-discriminatory basis consistent with the Facilities Study Criteria. The Transmission Provider will provide the ICT with its determination of the scope and estimate of the cost of the necessary additions or upgrades and, upon request, supporting documents and work papers.

7.2.3. The ICT will review and validate the Transmission Provider's determination regarding the scope and cost of the necessary additions or upgrades and will ensure that the Base Case Models, including any updates thereto, are consistent with the Facilities Study Criteria. To the extent necessary, the ICT shall coordinate the Facilities Study with other affected transmission providers and conduct any meetings between the Transmission Provider and any other affected transmission providers. The ICT will prepare an initial draft of the Facilities Study report. The Transmission Provider will have the opportunity to review and comment on the report and its comments will be included in the final Facilities Study report provided to the Transmission Customer. If the ICT and the Transmission Provider cannot resolve any disagreements regarding the Facilities Study, the ICT will modify the draft Facilities Study report to identify the areas of disagreement and will provide this Facilities Study report to the Transmission Customer.

7.2.4. The ICT, in conjunction with the Transmission Provider, will use due diligence to finalize the required Facilities Study in accordance with the Tariff and will provide all notices to the Transmission Customer required under the Tariff. The ICT will provide the Transmission Customer with the final Facilities Study report and will respond to requests for work papers supporting the Facilities Study.

7.2.5. If the ICT and the Transmission Provider agree on the final Facilities Study, and the Transmission Customer accepts the final Facilities Study, and the ICT has determined that the Transmission Customer has met the necessary Tariff requirements, the Transmission Provider will provide the Transmission Customer with a Transmission Service Agreement to be executed by the Transmission Provider and the Transmission Customer. If the ICT and the Transmission Provider cannot agree, or the Transmission Customer does not accept the final Facilities Study, or if the Transmission Provider and the Transmission Customer cannot agree on the terms and conditions of the Transmission Service Agreement, the Transmission Customer may request that the Transmission Provider file an unexecuted Transmission Service Agreement with FERC in accordance with the Tariff.

8. Studies for Short-Term TSRs – Available Flowgate Capability The ICT will evaluate all Short-Term TSRs with studies performed by the AFC Software in accordance with the AFC Criteria using either the Base Case Models described in Section 6 or the hourly EMS Base Case Models. In addition to the AFC-related responsibilities and duties contained in Sections 3-6 above, the ICT and the Transmission Provider shall coordinate with regard to additional AFC-related activities as follows.

8.1. ICT Responsibilities and Duties AFC values will be calculated through the automated processes of the AFC Software, and the ICT will be responsible for ensuring that AFC values are calculated on a non-discriminatory basis consistent with the AFC Criteria. The ICT's responsibilities in calculating AFC values will include the following:

8.1.1. Reviewing and validating the AFC Software, the security procedures for tracking any modifications to such software, the data inputs to the AFC Software, and the AFC Base Case Models;

8.1.2. Responding to Transmission Customer inquiries regarding the AFC process;

8.1.3. Requiring modifications to the AFC Software, Base Case Models or data inputs to the extent such modifications are necessary to ensure consistency with the AFC Criteria as provided in Section 8.3 herein; and

8.1.4. Requiring the recalculation (or resynchronization) of AFC values after modifications made under Section 8.3 are implemented.

8.2. Transmission Provider Responsibilities and Duties The calculation of AFC values will require coordination between the Transmission Provider and the ICT. The Transmission Provider will perform the AFC-related functions listed below, and the ICT will ensure that these functions are performed on a non-discriminatory basis consistent with the AFC Criteria:

8.2.1. Providing software maintenance and service for the AFC Software, including arrangements with third-party software vendors, and implementing all required modifications to the AFC Software;

8.2.2. Implementing automated security procedures for creating an auditable trail of modifications and access to the AFC Software;

8.2.3. Supplying data inputs and information necessary for creating hourly, daily and monthly Base Case Models; and

8.2.4. Assisting the ICT, to the extent requested, in responding to Transmission Customer inquiries.

8.3. Application of the AFC Criteria The ICT will have authority to direct the Transmission Provider to modify the AFC Software, Base Case Models or data inputs to ensure that the AFC values are calculated in a manner consistent with the AFC Criteria posted on OASIS. If the ICT and the Transmission Provider cannot agree on a modification to the AFC Software, Base Case Models or data inputs proposed by the ICT under this section, the ICT's position shall control and serve as the basis for evaluating TSRs pending resolution of any such disagreement. To the extent the ICT directs a modification under this section, the ICT shall also have the authority to direct the resynchronization of AFC values after the modification is implemented.

9. Transmission Service Stakeholder Process The ICT will develop and chair a stakeholder process designed to: (i) ensure that the provision of transmission service under the Tariff is transparent and understandable; (ii) provide the Transmission Provider and Transmission Customers a forum for discussing issues and areas of concern; and (iii) provide an opportunity to develop consensus-based resolutions to such issues or concerns to the extent possible. The focus of this stakeholder process will be issues or concerns related to the provision of transmission service under the Tariff and this protocol, including the AFC process, transmission modeling and studies, and commercial practices associated with reserving service over OASIS.

INDEPENDENT COORDINATOR OF TRANSMISSION INTERCONNECTION SERVICE PROTOCOL

1. General

1.1. The purpose of this protocol is to describe the division of responsibilities and duties between the Transmission Provider and the Independent Coordinator of Transmission (ICT) in processing requests for Interconnection Service under the Tariff and in performing interconnection studies to evaluate such requests. This protocol does not modify existing Tariff requirements regarding such service requests or studies.

1.2. The ICT shall perform the functions enumerated herein and in Attachment S in an independent manner and, in all cases, shall use its independent judgment in ensuring that new generation is interconnected with the Transmission System on a nondiscriminatory basis. The Transmission Provider shall perform its functions in a manner consistent with Good Utility Practice, its obligations to Native Load Customers and its obligations to its Interconnection Customers under FERC Order No. 2003.

2. Definitions The following definitions will apply to this protocol. Capitalized terms that are not specifically defined in this protocol will have the meaning assigned to them under the LGIP and the Tariff.

2.1. Base Case Model shall mean a power flow model representing the Transmission System used for reliability assessments, transmission service request studies, and economic studies. When referenced in this protocol, "Base Case Model" refers to the annual, seasonal, monthly or other power flow models used by the ICT to evaluate Interconnection Requests.

2.2. Independent Contractor shall mean a third-party that the ICT and Transmission Provider agree is qualified to perform transmission system studies on behalf of the ICT. An Independent Contractor cannot be the Transmission Provider or an Energy Affiliate of a Transmission Provider as defined by FERC's regulations.

2.3. Interconnection SIS shall mean the Interconnection System Impact Study required under the LGIP.

2.4. Interconnection Studies shall mean studies required to interconnect new generation to the transmission system under Order No. 2003.

2.5. Interconnection Study Criteria shall mean the criteria, standards and procedures used to perform Interconnection Studies as set forth in the following: (i) the LGIP and LGIA provisions applicable to the performance of Interconnection Studies; (ii) applicable NERC Reliability Standards and SERC supplements to those standards; (iii) the Transmission Provider's business practices related to Interconnection Studies that are

provided to the ICT for posting on OASIS pursuant to Section 4.2 herein; and (iv) the Transmission Provider's local reliability criteria that are provided to the ICT for posting on OASIS pursuant to Section 4.2 herein.

2.6. LGIA shall mean the Standard Large Generator Interconnection Agreement under Attachment O to the Tariff or the version of that agreement executed by an Interconnection Customer, as applicable.

2.7. LGIP shall mean the Standard Large Generator Interconnection Procedures under Attachment N to the Tariff.

3. Processing and Evaluating Interconnection Service Requests

3.1. ICT Duties and Responsibilities The ICT will process and evaluate all Interconnection Requests on a non-discriminatory basis consistent with the LGIP and the Transmission Provider's Interconnection Study Criteria. The ICT's responsibilities in processing and evaluating Interconnection Requests include the following:

3.1.1. Collecting from the Interconnection Customer and the Transmission Provider all necessary information for the processing and evaluation of an Interconnection Request;

3.1.2. Determining that all preconditions necessary for a valid Interconnection Request have been met;

3.1.3. Performing Interconnection Feasibility Studies, Interconnection SISs, and Optional Interconnection Studies and coordinating such studies with Affected Systems;

3.1.4. Maintaining and administering a queue for Interconnection Study requests;

3.1.5. Posting on the Transmission Provider's OASIS a list of Interconnection Requests and related information as required under the LGIP;

3.1.6. Providing and executing Interconnection Study Agreements;

3.1.7. Providing all notices related to the processing and evaluation of an Interconnection Request to the Interconnection Customer;

3.1.8. Independently reviewing and validating data, information and analyses, including Interconnection Facilities Studies, provided or performed by the Transmission Provider;

3.1.9. Performing Interconnection Feasibility Studies and Interconnection SISs to evaluate requests to designate generating resources, including the Transmission Provider's Network Resources, as NRIS or ERIS resources;

3.1.10. Responding to inquiries by Interconnection Customers; and

3.1.11. Overseeing aspects of incremental cost transmission rates associated with NRIS as provided in Attachment T of the Tariff.

3.2. Transmission Provider Duties and Responsibilities The processing and evaluation of Interconnection Requests will require coordination between the Transmission Provider and the ICT. The Transmission Provider will be responsible for the following functions associated with the processing and evaluation of Interconnection Requests, and the ICT will ensure that these functions are performed consistent with the LGIP and the Interconnection Study Criteria:

3.2.1. Providing data inputs, information and analyses required by the ICT to perform Interconnection Studies and process Interconnection Requests;

3.2.2. Tendering, entering into, and filing all Large Generator Interconnection Agreements in accordance with the Tariff and entering into Interconnection Facilities Study Agreements; and

3.2.3. Performing Interconnection Facilities Studies consistent with Section 6.3 of this protocol.

4. Criteria for Conducting Interconnection Studies

4.1. Applicability The ICT will evaluate all Interconnection Requests on a non-discriminatory basis in accordance with the LGIP and the Transmission Provider's Interconnection Study Criteria.

4.2. Transparency The ICT will be responsible for ensuring that the Interconnection Study Criteria are posted on OASIS and are sufficiently detailed so that the evaluation and processing of Interconnection Requests is transparent and understandable, subject to the confidentiality provisions of Attachment S to the Tariff.

4.2.1. The Transmission Provider will supply the ICT with the Interconnection Study Criteria, including descriptions or copies of: (i) the LGIP and LGIA provisions applicable to the performance of Interconnection Studies; (ii) applicable NERC Reliability Standards and SERC supplements to those standards; (iii) the Transmission Provider's business practices related to Interconnection Studies; and (iv) the Transmission Provider's local reliability criteria.

4.2.2. The ICT will independently review the Transmission Provider's description of the Interconnection Study Criteria to ensure that these criteria are sufficiently defined for Interconnection Customers to understand how Interconnection Requests are processed and evaluated. If the ICT concludes that additional detail is required, the Transmission Provider will modify the appropriate business practice documents to include the additional detail. The ICT will post on OASIS the final versions of the criteria, subject to the confidentiality provisions of Attachment S to the Tariff.

4.3. Modifications The Transmission Provider will not modify the Interconnection Study Criteria without providing prior notice to the ICT. The ICT may independently propose that the Transmission Provider modify the Interconnection Study Criteria by raising such a proposal with the Transmission Provider or in a report to Interested Governmental Agencies under Attachment S. The ICT will post on OASIS notice of any modification to the Interconnection Study Criteria. The Transmission Provider will remain the sole entity with the right to file with FERC modifications to the Tariff and the LGIP under Section 205 of the Federal Power Act.

5. Base Case Models for Evaluating Interconnection Requests Base Case Models will be developed, reviewed and validated pursuant to the provisions of the ICT Transmission Planning Protocol and the ICT Transmission Service Protocol. The ICT will review and validate the data inputs provided by the Transmission Provider to ensure that the data inputs and resulting models are consistent with the Interconnection Study Criteria.

6. Studies for Interconnection Service Requests The LGIP provisions of the Tariff shall determine the studies necessary to interconnect with the Transmission System. The ICT will be responsible for coordinating all Interconnection Studies with any Affected Systems and conducting all meetings between the Affected Systems, the Transmission Provider and the Interconnection Customer, in accordance with the provisions of the LGIP. The division of additional responsibilities in performing Interconnection Studies is described below.

6.1. Interconnection Feasibility Study

6.1.1. Pursuant to the LGIP, the ICT shall provide the Interconnection Customer with an Interconnection Feasibility Study Agreement to be executed by the Interconnection Customer and the ICT. The Interconnection Feasibility Study Agreement shall obligate the Interconnection Customer to pay for the actual cost of the Interconnection Feasibility Study, including any costs incurred by the ICT or the Transmission Provider associated with performing their respective functions under Section 6.1 herein. The ICT will be responsible for determining whether the Interconnection Customer has timely complied with all requirements necessary for an Interconnection Feasibility Study and a valid Interconnection Request, as provided in the LGIP. The ICT will provide a copy of the executed Interconnection Feasibility Study Agreement to the Transmission Provider.

6.1.2. After confirming that all applicable requirements have been met by the Interconnection Customer, the ICT will perform (or cause to be performed by an Independent Contractor) the required Feasibility Study, including any Re-Studies. To perform the Feasibility Study, the ICT will use the current set of applicable Base Case Models developed pursuant to Section 5 herein. The ICT will update the applicable Base Case Models to reflect then-current data from the Transmission Provider's OASIS regarding additional Long-Term TSRs, including new or expired rollover rights. The ICT will perform the Feasibility Study as set forth in the Interconnection Study Criteria and will ensure that the Base Case Models, including any updates thereto, are developed as set forth in the Interconnection Study Criteria. The ICT will provide the Transmission Provider with an initial draft of the Feasibility Study report, and the Transmission Provider will have the opportunity to review and comment on the report.

6.1.3. The ICT will use Reasonable Efforts to finalize the Feasibility Study in accordance with the LGIP provisions of the Tariff and will provide all notices to the Interconnection Customer required in that section. The ICT will be responsible for responding to requests for work papers or other supporting documentation under the LGIP. If the Transmission Provider and the ICT cannot resolve any disagreements regarding the Feasibility Study, the ICT will modify the draft Feasibility Study report to identify the areas of disagreement and will provide this Feasibility Study report to the Interconnection Customer. If the Transmission Provider, the ICT and the Interconnection Customer ultimately cannot agree on the final Interconnection Feasibility Study report, Section 13.5 of the LGIP will apply.

6.2. Interconnection System Impact Study

6.2.1. Pursuant to the LGIP, the ICT shall provide the Interconnection Customer with the Interconnection SIS Agreement to be executed by the ICT and the Interconnection Customer. The Interconnection SIS Agreement shall obligate the Interconnection Customer to pay for the actual cost of the Interconnection SIS, including any costs incurred by the ICT or the Transmission Provider associated with performing their respective functions under Section 6.2 herein. The ICT will be responsible for determining whether the Interconnection Customer has timely complied with all requirements necessary for an Interconnection SIS and for a valid Interconnection Request, as set forth in the LGIP. The ICT will provide a copy of the executed Interconnection SIS Agreement to the Transmission Provider.

6.2.2. After confirming that all applicable requirements have been met by the Interconnection Customer, the ICT shall perform (or cause to be performed by an Independent Contractor) the required Interconnection SIS, including any Re-

Studies. To perform the Interconnection SIS, the ICT will use the current set of applicable Base Case Models developed pursuant to Section 5 herein. The ICT will update the applicable Base Case Models to reflect then-current data from the Transmission Provider's OASIS regarding additional Long-Term TSRs, including new or expired rollover rights. The ICT will perform the Interconnection SIS as set forth in the Interconnection Study Criteria and will ensure that the Base Case Models, including any updates thereto, are developed as set forth in the Interconnection Study Criteria.

6.2.3. The ICT will provide the Transmission Provider with an initial draft of the Interconnection SIS report including a list of any constrained transmission elements. The Transmission Provider will have the opportunity to review and comment on the report and will be responsible for developing a mitigation plan to address any constrained transmission elements. The ICT will review and validate the Transmission Provider's mitigation plan and will include the mitigation plan and the Transmission Provider's comments in the final Interconnection SIS report provided to the Interconnection Customer.

6.2.4. The ICT, in conjunction with the Transmission Provider, will use Reasonable Efforts to finalize the required Interconnection SIS in accordance with the LGIP and will provide all notices to the Interconnection Customer required by the LGIP. The ICT will be responsible for responding to requests for work papers supporting the Interconnection SIS. If the Transmission Provider and the ICT cannot resolve any disagreements regarding the Interconnection SIS, the ICT will modify the draft Interconnection SIS report to identify the areas of disagreement and will provide this Interconnection SIS report to the Interconnection Customer. If the Transmission Provider, the ICT and the Interconnection Customer ultimately cannot agree on the final Interconnection SIS report, Section 13.5 of the LGIP will apply.

6.3. Interconnection Facilities Study

6.3.1. Pursuant to the LGIP provisions of the Tariff, the ICT will tender the Interconnection Facilities Study Agreement to the Interconnection Customer to be executed by the ICT, the Transmission Provider and the Interconnection Customer. The Interconnection Facilities Study Agreement shall obligate the Interconnection Customer to pay for the actual cost of the Interconnection Facilities Study, including any costs incurred by the ICT or the Transmission Provider associated with performing their respective functions under Section 6.3 herein.

6.3.2. After confirming that all applicable requirements have been met by the Interconnection Customer, the ICT shall direct the Transmission Provider to perform an Interconnection Facilities Study. The ICT will provide the

Transmission Provider with the updated Base Case Models used by the ICT in performing the Interconnection SIS, including any additional data that the ICT determines may have material impact on the Interconnection Facilities Study results. The ICT shall direct the Transmission Provider to determine the equipment, engineering, procurement and construction work necessary to implement the conclusions in the Interconnection SIS. The Transmission Provider shall use the updated Base Case Models provided by the ICT as the basis for this determination and shall make this determination consistent with the Interconnection Study Criteria. The Transmission Provider will provide the ICT with its determination and, upon request, supporting documents and work papers.

6.3.3. The ICT will review and validate the Transmission Provider's determination regarding the equipment, engineering, procurement and construction work necessary to implement the conclusions in the Interconnection SIS and will ensure that the Base Case Models, including any updates thereto, are consistent with the Interconnection Study Criteria. The ICT will prepare an initial draft of the Interconnection Facilities Study report. The Transmission Provider will have the opportunity to review and comment on the report and the Transmission Provider's comments will be included in the final Interconnection Facilities Study report provided to the Interconnection Customer. If the ICT and the Transmission Provider cannot resolve any disagreements regarding the Interconnection Facilities Study, the ICT will modify the draft Interconnection Facilities Study report to identify the areas of disagreement and will provide this Interconnection Facilities Study report to the Interconnection Customer.

6.3.4. The ICT, in conjunction with the Transmission Provider, will use Reasonable Efforts to finalize the required Interconnection Facilities Study in accordance with the LGIP and will provide all notices to the Interconnection Customer required in the LGIP. The ICT will be responsible for providing the Interconnection Customer with the final Interconnection Facilities Study report and responding to requests for work papers and supporting documentation for the Interconnection Facilities Study.

6.3.5. If the ICT and the Transmission Provider agree on the final Facilities Study, and the Interconnection Customer accepts the final Facilities Study, and the ICT has determined that the Interconnection Customer has met the necessary LGIP requirements, the Transmission Provider will provide the Interconnection Customer with a LGIA to be executed by the Transmission Provider and the Interconnection Customer. If the ICT and the Transmission Provider cannot agree, or the Interconnection Customer does not accept the final Interconnection Facilities Study, or if the Transmission Provider and the Interconnection Customer cannot agree on the terms and conditions of the LGIA, the parties may attempt to resolve the dispute pursuant to Section 13.5 of the LGIP or the

Interconnection Customer may request that the Transmission Provider file an unexecuted LGIA with FERC in accordance with Section 11.3 of the LGIP.

6.4. Optional Interconnection Study If the Interconnection Customer requests an Optional Interconnection Study, the division of responsibilities between the Transmission Provider and the ICT shall be the same as for the Interconnection SIS.

INDEPENDENT COORDINATOR OF TRANSMISSION TRANSMISSION PLANNING PROTOCOL

1. General

1.1. The purpose of this protocol is to describe the division of responsibilities and duties between the Transmission Provider and the Independent Coordinator of Transmission (ICT) in the development of the Base Plan for the Transmission System and in the identification of upgrades that may provide economic benefits to Transmission and Interconnection Customers, including Native Load Customers.

1.2. The ICT shall perform the functions enumerated herein and in Attachment S in an independent manner and, in all cases, shall use its independent judgment to ensure that transmission planning is conducted on a non-discriminatory basis. The Transmission Provider shall perform its functions in a manner consistent with Good Utility Practice, its obligations to Native Load Customers and its obligations to Transmission and Interconnection Customers under FERC Order Nos. 888 and 2003.

2. Definitions The following definitions will apply to this protocol. Capitalized terms that are not specifically defined in this protocol will have the meaning assigned to them under the LGIP and Tariff.

2.1. Base Case Model shall mean a power flow model representing the Transmission System used for reliability assessments, transmission service request studies, and economic studies. When referenced in this document, "Base Case Model" refers to the annual and seasonal power flow models used in the transmission planning process described herein.

2.2. Base Plan shall mean the plan developed pursuant to Section 8 herein.

2.3. Construction Plan shall mean the plan developed pursuant to Section 6 herein.

2.4. Planning Criteria shall mean the criteria, standards and procedures used in developing the Construction Plan and ICT Base Plan as set forth in the following: (i) applicable NERC Reliability Standards and SERC supplements to those standards; (ii) the Transmission Provider's local reliability criteria that are provided to the ICT for posting on OASIS pursuant to Section 3.2 herein; and (iii) the Transmission Provider's business practices that are related to compliance with all of the above criteria and that are provided to the ICT for posting on OASIS pursuant to Section 3.2 herein.

3. Criteria for Transmission Planning

3.1. Applicability The ICT will conduct transmission planning on a non-discriminatory basis in accordance with the Planning Criteria.

3.2. Transparency and ICT Review The ICT will be responsible for ensuring that the Planning Criteria are posted on OASIS and are sufficiently detailed so that the transmission planning process is transparent and understandable, subject to the confidentiality provisions of Attachment S.

3.2.1. The Transmission Provider will supply the ICT with detailed descriptions of the current Planning Criteria including: (i) applicable NERC Reliability Standards and SERC supplements to those standards; (ii) the Transmission Provider's local reliability criteria; and (iii) the Transmission Provider's business practices related to compliance with all of the above criteria.

3.2.2. The ICT will independently review the Transmission Provider's description of the Planning Criteria to ensure that these criteria are sufficiently defined for Transmission Customers to understand how transmission planning is conducted. If the ICT concludes that additional detail is required, the Transmission Provider will modify the appropriate business practice documents to include the additional detail. The ICT will post on OASIS the final versions of the criteria, subject to the confidentiality provisions of Attachment S.

3.2.3. Following the posting of the Planning Criteria, the ICT shall conduct a stakeholder meeting to obtain stakeholder input regarding the Planning Criteria and other inputs, assumptions, and methodologies relied upon in developing the Base Plan. The stakeholder process shall make transparent any inputs, assumptions, and methodologies relied upon in developing the Base Plan, subject to confidentiality requirements and the protection of commercially sensitive information.

3.3. Modifications

3.3.1. The Transmission Provider will not modify the Planning Criteria without providing prior notice to the ICT. The ICT may independently propose that the Transmission Provider modify the Planning Criteria by raising such a proposal with the Transmission Provider or in a report to Interested Governmental Agencies under Attachment S. The ICT will post on OASIS notice of any modification to the Planning Criteria.

3.3.2. Modifications to the Transmission Provider's local reliability criteria will be applied to a Base Plan previously completed or underway if and only if: (i) the ICT agrees with such retroactive application; and (ii) the modified criteria are more stringent.

4. Overview of Planning Process The transmission planning process includes the following elements: (i) development of the Base Case Model; (ii) development of the Transmission Provider's Construction Plan and evaluation of that plan by the ICT; (iii) the Transmission Planning Summit and stakeholder input to the Construction Plan; (iv) development of the

Base Plan for the Transmission System; (v) coordinated regional planning with other transmission owners; and (vi) identification of economic upgrades.

5. Base Case Model for Transmission Planning

5.1. Base Case Model Development The ICT will create the Base Case Model for the Transmission System. This model will include all existing long-term, firm uses of the Transmission System, including: (i) Network Integration Transmission Service; (ii) firm transmission service for the Transmission Provider's Native Load; (iii) Long-Term Point-to-Point Transmission Service; and (iv) firm transmission service provided in accordance with grandfathered agreements. The model will be developed pursuant to the modeling procedures used in developing the NERC multi-regional and SERC regional models. The ICT will participate in the regional model development process for the SERC region with the Transmission Provider.

5.2. Coordination The Transmission Provider will provide to the ICT such data inputs as may be necessary to facilitate the preparation of the Base Case Model by the ICT. The ICT will review and validate the data inputs that are provided for use in the Base Case Model so as to ensure that the data inputs and resulting model are consistent with the Planning Criteria. The ICT will review the Base Case Model with the Transmission Provider and post the Base Case Model on the Transmission Provider's OASIS.

6. Construction Plan and ICT Assessment

6.1. Using the most current validated regional SERC models as developed through the modeling process described in Section 5, the Transmission Provider will develop the Construction Plan, which will contain all transmission upgrade projects on the Transmission System that are necessary to satisfy the Planning Criteria. The Transmission Provider will submit the construction plan to the ICT.

6.2. The ICT will perform an independent reliability assessment of the Transmission System using the Planning Criteria. As part of this assessment, the ICT will independently evaluate whether: (i) the Transmission Provider's Construction Plan complies with the Planning Criteria; and (ii) whether there are upgrade projects in the Construction Plan that are not necessary to meet the Planning Criteria. In addition to reviewing the Construction Plan, the ICT may also begin the process of identifying opportunities for regional optimization of the Construction Plan as provided in Section 9.

6.3. The ICT will provide the Transmission Provider with its conclusions regarding the reliability assessment and evaluation of the Construction Plan, including any outstanding issues that the ICT believes the Transmission Provider should address. The Transmission Provider will have the opportunity to review the ICT's conclusions and may submit a revised Construction Plan and supporting documentation to the ICT to address any outstanding issues. Once the Construction Plan has been finalized by the

Transmission Provider, the ICT will post the Construction Plan on OASIS, subject to the confidentiality provisions of Attachment S.

7. Stakeholder Review and Input

7.1. The ICT will lead the annual Transmission Planning Summit with stakeholders and regulators, to review the ICT's independent reliability assessment and the Transmission Provider's Construction Plan. The ICT may also review any potential regional optimization opportunities at this time. The stakeholders may submit comments and suggestions to the ICT, who will make them publicly available to all interested parties.

7.2. The Transmission Provider and the ICT will review stakeholder input from the Transmission Planning Summit. The Transmission Provider will provide recommendations regarding that input to the ICT, including revisions to the Construction Plan, as appropriate. Such revisions will be provided to stakeholders via an OASIS posting, subject to the confidentiality provisions of Attachment S.

8. Base Plan Development

8.1. The ICT will be responsible for developing the Base Plan for the Transmission System. The ICT will independently develop the Base Plan consistent with the Planning Criteria, provided that the ICT shall have sole discretion as to the inclusion or exclusion of the Transmission Provider's business practices and local reliability criteria in the Base Plan. The Base Plan will identify all transmission upgrades and construction projects that the ICT believes are necessary to comply with the Planning Criteria. The ICT may rely on the Construction Plan, stakeholder and regulator input from the Transmission Planning Summit, and its own reliability assessment in developing the Base Plan. The ICT will post the Base Plan on the Transmission Provider's OASIS, subject to the confidentiality provisions of Attachment S.

8.2. The Base Plan will be the basis for the ICT's allocation of costs between Base Plan Upgrades and Supplemental Upgrades as those terms are used in Attachment T.

9. Coordinated Regional Planning

9.1. The ICT will be responsible for identifying any opportunities for regional optimization of the Construction Plan with the construction plans of individual SPP transmission owners (as included in the SPP regional plan). The evaluation of such opportunities will commence in earnest after the Transmission Planning Summit, but may also begin as part of the ICT's assessment of the Construction Plan under Section 6. The identification of regional optimization opportunities must comply with the Planning Criteria.

9.2. To the extent other adjoining transmission owners have seams agreements or joint planning processes with the Transmission Provider, the ICT will identify any opportunities for regional optimization of the Transmission Provider's Construction Plan with the construction plans of those adjoining transmission owners. The ICT will review such optimization opportunities with the Transmission Provider, other affected transmission owners and stakeholders.

9.3. To the extent regional optimization opportunities are identified, the Transmission Provider and the other individual transmission owners will have the option of revising their construction plans. The transmission owners that alter their construction plans based on the regional optimization may reach their own agreement on the allocation of costs of such projects. The ICT may recommend an allocation of costs among individual transmission owners, but such recommendation will not be binding.

9.4. Based on the outcome of the regional optimization of the Transmission Provider's Construction Plan and the construction plans of adjoining transmission owners, the ICT may revise its Base Plan and post the revised plan on the Transmission Provider's OASIS.

10. Construction of Upgrades

10.1. The ICT will identify any instances where the Base Plan and the Construction Plan diverge. The ICT and the Transmission Provider will have an affirmative obligation to inform the Transmission Provider's retail regulators and FERC of any such divergence. Based on regulatory feedback, the Transmission Provider may further revise the Construction Plan or the ICT may further revise the Base Plan.

10.2. To the extent the Construction Plan includes projects that are not included in the Base Plan, the Transmission Provider may build such projects, subject to applicable siting and permitting requirements.

10.3. To the extent the Base Plan includes projects that are not included in the Construction Plan, the Transmission Provider will have no obligation to proceed with such projects for purposes of reliability. To the extent such projects are determined by the Transmission Provider to be required to accommodate a request for transmission or interconnection service under the Tariff, the construction of such projects will be governed by the applicable Transmission Service Agreement or Large Generator Interconnection Agreement, and the pricing of such projects will be governed by Attachment T.

11. Economic Upgrade Identification

11.1. The ICT will identify potential economic upgrades on the Transmission System, including upgrades to existing facilities as well as construction of new facilities. The ICT will identify such upgrades based on screening criteria, which may include

considerations such as frequent TLRs, frequently constrained flowgates in the AFC or WPP process, flowgates with high congestion costs as identified in the WPP process, and commonly invoked must-run operating guides.

11.2. The ICT, in conjunction with the Transmission Provider, will do a preliminary analysis of the cost of upgrading each facility identified by the ICT, and will post this information on OASIS, subject to the confidentiality provisions of Attachment S.

11.3. The ICT will provide information about the potential benefits of the upgrades. This information will include the ICT's estimate of the increase in MW that could flow over the facility as a result of upgrading each identified facility. The ICT, at its discretion, may also provide: (i) an approximation of the reduction in congestion on the facility, based on projected changes in actual flows that would result from the upgrade of the facility; and (ii) an approximation of the potential savings from the upgrade, using a re-simulation of historic WPP results. The ICT will post this information on OASIS, subject to the confidentiality provisions of Attachment S.

11.4. Transmission and Interconnection Customers (including the Transmission Provider's wholesale merchant function) may request the ICT to conduct an economic upgrade study. The requesting customer may ask the ICT to only perform a Facilities Study (as described in the Transmission Service and Interconnection Service Protocols) to determine the cost of the upgrade, or it may ask for an additional assessment as outlined in Section 11.3 above, in addition to a cost analysis.

11.4.1. Customer requests for economic upgrade studies will be processed in a separate queue from transmission service requests. The ICT may propose a process for batching of requests for economic upgrade studies.

11.4.2. Customers wishing to proceed with upgrades must make a service request pursuant to either: (i) a Network Integration Transmission Service Agreement or an appropriate grandfathered transmission arrangement or agreement; (ii) a request for Point-to-Point Transmission Service; or (iii) a request for optional upgrades under an existing Interconnection and Operating Agreement or Large Generator Interconnection Agreement.

11.5. Customers will be free to fund economic upgrades based on their own economic analysis of the value of the upgrade. The ICT may not require the Transmission Provider to construct such upgrades, unless the customer has agreed to fund such upgrades. Neither the ICT nor the Transmission Provider guarantees any economic benefits from such upgrades.

11.6. To the extent that the requesting customer funds an economic upgrade in order to permit a change in the dispatch of an existing Network Resource, the Transmission

Provider and the ICT will reflect the new dispatch in the Base Case Models for the Transmission System and in the Transmission Provider's operating guides, as applicable.

11.7. The ICT will report periodically to the Transmission Provider's retail regulators and FERC regarding all economic upgrade planning activities.

INDEPENDENT COORDINATOR OF TRANSMISSION
RELIABILITY COORDINATOR PROTOCOL

1. General

1.1. The purpose of this protocol is to describe the division of responsibility and authority between the Transmission Provider and the Independent Coordinator of Transmission (ICT) with respect to Reliability Coordinator services provided by the ICT. This protocol shall be applied in a manner consistent with the requirements of the North American Electric Reliability Council (NERC) and the Southeastern Electric Reliability Council (SERC) applicable to Reliability Coordinators, Transmission Operators, and Balancing Authorities.

1.2. The ICT shall perform the functions enumerated herein and in Section 5 of Attachment S in an independent manner and, in all cases, shall use its independent judgment in ensuring that Reliability Coordinator services are provided on a nondiscriminatory basis in compliance with applicable NERC Standards. The ICT will report to Interested Government Agencies if implementation of these or other reliability standards will prevent the provision of reliable, nondiscriminatory transmission service. The Transmission Provider shall perform its functions in a manner that complies with Good Utility Practice, the Tariff and applicable NERC Standards.

2. Definitions Capitalized terms that are used, but not defined, in this protocol will have the meaning ascribed to them by the Tariff or NERC's Glossary of Terms and the applicable NERC Standards, as applicable. In addition to the definitions provided in the NERC Glossary and Standards and the Tariff, the following definitions will apply to this protocol.

2.1. ICT Reliability Area shall mean the collection of generation, transmission, and loads within the boundaries of the ICT Reliability Coordinator. The ICT's Reliability Coordinator boundary shall include the Entergy Transmission System and any Balancing Authority Areas or Systems for which the ICT performs Reliability Coordinator services.

2.2. ICT Reliability Plan shall mean the regional reliability plan for the ICT Reliability Area, as developed by the ICT in consultation with the Transmission Provider and approved by NERC.

2.3. NERC EEA Procedures shall mean the Energy Emergency Alert (EEA) Procedures adopted by NERC as Standard EOP-002-0 or its successor

2.4. NERC Standards shall mean the most current Reliability Standards as adopted by NERC and any supplements to such standards as adopted by SERC. NERC Standards shall include any successor standards or SERC supplements adopted by NERC as the

Electric Reliability Organization (ERO) or SERC as a Regional Reliability Organization (RRO). The NERC EEA and TLR Procedures are two examples of NERC Standards.

2.5. NERC TLR Procedures shall mean the Transmission Loading Relief procedures adopted by NERC as Standard IRO-006-1 or its successor.

3. Overview of Responsibilities and Authorities The general division of responsibility and authority between the ICT Reliability Coordinator and the Transmission Provider shall comply with NERC Standard IRO-001-0 or its successor and Section 3 of this protocol. The specific division of responsibilities and authorities with respect to Operations Planning, Current-Day Operations, and Emergency Operations shall also comply with the applicable NERC Standards and are described in Sections 4-6 of this protocol.

3.1. ICT Reliability Coordinator

3.1.1. The ICT will serve as the Reliability Coordinator for the ICT Reliability Area and will be responsible for bulk transmission reliability for the ICT Reliability Area. The ICT will perform all functions identified for Reliability Coordinators consistent with the NERC Standards, the ICT Reliability Plan and this protocol. The ICT will execute coordination agreements and share data with adjacent Reliability Coordinators as necessary to support Reliability Coordinator functions under NERC Standards.

3.1.2. The ICT shall have clear decision-making authority to act and direct actions to be taken by the entities in the ICT Reliability Area to preserve the integrity and reliability of the Bulk Electric System. The ICT may direct these entities to redispatch generation, reconfigure transmission, modify transmission maintenance and outage schedules, or reduce load to mitigate critical conditions to return the system to a reliable state. The ICT may utilize all resources, as appropriate, to address potential or actual violations of NERC's Interconnected Reliability Operating Limits (IROL), System Operating Limits (SOL), Control Performance Standards (CPS), and Disturbance Control Standards (DCS), as defined in the NERC Standards. The ICT will have sole authority to implement the NERC TLR and EEA Procedures.

3.2. Transmission Provider

3.2.1. The Transmission Provider will serve as the Balancing Area Authority, Transmission Owner and Transmission Operator for the Entergy Transmission System and, subject to the authority of the ICT, will be responsible for bulk transmission reliability for the Entergy Transmission System. The

Transmission Provider will perform all functions identified for Balancing Area Authorities and Transmission Operators as set forth in the NERC Standards, including receiving, confirming and implementing Interchange Schedules and other transmission service schedules, subject to the ICT's authority to direct changes to such schedules. In accordance with Section 6 of Attachment S, the Transmission Provider will provide the ICT with any data or information the ICT deems necessary to perform the Reliability Coordinator functions identified in this protocol and the NERC Standards.

3.2.2. The Transmission Provider will have authority to address emergency situations and reliability problems with respect to the Entergy Transmission System, through its roles as Balancing Authority, Transmission Operator, and Transmission Provider under the Tariff. The Transmission Provider will coordinate any reliability-related actions with the ICT in the first instance; provided, however, that nothing in this protocol prevents the Transmission Provider from taking action immediately necessary to protect reliability of the Entergy Transmission System in situations where there is insufficient time to coordinate with the ICT or for the ICT to act itself. The Transmission Provider's authority under such circumstances will be limited to taking actions that involve generation and transmission facilities that fall within the Transmission Provider's authority under this Tariff, including the dispatch of Network Resources, or other applicable agreements or tariffs or the NERC Standards.

3.3. Obligation to Comply with ICT Reliability Coordinator Directives The Transmission Provider and all Transmission Operators, Balancing Authorities, Generator Operators, Transmission Service Providers, Load-Serving Entities, and Purchasing and Selling Entities in the ICT Reliability Area shall comply with the ICT's Reliability Coordinator directives, unless such actions would violate safety, equipment, or regulatory or statutory requirements. Under these circumstances, the non-complying entity shall immediately inform the ICT of the inability to perform the directive so that the ICT may implement alternative remedial actions.

4. Operations Planning

4.1. ICT Duties and Responsibilities The ICT's responsibility with respect to Operations Planning shall include the following:

4.1.1. Perform next-day reliability analyses to identify potential IROL and SOL violations and analyze expected peak system conditions including thermal, voltage and stability related analyses;

4.1.2. Communicate and coordinate results of next-day reliability analyses with the Transmission Provider and other Reliability Coordinators as necessary and post any required notices of potential IROL violations on the Reliability Coordinator Information System (RCIS);

4.1.3. Develop and coordinate mitigation plans with the Transmission Provider and other Reliability Coordinators as necessary where potential IROL and SOL violations are identified in the next-day analyses;

4.1.4. Resolve any differences between operating limits derived by the ICT and limits derived by the Transmission Provider or other Reliability Coordinators by operating to the most conservative limit or the limit agreed to by the affected entities, until the reasons for the difference can be identified and evaluated by the ICT;

4.1.5. Require that the Transmission Provider and all other entities in the ICT Reliability Area take action on a day-ahead basis (such as outage schedule modifications) as necessary to preserve the integrity and reliability of the Bulk Electric System;

4.1.6. Coordinate any day-ahead actions, including actions specified in Section 3.1.2, with the Transmission Provider and any affected Reliability Coordinators, Transmission Operators and Balancing Authorities; and

4.1.7. Review and evaluate transmission facility maintenance and outage schedules submitted by the Transmission Provider and other Transmission Operators in the ICT Reliability Area, modify such schedules to the extent inconsistent with NERC Standards, and coordinate such schedules with adjacent Reliability Coordinators.

4.2. Transmission Provider Duties and Responsibilities The Transmission Provider's responsibility with respect to Operations Planning shall include the following:

4.2.1. Separate and apart from the ICT's analyses performed under Section 4.1.1, perform next-day reliability analyses to identify potential IROL and SOL violations and analyze expected peak system conditions including thermal, voltage and stability related analyses;

4.2.2. Communicate the results of the Transmission Provider's next-day reliability analyses to the ICT, including on an expedited basis where the results indicate a potential SOL or IROL violation on the Entergy Transmission System;

4.2.3. Assist the ICT in developing a mitigation plan where potential IROL and SOL violations are identified and in resolving any differences between operating limits derived by the ICT and the Transmission Provider;

4.2.4. Develop any other operating procedures necessary to address anticipated normal or contingent system conditions on the Transmission System and provide such procedures to the ICT;

4.2.5. Perform any additional next-day reliability assessments as requested by the ICT; and

4.2.6. Coordinate transmission facility outages with neighboring Transmission Operators to minimize potential impacts on the reliability of other Transmission Systems and provide the outage schedule to the ICT for final approval and coordination with adjacent Reliability Coordinators under Section 4.1.7.

5. Current-Day Operations

5.1. ICT Duties and Responsibilities The ICT's responsibility with respect to Current-Day Operations shall include the following:

5.1.1. Perform all ICT functions identified for Operations Planning that are also necessary for Current-Day Operations under NERC Standards, such as developing mitigation plans and coordinating outages;

5.1.2. Monitor a Wide Area View of the ICT Reliability Area and other Reliability Coordinators by monitoring all Bulk Electric System facilities within such areas as necessary to ensure that the ICT is aware of any potential SOL and IROL violations that could impact the ICT Reliability Area;

5.1.3. Monitor the following current-day system conditions and parameters:

5.1.3.1. all transmission facilities rated above 100 kV within the ICT Reliability Area, including monitoring of real-time flow, status information, pre-contingent and post-contingent loading, TLR Procedures and local area procedures in effect, transmission outages, and contingency events for all critical transmission facilities;

5.1.3.2. generation conditions within the ICT Reliability Area, including real and reactive reserves, real and reactive output of generators,

capacity and energy adequacy conditions, planned generation dispatch, generation outages and contingency events;

5.1.3.3. Balancing Authority parameters within the ICT Reliability Area for compliance with NERC Standards;

5.1.3.4. Interchange Transactions that wheel-through, or source or sink from, the ICT Reliability Area; and

5.1.3.5. facilities, TLR Procedures, local area procedures, and Interchange Transactions in adjacent Reliability Coordinator Areas as necessary to ensure that the ICT is aware of any potential SOL and IROL violations that could impact the ICT Reliability Area.

5.1.4. Notify the Transmission Provider and other Reliability Coordinators of potential or actual SOL or IROL violations or other significant reliability events on the Transmission System;

5.1.5. Identify the cause of potential or actual SOL, IROL, violations and develop mitigation plans with the Transmission Provider and any affected Reliability Coordinators;

5.1.6. Initiate control actions or emergency procedures to relieve the potential or actual SOL or IROL violations without delay and in no more than thirty (30) minutes, including directing entities within the ICT Reliability Area to take certain actions specified in Sections 3.1.2 and 6.1;

5.1.7. Communicate start and end times for time error corrections to all Balancing Authorities within the ICT Reliability Area and ensure that all Balancing Authorities within the ICT RA are aware of Geo-Magnetic Disturbance (GMD) forecast information;

5.1.8. Coordinate with other Reliability Coordinators, Transmission Operators, Generator Operators and Balancing Authorities as needed to mitigate potential or actual SOL, IROL, CPS and DCS violations; and

5.1.9. Participate in NERC and Regional Hotline discussions, participate in evaluation and management of broader contingency events within the Interconnection and disseminate pertinent information within the ICT Reliability Area.

5.2. Transmission Provider Duties and Responsibilities The Transmission Provider's responsibility with respect to Current-Day Operations shall include the following:

5.2.1. Perform all functions identified for the Transmission Provider under Operations Planning that are also necessary for Current-Day Operations under NERC Standards, such as assisting with mitigation plans and coordinating outages;

5.2.2. Provide the ICT with the monitoring capability to maintain a Wide Area View of the ICT Reliability Area and other Reliability Coordinators pursuant to Section 5.1.2;

5.2.3. Monitor the same current-day system conditions and parameters identified in Sections 5.1.2 and 5.1.3 above (unless otherwise specified in the Reliability Plan) to identify any potential SOL and IROL violations that could impact the Entergy Transmission System and Balancing Authority Area and assist the ICT in identifying any such violations that could impact the ICT Reliability Area; and

5.2.4. Assist the ICT in developing a mitigation plan where potential or actual IROL, SOL, CPS and DCS violations are identified for the ICT Reliability Area and communicate any expected degradation or potential failure of Special Protection Schemes.

6. Emergency Operations

6.1. ICT Duties and Responsibilities The ICT's responsibility with respect to Emergency Operations shall include the following:

6.1.1. Direct any Transmission Operator within the ICT Reliability Area to return transmission facility loadings within applicable SOLs or IROLs;

6.1.2. Implement NERC TLR Procedures, a local transmission loading relief procedure, or some combination thereof, to address a potential or actual SOL or IROL violation;

6.1.3. Direct any Balancing Authority to comply with NERC CPS and DCS requirements;

6.1.4. Implement the NERC EEA Procedures as appropriate and arrange for assistance with other Balancing Authorities and Reliability Coordinators as appropriate;

6.1.5. Direct any Balancing Authority to minimize its ACE to comply with NERC Standards, including when its ACE is contributing to a significant frequency deviation or other emergency condition;

6.1.6. Implement any other mitigation procedures as necessary to address imminent IROL, SOL, CPS or DCS violations; and

6.1.7. Coordinate all reliability-related actions and procedures, including System Restoration Plans under NERC Standard EOP-006-0 (or it successor), with the Transmission Provider, Reliability Coordinators, Transmission Operators, and Balancing Authorities as necessary.

6.2. Transmission Provider Duties and Responsibilities The Transmission Provider's responsibility with respect to Emergency Operations shall include the following:

6.2.1. Request the ICT to implement the appropriate NERC TLR Procedures or EEA Procedures as a mitigation measure for resolving potential or actual SOL or IROL violations;

6.2.2. Assist the ICT with identification of potential local area procedures to be used to respond to potential or actual SOL or IROL violations;

6.2.3. Implement local area procedures where the ICT determines that such procedures should be used in combination with or in lieu of the NERC TLR Procedures;

6.2.4. Implement the Transmission Provider's System Restoration Plan in coordination with the ICT; and

6.2.5. Take any action a Balancing Authority or Transmission Operator is allowed to take under NERC Standards, or any action the Transmission Provider is allowed to take under the Tariff, where such action is immediately necessary to protect reliability of the Entergy Transmission System and there is insufficient time to coordinate with the ICT or for the ICT to act itself.

ATTACHMENT T
RECOVERY OF NEW FACILITIES COSTS AND PLANNING REDISPATCH COSTS FOR LONG-TERM SERVICES

1. DEFINITIONS AND GENERAL CLASSIFICATION OF TRANSMISSION INVESTMENTS

1.1. Definitions

1.1.1 Base Plan Upgrades and Supplemental Upgrades Transmission upgrades are classified as: (a) Base Plan Upgrades; or (b) Supplemental Upgrades. Base Plan Upgrades are those upgrades included in the ICT's Base Plan. Supplemental Upgrades are all upgrades not included in the ICT's Base Plan.

1.1.2 Exempt Transmission Capacity As defined in Attachment V of the Tariff.

1.1.3 Financial Payment Financial Payment shall mean the dollar amount calculated pursuant to Section 4.3 and paid to a customer that is deemed to have funded a Supplemental Upgrade when a portion of that upgrade is used to subsequently grant service to another customer.

1.2. Base Plan Upgrades Base Plan Upgrades will consist of the following categories of investment:

1.2.1. Investments necessary to maintain long-term firm transmission service commitments under Long Term Firm Point-to-Point Service.

1.2.2. Investments necessary to maintain Network Integration Transmission Service commitments.

1.2.2.1. This includes investments necessary to serve forecasted load growth reliably within the Entergy Transmission System, including new Points of Delivery.

1.2.2.2. However, the Base Plan will assume that designated future Network Resources have already been physically integrated at either the NRIS or NITS level, depending on the designating customer's specification. Upgrades necessary to initially integrate a generator at either the NRIS or NITS level are covered under Supplemental Upgrades below.

1.2.3. Investments necessary to maintain the applicable level of integration of generators that have already been qualified at the NRIS or NITS level.

1.2.4. Investments required to maintain standards of safety and reliability applicable to the Entergy region. This includes investments to change-out, replace or repair

transmission facilities, where such investments are necessary to maintain firm transmission service commitments.

1.2.5. Investments required to maintain firm transmission service commitments where the ability to honor such commitments has been degraded due to events that are beyond the control of the Transmission Provider. Such events include, but are not limited to, a change in reliability standards or increased loop flow from neighboring regions.

1.3. Supplemental Upgrades

Supplemental Upgrades will consist of the following categories of investment:

1.3.1. Investments necessary to interconnect new generators to the Transmission System at the Energy Resource Interconnection Service (ERIS) level, or to increase or change the operating characteristics of an existing generator.

1.3.2. Investments necessary to qualify a generator at the NRIS level, upon the request of the generator or a Network Customer.

1.3.3. Investments required to designate a generator as a Network Resource at the NITS level, upon the request of a Network Customer.

1.3.4. Investments required to provide new or expanded Firm PTP Transmission Service.

1.3.5. Investments designed to reduce congestion within the Transmission System, meaning investments that are intended to reduce the delivered price of power for particular loads.

1.3.6. Investments designed to increase transfer capability across, out of or into the Transmission System.

1.3.7. Investments designed to serve load on the Transmission System at a higher level of reliability than is required under the standards specified in the Transmission Planning Protocol.

2. COST RECOVERY FOR UPGRADE COSTS

2.1. Base Plan Upgrades The cost of Base Plan Upgrades will be recoverable through the Transmission Provider's transmission rates, including PTP and NITS rates under the Tariff, bundled retail rates, and rates charged to grandfathered customers.

2.2. Supplemental Upgrades

2.2.1. Supplemental Upgrades for PTP Transmission Service The costs of Supplemental Upgrades that are required to grant PTP Transmission Service will be recoverable under FERC's "higher of" pricing policy. The Transmission Customer requesting the service will be charged the higher of: (i) the applicable PTP rate recoverable over the requested term of service, factoring the cost of the upgrade into the rate; or (ii) the incremental cost of the upgrade plus any financial compensation payments due to other Transmission Customers under the provisions described in Section 4.3 below. In the event that the Transmission Customer requesting the service is charged the applicable PTP rate, the Transmission Customer will not be deemed to have individually funded a Supplemental Upgrade and will not be entitled to compensation under Section 4.3 below. The cost of Supplemental Upgrades for which the customer is charged the applicable PTP rate shall be recoverable through the Transmission Provider's transmission rates, including PTP and NITS rates under the Tariff, bundled retail rates, and rates charged to grandfathered customers.

2.2.2. Supplemental Upgrades for Interconnection Service The cost of Supplemental Upgrades required to accommodate requests for ERIS or NRIS will be recovered from the Interconnection Customer. The Interconnection Customer will be charged the cost of the upgrade plus any financial compensation payments due to other customers under the provisions described in Section 4.3 below.

2.2.3. Supplemental Upgrades for NITS The cost of Supplemental Upgrades required to accommodate Network Customer service requests, including designation of new NITS Network Resources will be recovered from the requesting Network Customer. The Network Customer will be charged the cost of the upgrade plus any financial compensation payments due to other customers under the provisions described in Section 4.3 below.

2.2.4. Other Supplemental Upgrades The cost of all other Supplemental Upgrades will be recovered from the requesting customer. The requesting customer will be charged the cost of the upgrade plus any financial compensation payments due to other customers under the provisions described in Section 4.3 below.

2.3. O&M Expenses For Base Plan and Supplemental Upgrades All operating and maintenance (O&M) expenses associated with Base Plan and Supplemental Upgrades will be included in the Transmission Provider's transmission revenue requirement, including the calculation of its OATT rates and the development of its bundled retail rates and rates under appropriate grandfathered agreements. There will be no direct assignment or incremental rate treatment of these expenses.

2.4. Comparability The provisions of this Attachment T will apply to the Transmission Provider and its affiliates, including requests for transmission service on behalf of the Transmission Provider's bundled retail load, and requests for PTP Transmission Service into, out of, or across the Transmission System by the Transmission Provider's affiliates or its wholesale merchant function. Any Supplemental Upgrades that are funded by the Transmission Provider on behalf of its bundled retail load will be eligible for recovery through Entergy's bundled retail rates and will not be recovered through Entergy's Tariff rates. Recovery of the cost of Supplemental Upgrades from grandfathered agreement customers will be governed by the particular provisions of each such agreement.

3. PROCESS FOR IDENTIFYING UPGRADES

3.1. Identification of Supplemental Upgrades Supplemental Upgrades will be identified through the processes described in: (i) Sections 9 and 11 of the Transmission Planning Protocol; (ii) the PTP and NITS provisions of the Tariff and the Transmission Service Protocol; and (iii) the LGIP and LGIA provisions of Attachments N and O and the Interconnection Service Protocol.

3.2. Determination of Base Plan and Supplemental Upgrades The ICT will assess whether a proposed upgrade should be considered a Base Plan Upgrade or Supplemental Upgrade. For purposes of this Section 3.2, the ICT will consider only upgrades in the then-current Base Plan for which construction is to be initiated within the next 3 years.

3.2.1. If the ICT determines that a proposed upgrade or set of upgrades is already in the Base Plan or will completely eliminate the need for a Base Plan Upgrade, then the proposed upgrade will not be treated as a Supplemental Upgrade and the cost will be recovered under Section 2.1 above.

3.2.2. If the ICT determines that a proposed upgrade will materially decrease the cost of a Base Plan Upgrade, then the amount by which the Base Plan cost is decreased will be recovered under Section 2.1 above, and the remainder of the cost of the proposed upgrades will be recovered as a Supplemental Upgrade under Section 2.2 above.

3.2.3. If the ICT determines that a proposed upgrade represents an acceleration of a Base Plan Upgrade, then the cost of accelerating the Base Plan Upgrade will be recovered as a Supplemental Upgrade under Section 2.2 above.

3.3. Finality of ICT Determinations; Survival Rights The ICT's determinations on cost allocation of any upgrade will be final once such determination is made and any necessary contractual arrangements are accepted by FERC. If this Attachment is subsequently altered or terminated, any customer that was previously assigned the costs of a Supplemental Upgrade will continue to be responsible for those costs and will continue to receive the rights set forth in Section 4 hereof associated with such upgrade.

4. RIGHTS ASSOCIATED WITH SUPPLEMENTAL UPGRADES

4.1. Congestion Protection When a customer uses the capacity created by a Supplemental Upgrade that it funded, the customer shall not be charged congestion for its use of that capacity.

4.2. Curtailment Priority A customer who obtains transmission service by funding a Supplemental Upgrade will receive firm service, subject to the same curtailment priority as other firm service under the Tariff. NRIS or ERIS status obtained through Supplemental Upgrades does not provide transmission service. Transmission service from an NRIS resource to a designating Network Customer does not require additional Supplemental Upgrades and is firm service.

4.3. Financial Compensation for Long Term Service Sold to Other Customers

4.3.1. General Principle A customer funding a Supplemental Upgrade will receive a Financial Payment if (a) additional Long-Term PTP Transmission Service or the designation of a Long-Term Network Resource (*i.e.*, the designation of a Network Resource for a period of at least one year) or NRIS or ERIS status is subsequently granted to another customer using the facility that was created or expanded by the funding customer's Supplemental Upgrade or (b) the ICT determines that such Supplemental Upgrade is necessary to serve forecasted load growth reliably in the next calendar year. The designation of a Network Resource on a short-term basis (*i.e.*, for a period of less than one year) using a prior Supplemental Upgrade will not qualify as a "Long-Term Network Resource" under this Attachment and does not entitle the original funding party to a financial compensation payment.

4.3.1.1. The right to compensation is limited to the capacity created by the Supplemental Upgrade, as represented in the base case model of the Transmission System as developed by the ICT pursuant to the Transmission Planning Protocol, less any deductions for Financial Payments already received as specified in Sections 4.3.3.1, 4.3.3.2, and 4.3.3.3.

4.3.1.2. A customer that has funded a Supplemental Upgrade in order to qualify a generating resource at the NITS, NRIS or ERIS level will receive an equivalent financial compensation payment if that same customer obtains Long-Term PTP Transmission Service out of the generating resource and that PTP Service uses transmission capacity that was originally funded through the Supplemental Upgrade.

4.3.2. Evaluation of Requests for Long Term Service and Load Growth

4.3.2.1. All requests for new Long-Term Network Resource designation, NRIS status, or Long Term PTP service will be evaluated by the ICT during the SIS process (or during the deliverability study for NRIS requests) to determine whether the granting of such service is dependent on any Supplemental Upgrades that were

previously funded by another customer. A request will be deemed to be dependent on a prior Supplemental Upgrade if the load flow modeling of the request demonstrates that: (i) the pre-contingent or post-contingent flows associated with the request have at least a 3% TDF/OTDF respectively over the previously upgraded facility; (ii) the capacity associated with the previously funded Supplemental Upgrade is not fully utilized prior to consideration of the requested service; and (iii) the increase in flows associated with the request could not be accommodated reliably (in whole or in part) absent the previously funded Supplemental Upgrade. Previously funded Supplemental Upgrades that consist of acceleration of Base Plan Upgrades under Section 3.2.3 above will be considered in this section only during the period of the acceleration.

4.3.2.2. As part of the ICT's development of the Base Plan, the ICT will determine whether any Supplemental Upgrades that were previously funded by a customer are necessary to serve forecasted load growth reliably in the next calendar year. Load growth will be deemed to be dependent on a prior Supplemental Upgrade if the load flow modeling of the load growth demonstrates that: (i) the pre-contingent or post-contingent flows associated with the load growth have at least a 3% TDF/OTDF respectively over the previously upgraded facility; (ii) the capacity associated with the previously funded Supplemental Upgrade is not fully utilized prior to consideration of the load growth; and (iii) the increase in flows associated with the load growth could not be accommodated reliably (in whole or in part) absent the previously funded Supplemental Upgrade. Previously funded Supplemental Upgrades that consist of acceleration of Base Plan Upgrades under Section 3.2.3 above will be considered in this section only during the period of the acceleration.

4.3.3. Granting of Long Term Service Dependent on Prior Supplemental Upgrades

4.3.3.1. NRIS or Long-Term Network Resource Status If it is determined that the grant of any Long Term Network Resource designation or NRIS request is dependent on previously funded Supplemental Upgrades, then the requesting customer will be offered such service/status based on the charge further described in Section 4.3.5.2, below, as well as the funding of any additional Supplemental Upgrades that may be required. If the requesting customer confirms the service on the terms offered, then the financial compensation payment will be paid to the party(ies) previously funding the applicable Supplemental Upgrades. Thereafter, the requesting customer will be deemed to have funded the portion of the Supplemental Upgrade for which it made payments, and the original funding customer will no longer be deemed to have funded said portion.

4.3.3.2. Long-Term PTP Service If the grant of new Long-Term PTP Transmission Service is dependent on any previously funded Supplemental Upgrades, then the requesting PTP customer will be offered such service only if the customer

agrees to pay the higher of: (i) the applicable PTP rate under the Tariff; or (ii) a rate based on the sum of the cost of the annual applicable financial compensation payments further described in Section 4.3.5.3 below, and the cost of any new Supplemental Upgrades that may be required. If the requesting customer confirms the service, then the customer(s) funding the prior Supplemental Upgrades will be paid an amount based on the applicable financial compensation payments. If the requesting customer and the customer funding the prior Supplemental Upgrade are the same customer, then the customer will pay an amount equal to the charge for the new PTP Transmission Service, minus the amount due to it as a financial compensation payment. The balance of the revenues collected by the Transmission Provider from the requesting PTP customer will be accounted for as follows:

4.3.3.2.1. If the requesting customer is paying the applicable PTP rate under the Tariff, the balance of the PTP revenues from that customer (net of financial compensation paid to the customer who upgraded the facility) will be treated as Long-Term PTP revenues.

4.3.3.2.2. If the requesting customer is paying a rate based on the sum of the applicable financial compensation payments, plus the cost of required new Supplemental Upgrades (if any), then the balance of the PTP revenues from that customer (net of financial compensation paid to the customer who upgraded the facility) shall be retained by the Transmission Provider as compensation for the additional Supplemental Upgrades. Thereafter, the requesting customer will be deemed to have funded the portion of the Supplemental Upgrade for which it made the financial payment, and the original funding customer will no longer be deemed to have funded said portion.

4.3.4. Treatment of Load Growth If it is determined by the ICT that a previously funded Supplemental Upgrade is necessary to serve forecasted load growth reliably in the next calendar year, then the financial compensation payment described in Section 4.3.5.4 will be paid to the party(ies) previously funding the Supplemental Upgrade. Such payments will be considered payments for Base Plan Upgrades, and will be recoverable through the Transmission Provider's transmission rates, including PTP and NITS rates under the Tariff, bundled retail rates, and rates charged to grandfathered customers. Thereafter, the original funding customer will no longer be deemed to have funded the portion of the Supplemental Upgrade for which it received payments under this Section.

4.3.5. Rate For Long Term Service and Load Growth Dependent on Previously Funded Supplemental Upgrades

4.3.5.1. Unit Rate For each previously funded Supplemental Upgrade described in Section 4.3.1 above, the $/MW unit rate for purposes of financial compensation shall be calculated as the funded cost of the Supplemental

Upgrade (plus any applicable tax gross-ups) divided by the MW of capacity created by the Supplemental Upgrade on the upgraded element, where such MW of capacity is determined by the ICT. Such unit rate will escalate at the rate of inflation for each of the first five years after the Supplemental Upgrade is placed in service, and not escalate further after the sixth year of service.

4.3.5.2. Charge for Service for Long-Term Network Resource or NRIS Any customer whose request for Long-Term Network Resource or NRIS status depends on a previously funded Supplemental Upgrade shall be responsible for a one-time financial compensation payment to the Transmission Provider, which the Transmission Provider will pay to the party funding the prior Supplemental Upgrade, as per section 4.3.3.1 above. The amount owed will be the product of the unit rate for that prior Supplemental Upgrade in the year that the new service request begins, times the MWs of capacity associated with the prior Supplemental Upgrade that were used to grant the new service request (as calculated by the ICT in the load flow study referenced in Section 4.3.2.)

4.3.5.3. Charge for Long Term PTP Service Any customer whose request for Long Term PTP service depends on a previously funded Supplemental Upgrade may be responsible for annual financial compensation payment to the Transmission Provider, which the Transmission Provider will pay to the customer funding the prior Supplemental Upgrade, under the "higher of" calculation in Section 2.2.1 above. The rate for such payments will be a levelized annual payment over the term of the requested PTP service, calculated to equal the product of the unit rate for the prior Supplemental Upgrade in the year that the new PTP service request begins, times the MW of capacity in the facility associated with the prior Supplemental Upgrade that was used to grant the new PTP service request (as calculated in the load flow study referenced in Section 4.3.2.)

4.3.5.4. Charge Associated with Load Growth When load growth depends on a previously funded Supplemental Upgrade, the Transmission Provider shall be responsible for a one-time financial compensation payment to the party funding the prior Supplemental Upgrade, as per section 4.3.4 above. The amount owed will be the product of the unit rate for that prior Supplemental Upgrade in the year that load growth is expected, times the MWs of capacity associated with the prior Supplemental Upgrade that will be used for the load growth (as calculated by the ICT in the load flow study referenced in Section 4.3.2). The payment due date shall be determined by the ICT, and shall be due during the calendar year of the expected load growth.

4.4. Financial Compensation for Short Term PTP Service Sold to Other Customers

4.4.1. General Principle A customer funding a Supplemental Upgrade will receive a Financial Payment if additional Short-Term PTP Transmission Service is subsequently granted to another customer using the facility that was created or

expanded by the funding customer's Supplemental Upgrade. The designation of a Network Resource on a short-term basis (*i.e.*, for a period of less than one year) using a prior Supplemental Upgrade does not entitle the original funding party to a financial compensation payment under this Section 4.4.

4.4.1.1. The right to compensation is limited to the capacity created by the Supplemental Upgrade, as represented in the base case model of the Transmission System developed by the ICT pursuant to the Transmission Planning Protocol and as adjusted in accordance with Section 4.4.1.2.

4.4.1.2. To calculate the capacity of a transmission upgrade for which a funding customer is entitled to financial compensation under this Section 4.4, the capacity of the upgrade determined in accordance with Section 4.4.1.1 shall be reduced in accordance with this Section 4.4.1.2. First, the capacity of the upgrade determined in accordance with Section 4.4.1.1 shall be reduced based on the ratio of (a) the dollar amount of the transmission credits received by the customer associated with the transmission upgrade (excluding any interest included in such credits) to (b) the dollar amount of the costs of the transmission upgrade initially funded by the customer. The amount of transmission capacity then shall be reduced, not below zero, to reflect any Financial Payments already received as specified in Sections 4.3.

4.4.2. Evaluation of Short Term PTP Service Confirmed Through the AFC Process All new Short Term PTP service confirmed through the AFC process will be evaluated by the ICT to determine whether the granting of such service was dependent on any Supplemental Upgrades that were previously funded by another customer. A request will be deemed to be dependent on a prior Supplemental Upgrade if the load flow modeling of the request demonstrates that: (i) the pre-contingent or post-contingent flows associated with the service have at least a 3% TDF/OTDF respectively over the previously upgraded facility; (ii) the capacity associated with the previously funded Supplemental Upgrade is not fully utilized prior to consideration of the requested service; and (iii) the increase in flows associated with the request could not be accommodated reliably (in whole or in part) absent the previously funded Supplemental Upgrade.

4.4.3. The evaluation under Section 4.4.2 shall be based on the AFC load flow model and response factors calculated using that model at the time of the service request.

4.4.3.1. Previously funded Supplemental Upgrades that consist of acceleration of Base Plan Upgrades under Section 3.2.3 above will be considered in Section 4.4.2 only during the period of the acceleration.

4.4.4. Evaluation of Service Confirmed Through the WPP All new Short Term PTP service confirmed through the WPP process will be evaluated by the ICT to determine whether the granting of such service was dependent on any Supplemental Upgrades that were previously funded by another customer. Such service will be deemed to be dependent on a prior Supplemental Upgrade if load flow modeling demonstrates that: (i) the pre-contingent or post-contingent flows associated with the service have at least a 3% TDF/OTDF respectively over the previously upgraded facility; (ii) the capacity associated with the previously funded Supplemental Upgrade is not fully utilized prior to consideration of the requested service; and (iii) the increase in flows associated with all new transmission service confirmed through the WPP (Point-to-Point Service and Network Resource designations) for the applicable WPP Operating Week could not be accommodated reliably (in whole or in part) absent the previously funded Supplemental Upgrade.

4.4.4.1. The evaluation under Section 4.4.3 shall be based on the applicable load flow model and response factors after the WPP optimization process is completed and transmission service granted for the applicable WPP Operating Week.

4.4.4.2. Previously funded Supplemental Upgrades that consist of acceleration of Base Plan Upgrades under Section 3.2.3 above will be considered in Section 4.4.3 only during the period of the acceleration.

4.4.5. Granting of Short Term PTP Service Dependent on Prior Supplemental Upgrades Requests for Short Term PTP Service will be granted or denied in accordance with the AFC process or Attachment V, as applicable.

4.4.6. Rate For Short Term PTP Service Dependent on Previously Funded Supplemental Upgrades The rate for Short Term PTP Service dependent on previously funded Supplemental Upgrades will be determined in accordance with Schedule 7, Schedule 8, or Attachment V of the OATT, as applicable.

4.4.7. Allocation of Revenues Collected by the Transmission Provider Associated With Short Term PTP Service Confirmed Through the AFC Process and That is Dependent on Previously Funded Supplemental Upgrades

4.4.7.1. When the ICT determines in accordance with Section 4.4.2 that a confirmed Short Term PTP service depends on a previously funded Supplemental Upgrade, the Transmission Provider shall pay to the party funding the prior Supplemental Upgrade an amount equal to (a) the revenues received by the

Transmission Provider for the Short Term PTP service times (b) the ratio of (i) the MWs of capacity associated with the prior Supplemental Upgrade that were used, at the expected system peak hour during the term of the service, to grant the new Short Term PTP service (as calculated by the ICT in the load flow study referenced in Section 4.4.2.1 and subject to Section 4.4.1.1) to (ii) the capacity (MWs) of the Short Term PTP service.

4.4.7.2. If the total payments calculated under Section 4.4.6.1 associated with a Short Term PTP service exceed the revenues received by the Transmission Provider for that service, the payment to each party shall by reduced *pro rata* by multiplying the payment to the party calculated in accordance with Section 4.4.6.1 for the Short Term PTP service times the ratio of (a) the revenues received by the Transmission Provider for the Short Term PTP service to (b) the total payments calculated under Section 4.4.6.1 associated with the service.

4.4.8. Allocation of Revenues Collected by the Transmission Provider Associated With Short Term PTP Service Confirmed Through the WPP and That is Dependent on Previously Funded Supplemental Upgrades

4.4.8.1. When the ICT determines in accordance with Section 4.4.3 that a confirmed Short Term PTP service depends on a previously funded Supplemental Upgrade, the Transmission Provider shall pay to the party funding the prior Supplemental Upgrade an amount equal to:

$$A * \frac{B * \frac{C}{D}}{E}, \text{ where}$$

A = the revenues received by the Transmission Provider for the applicable Short Term PTP service, calculated in accordance with Section 4.4.7.2,

B = the MWs of capacity associated with the applicable flowgate that were used, at the expected system peak hour during the term of the service, to grant the new Short Term PTP service (as calculated by the ICT in the load flow study referenced in Section 4.4.3.1),

C = the MWs of capacity associated with the applicable Supplemental Upgrade that were used, at the expected system peak hour during the term of the service, to grant all new transmission service (Point-to-Point Service and Network Resource designations) confirmed through the WPP (as calculated by the ICT using the load flow study referenced in Section 4.4.3.1 and subject to Section 4.4.1.1),

D = the MWs of capacity associated with the applicable flowgate that were used, at the expected system peak hour during the term of the service, to grant all new transmission service (Point-to-Point Service and Network Resource designations) confirmed through the WPP (as calculated by the ICT using the load flow study referenced in Section 4.4.3.1),

E = the capacity (MWs) of the Short Term PTP service.

4.4.8.2. The revenues received by the Transmission Provider for Short Term PTP service granted through the WPP shall, for purposes of this Section 4.4.7, be calculated as follows:

4.4.8.2.1. When under Section 8.3 of Attachment V the charge for the Short Term PTP service is equal to the redispatch costs allocated to the service, the revenues received by the Transmission Provider shall be considered zero.

4.4.8.2.2. When under Section 8.3 of Attachment V the charge for the Short Term PTP service is equal to the charge for daily or weekly firm PTP service pursuant to Section 25.1 of the Tariff, the revenues received by the Transmission Provider shall be considered equal to the difference between (a) the charge for daily or weekly firm PTP service, as applicable, pursuant to Section 25.1 of the Tariff and (b) the redispatch costs allocated to the service in accordance with Attachment V.

4.4.8.3. If the total payments calculated under Section 4.4.7.1 associated with a Short Term PTP service exceed the revenues received by the Transmission Provider for that service as calculated under Section 4.4.7.2, the payment to each party shall by reduced *pro rata* by multiplying the payment to the party calculated in accordance with Section 4.4.7.1 for the Short Term PTP service times the ratio of (a) the revenues received by the Transmission Provider for the Short Term PTP service as calculated under Section 4.4.7.2 to (b) the total payments calculated under Section 4.4.7.1 associated with the service.

4.5. Preservation of Rights if the ICT Ceases to Function In the event the ICT ceases to function, a customer that funds a Supplemental Upgrade shall maintain the same (a) protections against congestion, (b) curtailment priorities, and (c) rights to financial payments, as those provided in this Section 4. To preserve such rights, Entergy shall:

4.5.1. take all steps reasonably necessary to implement, within six months of the date that the ICT Agreement terminates, a replacement entity to apply congestion hedges and financial rights;

4.5.2. pursuant to the terms of the ICT Agreement, request that the ICT continue to apply congestion hedges and financial rights until a replacement entity is implemented; and

4.5.3. in the event a replacement entity is not put into effect before the Transition Assistance Period under the ICT Agreement ends, negotiate in good faith for the ICT to continue to apply congestion hedges and financial rights under substantially the same terms and conditions as those provided under the ICT Agreement and until such time as a replacement entity is installed.

5. TREATMENT OF PREVIOUSLY INCURRED INTERCONNECTION COSTS

5.1. General Approach The ICT will conduct a one-time analysis of prior interconnection costs on the Transmission System, for purposes of determining the correct cost allocation for such investments. This analysis will be conducted after the ICT completes its first summer Base Case Model for the Transmission System as described in the Transmission Planning Protocol. The analysis will cover all interconnection-related facilities constructed by Entergy over the period from January 1, 1997 through the effective date of this Attachment, excluding facilities the cost of which has already been fully credited back to the interconnecting generator. The ICT will conduct an independent review of each such facility and make an independent determination of whether the upgrade is properly classified as a Base Plan or Supplemental Upgrade, using the procedure outlined in this section. The ICT's findings will be used to determine the prospective cost allocation of such investments.

5.2. Classification of Interconnection Facilities Interconnection-related facilities fall into one of three categories: (i) direct interconnection facilities, which are facilities necessary to interconnect the generator to the grid and as further specified in Section 5.2.1; (ii) required upgrade facilities, which are facilities required to maintain system reliability while accommodating the interconnection of the generator; and (iii) optional upgrade facilities, which are facilities that the generator elected to fund to alleviate congestion and thereby increase its output. The ICT shall determine the classification of a particular facility as direct interconnection, required upgrade or optional upgrade. Where an interconnection customer funded multiple upgrades, for purposes of determining whether a facility has been fully credited, credits received will be attributed first to optional upgrades, then to required upgrades, then to direct interconnection facilities.

5.2.1. Direct Interconnection Facilities

5.2.1.1. For direct interconnection facilities, the ICT will determine, based on the current transmission system configuration, whether the interconnection facility is: (a) a green-field facility, meaning a substation, line or other facility that connects the generator to the Entergy transmission system, was constructed at the time of the generator interconnection, and does not connect to any distribution circuits or load-serving facilities; (b) a green-field facility that connects the interconnecting generator and connects to distribution

circuits or load-serving facilities; (c) an existing facility that was expanded in its pre-existing configuration to accommodate the interconnecting generator with (i) no additional nodal capacity or (ii) additional nodal capacity; or (d) an existing facility that was reconfigured as part of an expansion to accommodate the interconnecting generator.

5.2.1.2. All direct interconnection facilities determined by the ICT to be in category (a) or (c)(i) above will be deemed by the ICT not to be needed in order for the Entergy Transmission System to meet applicable reliability standards as specified in the Transmission Planning Protocol, and therefore classified as Supplemental Upgrades. For facilities that the ICT determines are in categories (b), (c) (ii) or (d) above, the ICT will perform a further analysis to determine whether the facilities are properly classified as Base Plan or Supplemental Upgrades. This analysis is described below in Section 5.3.

5.2.2. Required Upgrade Facilities For required network upgrades, the ICT will review the current transmission system configuration to determine: (a) whether the upgrade would be required for short circuit and/or stability protection, absent the interconnecting generator; or (b) whether the upgrade would be required for additional current capability, absent the interconnecting generator. To the extent the ICT can determine that the facility would not be required for such purposes absent the interconnecting generator, the facility will be classified by the ICT to be a Supplemental Upgrade. To the extent the ICT cannot make such a determination using the procedures under this Section 5.2.2, it will perform a further analysis as described below in Section 5.3.

5.2.3. Optional Upgrade Facilities For all optional upgrades, the ICT will perform the analysis described in Section 5.3.

5.3. Analysis of Reliability Impact of Prior Investments To the extent the ICT needs to perform further analysis to determine whether an upgrade is properly classified as a Base Plan or Supplemental Upgrade, it will do so by determining whether the upgrade is currently required in order for the Transmission System to meet applicable planning and reliability criteria as specified in the Transmission Planning Protocol. It will make such determination by reference to the most recent Base Case Model that it prepares for the Transmission System in accordance with the Transmission Planning Protocol. Using that Base Case Model of the Transmission System, it will determine whether applicable planning and reliability criteria could be met in the absence of the upgrade in question. To the extent that it determines that applicable planning and reliability criteria could be met in the absence of the upgrade in question, it will classify that upgrade as a Supplemental Upgrade. To the extent that it determines that applicable planning and reliability criteria could not be met in the absence of the upgrade in question, it will classify that upgrade as a Base Plan Upgrade.

5.3.1. Queue Order The ICT will identify each upgrade for which the cost of the upgrade has not been fully credited back to the interconnecting generator. The ICT will

determine the queue order of the upgrades based on the effective date of the applicable IOA. To the extent that facilities have the same IOA effective date, the queue order will be determined based on the in-service date of the upgrade.

5.3.2. Removal of Upgrades from Base Case Model The ICT will remove all upgrades identified in Section 5.3.1 from the specified Base Case Model and determine whether there were any overloads on the Transmission System that were not present in the specified Base Case Model or that were more severe than the specified Base Case Model. If there are no overloads that are created or made more severe by the removal of the identified upgrades, then no further analysis will be performed, and none of the identified upgrades will be deemed to have been needed for reliable service on the Transmission System, and thus none will be deemed to be properly classified as Base Plan. If there are new or more severe overloads that appear upon the removal of the identified upgrades, then the ICT will proceed to step 5.3.3.

5.3.3. Return to Base Case Model Individually in Queue Order The ICT will put each upgrade identified in 5.3.1 back into the system configuration in the base case model, individually in queue order. For each identified upgrade, the ICT will determine whether returning the upgrade to the system configuration in the base case model results in a material reduction of base case overloads. The ICT will be responsible for the determination of materiality. If the ICT finds that returning the upgrade to the system configuration results in a material reduction in base case overloads in this analysis, then the ICT will deem the upgrade to be needed for reliable service and thus properly classified as Base Plan. If the ICT finds that returning the upgrade to the system configuration does not result in a material reduction in base case overloads in this analysis, then the ICT will deem the upgrade to not be needed for reliable service, and thus properly classified as Supplemental. Once an upgrade has been evaluated under the methodology outlined in this section, it will stay in the system configuration for purposes of evaluating the next upgrade in the queue order.

5.4. Evaluation of Other Prior Investments In addition to the investments identified in Section 5.1, the ICT may evaluate other prior investments on the Transmission System made during the same time frame as those considered in Section 5.1 to determine if they are properly classified as Base Plan or Supplemental Upgrades, including upgrades constructed to serve Native Load customers.

5.5. Cost allocation After the ICT determines whether an upgrade should be classified as Supplemental or Base Plan, the ICT will so inform the customer funding the upgrade and the Transmission Provider. The Transmission Provider will file with the FERC any necessary amendments to the applicable IOA to implement the ICT's cost allocation determination, seeking cessation of outstanding credits or reimbursement of the customer for any uncredited balance, as applicable. Any payment obligations and terminations of credits under this Section 5.5 will become effective on the date the FERC allows such amendments to go into effect, provided that such effective date shall not be prior to the implementation date of the software necessary to provide compensation for Short-Term

PTP Transmission Service in accordance with Section 4.4 of this Attachment T. Upon such effective date, any amounts reimbursed to customers for upgrades determined to be Base Plan will be eligible for inclusion in the Transmission Provider's retail and wholesale transmission rates.

5.6. Stakeholder Participation The ICT will develop appropriate procedures for consulting with individual generation owners during this process, to ensure that the ICT has the benefit of the generator's view of its interconnection upgrades and cost assignments, and to ensure that the generator understands the analytical process undertaken by the ICT with respect to that generator's upgrades.

6. PLANNING REDISPATCH

6.1. Charges for planning redispatch provided in accordance with Attachment D of the Tariff shall be calculated in accordance with this Section 6.

6.2. A long-term firm PTP Customer will have the option of paying (a) the higher of (i) actual incremental costs of redispatch or (ii) the applicable embedded cost transmission charge on file with the Commission or (b) a fixed charge for redispatch to be negotiated by the Transmission Provider and the Transmission Customer and subject to a cap representing the total fixed and variable costs of the resources expected to provide the service. Such election shall be made at the time the PTP Customer enters into a Service Agreement or requests the filing of an unexecuted Service Agreement, and shall apply during the entire term of the service.

6.3. If the PTP Customer selects a fixed charge for redispatch, (a) to the extent that the overload necessitating the redispatch existed in the Base Case Model before the proposed transfer was simulated and was only exacerbated by the transfer, the Customer shall be responsible for redispatch costs sufficient to mitigate the incremental portion of the overload attributable to the proposed transfer and (b) such charge shall be renegotiated by the Transmission Provider and the Transmission Customer at the time any reassessments are performed in accordance with Attachment D of the Tariff, provided that the rate shall be subject to a cap representing the total fixed and variable costs of the resources expected to provide the service.

6.4. If the PTP Customer selects the higher of incremental cost or the embedded-cost charge, the Transmission Provider shall calculate the costs of redispatch monthly and charge the higher of redispatch or the embedded cost charge each month. The monthly cost of planning redispatch shall equal:

$$\sum_{i=1}^{m}\sum_{j=1}^{n} A_i * (B_{ij} - C_{ij}), where$$

A_i = The Redispatch Rate ($/MWh) applicable to hour *i*, as calculated under Attachment V and as adjusted for actual gas prices in accordance with Section 8.5 of Attachment V.

i = The hour within the month.

m = The hours within the month during which the applicable service was provided.

j = The applicable flowgate in hour *i*.

n = The number of constrained flowgates identified in Run 2 under Attachment V for hour *i*.

B_{ij} = The amount of flows of the PTP Service (pre- or post-contingent, as appropriate) on constrained facility *j* for hour *i* of the month, based on the service actually scheduled and using the shift factors calculated in Run 2 under Attachment V applicable for hour *i*.

C_{ij} = The Customer's hedged use of the constrained facility, which is equal to the lesser of (a) the Customer's Exempt Transmission Capacity for constrained facility *j* in hour *i* calculated in accordance with Attachment V or (b) the amount of the flows (pre- or post-contingent, as appropriate) on constrained facility *j* in hour *i*. Exempt Transmission Capacity used as a congestion hedge under Attachment V shall be excluded from C_{ij} under this Section 6.4.

In any hour *i*, for any facility *j*, B_{ij}-C_{ij} not to be less than zero.

6.5. Payments for redispatch under this Section 6, which shall be made to the Entergy Operating Companies, shall be considered reimbursements for fuel or purchased power expenses.

Attachment U – Generator Integration

1. Integration of Generating Resources

New and existing generating resources interconnected to the Entergy transmission system are eligible, subject to transmission upgrades if required, for three levels of integration:

1.1. Energy Resource Interconnection Service (ERIS)

ERIS is the minimum level of integration that can be requested by an Interconnection Customer. ERIS status allows the generator to use the transmission system on a short-term basis either subject to existing transmission capacity (GOLs/AFCs), or on a non-firm basis, or through submission of offers in the WPP.

1.2. Network Resource Interconnection Service (NRIS)

NRIS-level integration can be requested for any generating resource interconnected on the Entergy system. Qualification as an NRIS resource will be subject to the deliverability test described in Protocol N-1. Generating resources that have been qualified as NRIS resources can be designated as a Network Resource by any Network Customer. A Network Customer that designates an NRIS resource as a Network Resource can be served from that resource on a firm basis without further study, subject to payment of redispatch costs. As such, NRIS is a higher form of service than that offered under ERIS.

1.3. Network Integration Transmission Service (NITS)

NITS Network Resource status is Network Customer specific. Once a resource has been qualified as a NITS resource, the Network Customer can serve its load from the NITS Network Resource without payment of congestion or redispatch costs (except for the Network Customer's pro-rata share of any reliability redispatch costs.) A request to integrate a generating resource as a NITS Network Resource can be requested only by the Network Customer.

1.3.1 Qualification as a Long Term NITS Resource

Designation of a long-term NITS Network Resource requires a long-term system impact study, regardless of whether the resource has been previously qualified as an NRIS-level resource.

1.3.2 Qualification as a Short-Term NITS Resource

Network Customers designating NRIS-level Network Resources can reserve transmission capacity for such resources on a short-term basis, from the resource to the Network Load, through the AFCs/GOL process. NRIS Network Resources with reserved capacity will be considered

temporary NITS Network Resources for the term of their capacity reservation and thus not subject to redispatch costs during that period.

1.4. Cost Responsibility for Integration of Resources

Transmission upgrades for qualifying generating resources at the ERIS, NRIS or NITS level will be subject to the transmission pricing provisions of Attachment T.

2. Provisions for NRIS Resources

2.1. Planning

Entergy will maintain the deliverability of NRIS resources in aggregate in the transmission planning process. However, it will not be required to maintain the ability of a particular NRIS resource to deliver to a particular Network Customer without redispatch of other resources on the Transmission System.

2.2. Portability

NRIS status will be "portable" to any Network Customer connected to the Entergy transmission system, meaning any qualified NRIS resource can be designated as a Network Resource by any such Network Customer. No transmission upgrades will be required for such a designation. However, NRIS designation does not confer transmission service to serve a specific load. Scheduling of energy from the NRIS resource on the Transmission System may require redispatch of other resources, with the cost borne by the scheduling entity.

2.3. Charges for Redispatch

Redispatch charges for Network Customers scheduling from NRIS Network Resources will be calculated through the Weekly Procurement Process, as described in Attachment V. However, Network Customers that have obtained temporary NITS status for an NRIS Network Resource through reservation of transmission capacity in the AFC/GOL process will not be subject to redispatch charges except for reliability redispatch costs.

Attachment V

Weekly Procurement Process

1.0 General

1.1 Effective Date and Term

1.1.1 This Attachment shall take effect on such date determined by the ICT and Weekly Operations, but in no event prior to the completion of successful simulation trials.

1.1.2 This Attachment shall terminate on the date Attachment S terminates. The effectiveness of this Attachment may be extended beyond this initial term by order of the FERC.

1.2 Definitions

1.2.1 Conditional Network Resource: A WPP Participant's Network Resource, as existed prior to the applicable WPP optimization, that has been designated by that WPP Participant in accordance with Section 10 of this Attachment V and service for which shall be available during the WPP Operating Week in accordance with Section 10.

1.2.2 CPT: Central Prevailing Time.

1.2.3 EMO: Entergy's Energy Management Organization.

1.2.4 Exempt Transmission Capacity: Transmission capacity associated with upgraded transmission facilities, transmission service over which is exempt from congestion charges in accordance with this Attachment V.

1.2.5 Exempt WPP Capacity: The amount of a WPP Participant's resources (MW), the use of which is exempt from congestion charges in accordance with this Attachment V.

1.2.6 Non-Exempt Capacity Ratio: As calculated in accordance with Section 8.4.3.1.

1.2.7 Participating Network Customer: A Network Customer who wishes to purchase through the WPP alternative resources to displace its existing Network Resources.

1.2.8 Redispatch Rate: The rate for redispatch that will apply during the WPP Operating Week, calculated in accordance with Section 8.2.

1.2.9 Weekly Operations: The entity within the Transmission Provider that shall administer the WPP.

1.2.10 Weekly Procurement Process or WPP: The weekly bid-based optimization process conducted in accordance with the terms and conditions of this Attachment V.

1.2.11 WPP Implementation Error: A flaw in the design or implementation of the WPP, including software errors and any violations of transmission constraints due to modeling errors or known operating limitations not included in the optimization model, resulting in changes in the results of the WPP or changes in payment obligations that do not accurately reflect the application of this Attachment V.

1.2.12 WPP Operating Week: The 168 consecutive hours during which the results of the applicable WPP optimization apply.

1.2.13 WPP Participant: EMO or a Participating Network Customer, provided that such party satisfies the requirements of Section 5.1.1.

1.3 General Requirements

1.3.1 The Transmission Provider will conduct the WPP to facilitate the further integration of merchant generation and other wholesale suppliers into the mix of resources EMO uses to meet the requirements of the native load customers of the Entergy Operating Companies. The WPP also will be available to Participating Network Customers and to provide an additional mechanism for granting and pricing short-term firm transmission service through redispatch of resources that are made available in the WPP.

1.3.2 The WPP will be operated by Weekly Operations under the oversight of the ICT. Weekly Operations will provide the results of the WPP to the ICT as requests for Point-to-Point Transmission Service and for the designation of new Network Resources under the Tariff.

1.3.3 Suppliers may offer a wide range of services in the WPP. Each offer from a supplier must be independent from other offers; a supplier's offer may not be contingent on acceptance or rejection of a separate offer.

1.3.4 Weekly Operations shall use the offers from merchant generators and other wholesale suppliers, and the cost information of owned or previously contracted resources submitted by WPP Participants, to develop proposed production schedules that are expected to minimize the production costs associated with meeting the requirements of the WPP Participants' Network Loads and to provide Point-to-Point Transmission Service through redispatch, subject to the terms and limitations of this Attachment V.

1.3.5 The ICT shall be responsible for granting new Transmission Service and approving the designation of new Network Resources. The granting of Transmission Service and new Network Resources shall be based on the outcome of the optimization runs and shall not be limited by the prior availability of AFCs.

1.3.6 The WPP Participant must enter into applicable contractual arrangements or an applicable enabling agreement with a supplier prior to submitting an offer from such supplier in the WPP.

1.3.6.1 Contractual arrangements between a WPP Participant and a supplier will be entered into directly between that WPP Participant and the supplier outside of the WPP.

1.3.6.2 The effectiveness of the contractual arrangements under Section 1.3.6.1 may be conditioned only on transmission service being granted through the WPP; no other conditions precedent may prevent the contractual arrangements in Section 1.3.6.1 from becoming effective.

1.3.6.3 The terms of such contractual arrangements shall be consistent with the terms of the WPP, including Section 3.3.2 of this Attachment V.

1.3.7 The ICT will continue to process, evaluate, and grant requests for Point-to-Point Transmission Service and the designation of new Network Resources outside of the Weekly Procurement Process in accordance with the terms of the Tariff.

1.3.7.1 Transmission service requests submitted, in compliance with reservation deadlines established by the ICT pursuant to Section 2.2, prior to the time offers and cost information are due for the WPP shall not be affected by the outcomes of the WPP, except as necessary to comply with Section 13.2 of the Tariff.

1.3.7.2 The queue time for all requests for transmission service in the WPP shall be the time the information required to be submitted under Sections 3 and 4.1.2 is due.

1.3.8 The results of the WPP will be considered confidential and will be made publicly available only in accordance with this Attachment V.

2.0 Timing of the WPP

2.1 Each WPP Operating Week will commence on Saturday at hour ending 0100 CPT.

2.2 The ICT and Weekly Operations will determine the schedule for data exchanges, submissions of offers associated with participation in and operation of the WPP, and granting of transmission service, and will post such requirements on the Transmission Provider's OASIS. The ICT, in consultation with the Transmission Provider and other interested parties, also shall establish deadlines under the Tariff that (a) will permit the ICT to refuse or accept each request for monthly or weekly Point-to-Point Transmission Service if such request (i) has a queue time prior to the time the information required to be submitted under Section 4.1.2 is due to Weekly Operations for a WPP Operating Week and (ii) is for service during any period of the WPP Operating Week, and (b) will permit Transmission Customers to confirm requests that have been accepted, in a time that will permit inclusion of such confirmed requests in the optimization runs for the WPP Operating Week.

2.3 During the first week of the second month following the applicable month the ICT shall post total energy purchased (MWh) during the applicable month and the maximum capacity (MW) purchased in an hour during that month. Only information about transactions approved or accepted in accordance with this Attachment V will be posted.

3.0 Cost Information, Load Information, and Offers from Third Parties

3.1 Cost Information

3.1.1 EMO Resources

3.1.1.1 EMO will provide cost information to Weekly Operations for the following generating resources that EMO expects to be available for scheduling during the WPP Operating Week:

3.1.1.1.1 EMO will provide cost information for its available gas and oil units, as well as the expected availability of such units for the WPP Operating Week.

3.1.1.1.2 Weekly Operations will establish a minimum generation schedule for each of EMO's available coal units at the level such unit is operating in Run 0, performed pursuant to Section 5.2.2 for the WPP Operating Week. EMO will provide cost information for the remaining portion of each unit (if any) for use in the WPP.

3.1.1.1.3 EMO will provide cost information for energy expected to be available from EMO's purchase contracts, above any must-take requirements under such contracts.

3.1.1.2 EMO will self-schedule available nuclear units at their maximum operating levels and available hydro capacity subject to its energy limits.

3.1.1.3 EMO shall submit ramp rates (MW/minute), automatic generation control ("AGC") capability, and AGC ranges applicable to its existing Network Resources for which cost data is submitted in the WPP.

3.1.1.4 If system conditions warrant, *e.g.*, in the event of projected hurricanes, EMO may self-schedule additional resources.

3.1.2 Participating Network Customer Resources

3.1.2.1 A Participating Network Customer may choose the existing Network Resources for which it will submit cost data in the WPP.

3.1.2.2 A Participating Network Customer may self-schedule (a) NRIS Network Resources from which the Participating Network Customer has purchased power and (b) its existing Network Resources to meet the requirements of the Participating Network Customer's Network Load, to the extent the Participating Network Customer expects such resource to be available for scheduling during the WPP Operating Week.

3.1.2.3 Participating Network Customers shall submit ramp rates (MW/minute), AGC capability, and AGC ranges applicable to their existing Network Resources for which cost data is submitted in the WPP.

3.1.3 Requirements for Cost Information

3.1.3.1 Subject to Section 3.1.3.2, cost data submitted by a WPP Participant for its existing Network Resources shall reflect the projected variable production costs of running the applicable resource.

3.1.3.1.1 Variable production costs shall be the costs that would be incurred if the applicable resource were committed and run during the WPP Operating Week, and that will be avoided if the resource is not run. Variable production costs generally shall include fuel (including transportation), variable O&M, and environmental allowance costs for the operation of the resource. Variable production costs shall not include fixed costs or unavoidable O&M and overhead costs of the resource.

3.1.3.1.2 Variable production costs shall be identified as associated with start-up, shut-down, or operation at outputs between the minimum and maximum generating levels of the resources.

3.1.3.2 Cost data submitted by a WPP Participant for purchase contracts shall reflect the incremental costs that would be incurred to schedule and purchase energy under such contracts.

3.1.4 Each WPP Participant shall provide to Weekly Operations information showing for each hour during the WPP Operating Week the extent to which each of the WPP Participant's NITS Network Resources and NRIS Network Resources are expected to be unavailable during the hour.

3.1.5 Self-schedules submitted by WPP Participants shall be used for the optimization under the WPP, but shall not be binding on the WPP Participants.

3.2 Loads and Operating Reserves: The forecast of hourly Network Load for each WPP Participant for the WPP Operating Week shall be developed on the same basis that forecasted hourly Network Loads are developed for use in the AFC process. Each WPP Participant shall provide Weekly Operations and the ICT with the WPP Participant's Operating Reserve obligations expected to apply during the WPP Operating Week.

3.3 Third Party Offers

3.3.1 Each supplier seeking to sell energy to a WPP Participant through the WPP shall submit an offer to such WPP Participant in accordance with any rules established by the WPP Participant and consistent with the requirements of the WPP.

3.3.1.1 Each offer from a supplier must be independent of all other offers submitted in the WPP.

3.3.1.2 A supplier may offer a resource through the WPP up to the resource's full capacity. Such offers shall not be limited by AFCs as existed prior to the scheduling deadlines of the WPP.

3.3.1.3 Unless otherwise agreed by the seller and the WPP Participant, a WPP Participant may not change the terms of a supplier offer that is submitted by the WPP Participant to Weekly Operations.

3.3.2 Each offer submitted into the WPP shall include the following information:

3.3.2.1 Heat rate, as a block or a curve over MW ranges (MMBtu/MWh);

3.3.2.2 Designation of the Henry Hub or Houston Ship Channel as the gas basis reference hub;

3.3.2.3 Gas basis adder ($/MMBtu), if applicable;

3.3.2.4 Designation of whether the fuel commodity is firm;

3.3.2.5 Designation of whether fuel transportation is firm;

3.3.2.6 Start-up costs ($/start and/or MMBtu/start), if applicable;

3.3.2.7 Minimum capacity for each hour of the WPP Operating Week (MW) once unit is committed;

3.3.2.8 Maximum capacity for each hour of the WPP Operating Week (MW);

3.3.2.9 Minimum run time for the WPP Operating Week or day of the WPP Operating Week (hours);

3.3.2.10 Minimum energy take for the WPP Operating Week or day of the WPP Operating Week (MWh);

3.3.2.11 Maximum energy take for the WPP Operating Week or day of the WPP Operating Week (MWh);

3.3.2.12 Maximum number of starts for the WPP Operating Week or day during the WPP Operating Week;

3.3.2.13 Minimum down time between starts for the WPP Operating Week (hours);

3.3.2.14 Ramp rate (MW/minute);

3.3.2.15 Scheduling notice provisions, *e.g.*, week ahead, day-ahead, hour-ahead, no-notice;

3.3.2.16 The amount of capacity subject to AGC (MW), the AGC range (MW-MW), and AGC ramp rate (MW/min);

3.3.2.17 Any request to be considered for the provision of Operating Reserves; and

3.3.2.18 Reactive capability.

3.3.3 Qualification of Third Party Offers and Contractual Requirements

3.3.3.1 Prior to submitting to Weekly Operations an offer from a third party supplier, the WPP Participant shall determine whether the supplier meets the WPP Participant's qualifications. A third party offer submitted to Weekly Operations by a WPP Participant shall be presumed to satisfy the applicable qualifications.

3.3.3.1.1 The qualifications for a supplier to sell to EMO, including security of fuel supply, shall be determined by EMO, provided that such qualifications shall not include the bid price or flexibility of the supplier.

3.3.3.1.2 The qualifications for a supplier to sell to a Participating Network Customer shall be determined by the Participating Network Customer.

3.3.3.2 A resource offered through the WPP must either be physically located within the Entergy Transmission System or have firm transmission service to the Entergy Transmission System for the period of the offer.

3.3.3.2.1 Daily transmission service to the Entergy Transmission System must be confirmed service.

3.3.3.2.2 Weekly transmission service to the Entergy Transmission System must be either confirmed service or accepted service. If the transmission service is accepted but not confirmed, the supplier or WPP Participant, as applicable, shall confirm such service to the extent transmission service for such resource is granted under Section 7 of this Attachment V.

3.4 Resource Flexibility

3.4.1 Each WPP Participant may specify the total amount of flexible resources (MW) following the close of the WPP that must be expected to be available to the WPP Participant during the WPP Operating Week to meet the requirements of its Network Load. Such quantity may be specified for peak and off-peak periods and for each day of the WPP Operating Week.

3.4.2 Flexible resources are resources that can be de-committed or dispatched down or up under the terms of the offer during the WPP Operating Week. The WPP Participant may specify the notice provisions required for its flexible resource requirement.

3.4.3 In determining the level of flexible resources it requires, EMO shall determine the amount of flexibility required to account for load following requirements, generator imbalances, third-party schedules, qualifying facility put rights, and load forecast errors, and to provide sufficient flexibility to permit EMO to make economy purchases. EMO shall make such determination based on recent operating history and expected conditions projected out to the end of the applicable WPP Operating Week.

4.0 Point-to-Point Transmission Service

4.1 Requests for Point-to-Point Transmission Service Based on Redispatch

4.1.1 A Point-to-Point Transmission Customer may request daily or weekly firm Point-to-Point Transmission Service based on redispatch for the following WPP Operating Week.

4.1.2 A Transmission Customer requesting service in accordance with this Section 4 shall include the following information in its request:

4.1.2.1 The maximum redispatch price that the requestor is willing to pay for such service for the period such service is requested.

4.1.2.1.1 Any redispatch price specified in accordance with Section 4.1.2.1 must be greater than or equal to the transmission charge under Section 25.1 of the Tariff applicable to the Transmission Service requested.

4.1.2.1.2 The ICT shall develop a cap on the redispatch price that may be specified under Section 4.1.2.1. Such cap shall be based on then-current market conditions.

4.1.2.2 A designated Point of Receipt and Point of Delivery.

4.1.2.3 A daily profile for the requested service.

4.1.3 A request for service may be made on an "all-or-none" basis. A request made on an "all-or-none" basis shall be refused if the full request for service cannot be accepted subject to the applicable cap on redispatch charges submitted pursuant to Section 4.1.2.1.

4.1.4 All requests for transmission service under this Section 4 shall be pre-confirmed.

4.2 Relinquishing Long-Term Firm Point-to-Point Transmission Service or Network Resource Status for the WPP Operating Week

4.2.1 A Transmission Customer may, by providing notice to the ICT prior to the WPP Operating Week in accordance with requirements established by the ICT, relinquish all or part of its capacity reservation for long-term firm Point-to-Point Transmission Service for the WPP Operating Week. The amount of the Transmission Customer's right to long-term firm Point-to-Point Transmission Service shall be reduced for the WPP Operating Week by the amount of the capacity reservation relinquished in accordance with this Section 4.2.1.

4.2.2 A Network Customer may, by providing notice to the ICT prior to the WPP Operating Week in accordance with requirements established by the ICT, relinquish all or part of the NITS Network Resource status of a generating facility for the WPP Operating Week.

4.2.3 A Transmission Customer that relinquishes long-term firm Point-to-Point Transmission capacity or NITS Network Resource status shall receive Exempt Transmission Capacity associated with the upgrades funded to receive that service, in accordance with Section 8.1 of this Attachment V. A party's notice to relinquish long-term firm Point-to-Point Transmission capacity or NITS Network Resource status shall not be conditional.

5.0 Optimization Process

5.1 Weekly Operations will simulate operations over the WPP Operating Week using a least-cost, security constrained unit commitment and dispatch methodology to meet the requirements of each WPP Participant's Network Load, to provide Point-to-Point Transmission Service based on redispatch, and to calculate congestions charges for Point-to-Point Transmission Service granted based on redispatch and for certain resources in accordance with the provisions of this Attachment V.

5.1.1 To participate in the WPP as a WPP Participant, EMO or a Participating Network Customer must meet the requirements of this Section 5.1.1. For each hour of the WPP Operating Week, the amount of the party's (a) existing Network Resources (*i.e.*, NITS Network Resources and NRIS Network Resources) included in the WPP by that party (MW) through the submission of cost data plus (b) offers from third party suppliers included in the WPP by that party (MW) plus (c) self-schedules (MW), must be equal to or exceed (x) that party's expected hourly load plus (y) that party's Operating Reserve requirement.

5.1.2 A resource shall not be included in the calculation under Section 5.1.1 for an hour to the extent such resource is expected to be unavailable for such hour.

5.2 Optimization Runs

5.2.1 Weekly Operations shall perform three optimizations.

5.2.2 Run 0 shall include the following as input data:

5.2.2.1 Firm Point-to-Point Transmission Service that prior to the optimization run has been confirmed and is no longer conditional, excluding any Transmission Service relinquished in accordance with Section 4.2.

5.2.2.2 For each Network Customer that is not a Participating Network Customer, its NITS Network Resources operating at base case operating levels (meaning those levels used in the calculation of available transmission capabilities). Any difference between a non-participating customer's NITS Network Resources and that customer's expected Network Load shall be modeled, consistent with base case operating levels, as being served from other uncommitted resources that are connected to the Transmission System and not otherwise included in the WPP through cost data, self-schedules, or supplier offers.

5.2.2.3 Each WPP Participant's cost data and self-schedules (but not offers submitted in accordance with Section 3.3).

5.2.3 Run 1 shall include the following as input data:

5.2.3.1 Firm Point-to-Point Transmission Service that prior to the optimization run has been confirmed and is no longer conditional, excluding any Transmission Service relinquished in accordance with Section 4.2.

5.2.3.2 For each Network Customer that is not a Participating Network Customer, its NITS Network Resources operating at base case operating levels (meaning those levels used in the calculation of available transmission capabilities). Any difference between a non-participating customer's NITS Network Resources and that customer's expected Network Load shall be modeled, consistent with base case operating levels, as being served from other uncommitted resources that are connected to the Transmission System and not otherwise included in the WPP through cost data, self-schedules, or supplier offers.

5.2.3.3 Each WPP Participant's offers, cost data, and self-schedules.

5.2.4 Run 2 shall include the following as input data:

5.2.4.1 Firm Point-to-Point Transmission Service that prior to the optimization run has been confirmed and is no longer conditional, excluding any Transmission Service relinquished in accordance with Section 4.2.

5.2.4.2 Each request for Point-to-Point Transmission Service based on redispatch.

5.2.4.3 For each Network Customer that is not a Participating Network Customer, its NITS Network Resources and NRIS Network Resources operating at expected levels. Any difference between the customer's level of NITS and NRIS Network Resources at base case operating levels and the customer's expected Network Load shall be modeled, consistent with base case operating levels, as being served from other uncommitted resources that are connected to the Transmission System and not otherwise included in the WPP through cost data, self-schedules, or supplier offers.

5.2.4.4 Each WPP Participant's offers, cost data, and self-schedules.

5.2.5 Each optimization run shall consist of a simultaneous, least-cost, security constrained unit commitment and dispatch for the WPP Operating Week.

5.2.6 In each optimization run, a WPP Participant's resources will be made available to another WPP Participant only to the extent the first WPP Participant provides an offer to supply the second WPP Participant through the second WPP Participant's offer solicitation process.

5.2.7 Each resource offered in the WPP and each resource for which cost information is provided by a WPP Participant will be evaluated using a forecasted weekly gas price for the index specified in the offer or cost data submitted for such resource. Weekly Operations shall consult with WPP Participants regarding the development of the gas price forecast.

5.2.8 For each WPP Participant, the amount of offered resources (MW) selected in the WPP in an export constrained area shall not exceed that amount (MW) that would permit the WPP Participant to satisfy the requirements of Section 10.2 of this Attachment V.

5.3 Weekly Operations shall monitor for possible WPP Implementation Errors. If a WPP Implementation Error is identified, Weekly Operations may take immediate action to remedy the WPP Implementation Error as soon as possible, including adjusting the results of the WPP to resolve any violations of transmission constraints discovered by the review under this Section 5.3.

5.3.1 Weekly Operations shall make changes in the outcomes of the WPP in a manner that reflects, as closely as reasonably practicable, outcomes that

would have resulted but for the WPP Implementation Error, and shall substitute the recalculated outcomes. Any adjustment under this Section 5.3 shall be made on a non-discriminatory basis.

5.3.2 If Weekly Operations reasonably determines that a WPP Implementation Error will require changes to one or more results of the WPP, Weekly Operations shall notify the ICT.

5.3.3 All changes in the outcomes of the WPP made in accordance with this Section 5.3 shall be made prior to Weekly Operations submitting the results of the WPP to the ICT in accordance with Section 6.

6.0 Transmission Service Requests

6.1 Weekly Operations shall provide the results of Run 2, as may be modified in accordance with Section 5.3, to the ICT as a request for transmission service for WPP Participants and Point-to-Point Transmission Service based on redispatch, and as an offer for the provision of redispatch to WPP Participants and Point-to-Point Transmission Customers, as applicable.

6.2 In no event shall service be accepted for a Point-to-Point Transmission Customer when the price cap for redispatch for such service is less than the price of redispatch to provide such service. Further, in no event shall partial service be accepted for a customer that requested such service on an "all-or-none" basis.

7.0 Granting of Transmission Service

7.1 The ICT shall be responsible for granting all requests for service through the WPP, including requests to designate new Network Resources and requests for Point-to-Point Transmission Service based on redispatch.

7.2 The ICT shall review all information provided to it in accordance with Section 6 of this Attachment V. The ICT also shall review for WPP Implementation Errors and WPP modeling.

7.2.1 The ICT shall refuse a specific request for daily Firm Point-to-Point Transmission Service made in accordance with Section 6 of this Attachment V to the extent such request would preclude the ICT from accepting a competing request for daily Firm Point-to-Point Transmission Service with a queue time prior to the time the information required to be submitted under Section 4.1.2 is due to Weekly Operations. The ICT shall refuse an entire specific request for daily Firm Point-to-Point Transmission Service made in accordance with Section 6 of this Attachment V if such request was made on an "all-or-none" basis.

7.2.2 The ICT may refuse the request to designate new Network Resources and for Point-to-Point Transmission Service based on redispatch submitted

under Section 6 of this Attachment V if the ICT determines that the request is for transmission service that is not feasible or that is the result of a WPP Implementation Error.

7.2.3 Except as provided in Section 7.2.1, the ICT shall either (a) accept all requests submitted under Section 6 for new Network Resources and for all Point-to-Point Transmission Service based on redispatch or (b) refuse all requests for service made in accordance with Section 6.

7.2.4 If the ICT disagrees with any aspect of the WPP modeling, it shall develop a proposal to remedy that aspect of the modeling and advise Weekly Operations of its finding. If the ICT and Weekly Operations do not agree on a remedy proposed by the ICT, then the procedures of Attachment S of the Tariff shall apply to address such dispute.

7.3 Point-to-Point Transmission Service granted by the ICT through redispatch in the WPP shall be Firm Point-to-Point Transmission Service. Upon approval by the ICT, a resource selected for a WPP Participant shall be designated as a Network Resource for such WPP Participant consistent with the results of the WPP.

7.4 For purposes of Section 13.2 of the Tariff, transmission service granted through the WPP shall be deemed unconditional as of the time the information required to be submitted under Sections 3 and 4.1.2 is due.

7.5 AFCs shall be re-calculated in accordance with the Tariff to reflect the results of the WPP, to reflect any amount of transmission capacity relinquished in accordance with Section 4.2, and to reflect the designation of Conditional Network Resources.

8.0 Charges for Redispatch

8.1 Exempt Transmission Capacity

8.1.1 A Transmission Customer shall in accordance with this Section 8.1 be allocated Exempt Transmission Capacity for an upgraded transmission facility paid for on an incremental basis by (a) the Transmission Customer or (b) the party selling energy to the Transmission Customer when such Exempt Transmission Capacity is allocated to the Transmission Customer by the selling party in accordance with procedures adopted by the ICT and Weekly Operations and posted on the Transmission Provider's OASIS. A selling party may transfer to a Transmission Customer Exempt Transmission Capacity associated with interconnection service for a generating facility or the designation of a generating facility as a Network Resource only if the applicable sale from the supplier to the Transmission Customer is a sale from that generating facility.

8.1.2 To the extent the applicable upgrade is an economic upgrade under the ICT Transmission Planning Protocol, was constructed as part of the

provision of NRIS interconnection service or ERIS interconnection service, or is upgrade capacity that exceeds the amount of transmission capacity required to grant the initial interconnection service or transmission service associated with the upgrade (*i.e.*, the upgrade capacity is transmission capacity for which Financial Compensation may be available under Section 4.3 of Attachment T of the Tariff), the amount of Exempt Transmission Capacity for that upgrade shall equal the amount of the upgrade capacity (MW) for each facility upgraded, provided that the applicable party shall receive Exempt Transmission Capacity for an upgraded facility for an hour only if the facility was binding in Run 2 of the WPP optimization process, provided further that the amount of Exempt Transmission Capacity shall not include the amount of the upgrade capacity for which a party is receiving Financial Compensation under Attachment T.

8.1.3 To the extent the applicable upgrade was constructed as part of the provision of long-term firm Point-to-Point Transmission Service or to designate a resource as a NITS Network Resource, and does not exceed the amount of transmission capacity required to grant the initial interconnection service or transmission service associated with the upgrade (*i.e.*, it is transmission capacity for which Financial Compensation is not available under Section 4.3 of Attachment T of the Tariff), the amount of Exempt Transmission Capacity for the upgraded facility shall equal (a) the amount of the long-term firm Point-to-Point Transmission Service or NITS Network Resource designation relinquished for the WPP Operating Week in accordance with Section 4.2 times (b) the applicable shift factor for the upgraded transmission facility of the relinquished long-term firm Point-to-Point Transmission Service or the applicable generating resource, such amount not to exceed the capacity of the applicable upgrade (excluding any of the capacity to which Section 8.1.2 applies), provided that the applicable party shall receive Exempt Transmission Capacity for an upgraded facility for an hour only if the facility was binding in Run 2 of the WPP optimization process for that hour.

8.2 Redispatch Rate

The Redispatch Rate for a WPP Operating Week shall be a per MWh charge equal to:

$$\frac{A}{\sum_{i=1}^{168}\sum_{j=1}^{n} B_{ij}}, \textit{where}$$

A = The production costs to serve WPP Participants' Network Loads in Run 2 for the WPP Operating Week minus the production costs to serve WPP Participants' Network Loads in Run 1 for that WPP Operating Week. If such difference is less than zero, A shall equal zero.

i = The hour within the WPP Operating Week.

n = The number of constrained flowgates identified in Run 2 in the hour.

B_{ij} = The total in Run 2 of:

$W_{ij}+X_{ij}-Y_{ij}-Z_{ij}$, where

W_{ij} = The amount of flows (pre- or post-contingent, as appropriate) on constrained facility *j* of Point-to-Point Transmission Service granted through the WPP for hour *i* of the WPP Operating Week (MWh), calculated based on the capacity of the Transmission Service granted.

X_{ij} = The amount of flows (pre- or post-contingent, as appropriate) on constrained facility *j* from NRIS resources that in Run 2 are serving the load of Network Customers that are not WPP Participants, in hour *i* of the WPP Operating Week (MWh).

Y_{ij} = For each Point-to-Point Transmission Customer, the customer's hedged use of the constrained facility, equal to the lesser of (a) the Point-to-Point Transmission Customer's Exempt Transmission Capacity for the constrained facility, in hour *i* of the WPP Operating Week (MWh) or (b) the amount of the Point-to-Point Transmission Customer's flows (pre- or post-contingent, as appropriate) on constrained facility *j* in hour *i* of the WPP Operating Week for Point-to-Point Transmission Service granted through the WPP (MWh), calculated based on the capacity of the Transmission Service granted.

Z_{ij} = For each Network Customer that is not a WPP Participant, the customer's hedged use of constrained facility *j*, equal to the lesser of (a) the Network Customer's Exempt Transmission Capacity for constrained facility *j* in hour *i* of the WPP Operating Week (MWh) or (b) the amount of the Network Customer's flows (pre- or post-contingent, as appropriate) on constrained facility *j* from NRIS resources that in Run 2 are serving the Network Customer's Network Load in hour *i* of the WPP Operating Week (MWh).

8.3 Redispatch Charges for Point-to-Point Transmission Service

8.3.1 A Point-to-Point Transmission Customer granted Point-to-Point Transmission Service through redispatch under the WPP shall be allocated an amount of redispatch costs each hour of the term of the Point-to-Point Transmission Service equal to:

$$A * \sum_{i=1}^{m} \sum_{j=1}^{n} (B_{ij} - C_{ij}), \text{where}$$

A = The Redispatch Rate for the WPP Operating Week ($/MWh).

i = The hour within the term of the Point-to-Point Transmission Service.

m = The number of hours within the term of the Point-to-Point Transmission Service.

n = The number of constrained flowgates identified in Run 2 in the hour.

B_{ij} = The amount of flows of the Point-to-Point Transmission Service (pre- or post-contingent, as appropriate) on constrained facility *j* in hour *i* of the WPP Operating Week (MWh), based on the capacity of the Transmission Service granted.

C_{ij} = The Point-to-Point Transmission Customer's hedged use of the constrained facility, which is equal to the lesser of (a) the Point-to-Point Transmission Customer's Exempt Transmission Capacity for constrained facility *j* in hour *i* of the WPP Operating Week (MWh) or (b) the amount of the Point-to-Point Transmission Customer's flows (pre- or post-contingent, as appropriate) on constrained facility *j* in hour *i* of the WPP Operating Week for Point-to-Point Transmission Service granted through the WPP (MWh), calculated based on the capacity of the Transmission Service granted.

In any hour *i*, for any facility *j*, B_{ij}-C_{ij} not to be less than zero.

8.3.2 Exempt Transmission Capacity used as a congestion hedge under Sections 8.4 or 8.5 of this Attachment V shall be excluded from this Section 8.3.

8.3.3 If the redispatch charges under Section 8.3.1 exceed the applicable customer's redispatch price cap under Section 4.1.2.1 for such service, redispatch will not be made available for such service, Run 2 will be repeated without such service, and the applicable Transmission Customer shall not be allocated redispatch costs under Section 8.3.1.

8.3.4 A Transmission Customer granted daily Firm Point-to-Point Transmission Service by the ICT shall pay each day the higher of (a) the redispatch costs allocated to its firm Point-to-Point Transmission Service pursuant to Section 8.3.1 for the day or (b) the charge for daily firm Point-to-Point Transmission Service pursuant to Section 25.1 of the Tariff. A Transmission Customer granted weekly Firm Point-to-Point Transmission Service by the ICT shall pay the higher of (x) the redispatch costs allocated to its firm Point-to-Point Transmission Service pursuant to Section 8.3.1 for the week or (y) the charge for weekly firm Point-to-Point Transmission Service pursuant to Section 25.1 of the Tariff.

8.3.5 A Transmission Customer shall be charged for Point-to-Point Transmission Service granted by the ICT without regard to the quantity of the Transmission Service actually scheduled.

8.4 Redispatch Charges for WPP Participants

8.4.1 A WPP Participant's Exempt WPP Capacity for a WPP Operating Week shall equal A minus B, where:

A = The total amount of resources and offers included by the WPP Participant in the WPP expected to be available at the expected peak hour of the WPP Operating Week (MW), excluding the amount of NITS Network Resources included by the WPP Participant through the submission of cost data or self-schedules expected to be available at the expected peak hour of the WPP Operating Week (MW).

B = The WPP Participant's forecast hourly Network Load and Operating Reserve requirement at the expected peak hour of the WPP Operating Week (MW) minus the amount of NITS Network Resources included by the WPP Participant through the submission of cost data or self-schedules expected to be available at the expected peak hour of the WPP Operating Week (MW).

8.4.2 If (a) a WPP Participant's Exempt WPP Capacity in an hour of the WPP Operating Week is greater than or equal to (b) the WPP Participant's Network Load plus Operating Reserve requirement in that hour minus the amount of NITS Network Resources included by the WPP Participant through the submission of cost data or self-schedules expected to be available at the expected peak hour of the WPP Operating Week (MW), then the WPP Participant shall not be subject to congestion charges under this Attachment V for that hour.

8.4.3 If (a) a WPP Participant's Exempt WPP Capacity in an hour of the WPP Operating Week is less than (b) the WPP Participant's Network Load plus

Operating Reserve requirement in that hour minus the amount of NITS Network Resources included by the WPP Participant through the submission of cost data or self-schedules expected to be available at the expected peak hour of the WPP Operating Week (MW), then the WPP Participant shall be subject to congestion charges in that hour as calculated in accordance with this Section 8.4.3.

8.4.3.1 The Non-Exempt Capacity Ratio for the WPP Participant for the hour shall equal the ratio of (a) the WPP Participant's Network Load plus Operating Reserve requirement in that hour minus the WPP Participant's Exempt WPP Capacity in that hour minus the amount of NITS Network Resources included by the WPP Participant through the submission of cost data or self-schedules expected to be available at the expected peak hour of the WPP Operating Week (MW) to (b) the WPP Participant's Network Load plus Operating Reserve requirement in that hour minus the amount of NITS Network Resources included by the WPP Participant through the submission of cost data or self-schedules expected to be available at the expected peak hour of the WPP Operating Week (MW).

8.4.3.2 The WPP Participant shall be charged an amount equal to A*(B-C) for the hour, where:

A = The Redispatch Rate for the WPP Operating Week ($/MWh), adjusted to reflect actual gas prices.

B = The product of (a) the total amount of calculated flows (pre- or post-contingent, as appropriate) on each constrained facility identified in Run 2 from scheduled NRIS and ERIS resources that are serving the Network Load of the WPP Participant in the applicable hour of the WPP Operating Week (MWh) and (b) the WPP Participant's Non-Exempt Capacity Ratio for the hour.

C = The total, for each constrained facility identified in Run 2, of the WPP Participant's hedged use of that facility, equal to the lesser of (a) the WPP Participant's Exempt Transmission Capacity for the constrained facility for the hour (MWh) or (b) the product of (i) the amount of the WPP Participant's calculated flows (pre- or post-contingent, as appropriate) on the constrained facility from scheduled NRIS and ERIS resources that are serving the WPP Participant's Network Load (MWh) in the applicable hour and (ii) the WPP Participant's Non-Exempt Capacity Ratio for the hour.

In any hour, for any facility, B-C not to be less than zero.

8.5 Redispatch Charges for Network Customers that are not Participating Network Customers

A Network Customer that is not a Participating Network Customer shall be charged for redispatch for each hour of the WPP Operating Week an amount equal to:

$$A * \sum_{i=1}^{168} \sum_{j=1}^{n} (B_{ij} - C_{ij}), \textit{where}$$

A = The Redispatch Rate for the WPP Operating Week ($/MWh), adjusted to reflect actual gas prices.

i = The hour within the WPP Operating Week.

n = The number of constrained flowgates identified in Run 2 in the hour.

B_{ij} = The total amount of calculated flows (pre- or post-contingent, as appropriate) on constrained facility *j* from NRIS resources that are serving the Network Load of the Network Customer in hour *i* of the WPP Operating Week (MWh).

C_{ij} = The Network Customer's hedged use of the constrained facility, equal to the lesser of (a) the Network Customer's Exempt Transmission Capacity for constrained facility *j* in hour *i* of the WPP Operating Week (MWh) or (b) the amount of the Network Customer's calculated flows (pre- or post-contingent, as appropriate) on constrained facility *j* from NRIS resources that are serving the Network Customer's Network Load in hour *i* of the WPP Operating Week (MWh).

In any hour *i*, for any facility *j*, B_{ij}-C_{ij} not to be less than zero.

8.6 Payments to WPP Participants for Redispatch

8.6.1 Each WPP Participant shall be paid an amount equal to (A+B+C)*(D/E), where:

A = The redispatch charges to Point-to-Point Transmission Service Customers under Section 8.3.1 for the WPP Operating Week, adjusted to reflect actual gas prices.

B = The amount collected by the Transmission Provider under Section 8.4 for the WPP Operating Week.

C = The amount collected by the Transmission Provider under Section 8.5 for the WPP Operating Week.

D = The difference, not to be less than zero, in (a) the WPP Participant's production costs in Run 2, adjusted to reflect actual gas prices and (b) the WPP Participant's production costs in Run 1, adjusted to reflect actual gas prices.

E = The sum of D for all WPP Participants.

8.6.2 Payments to the Entergy Operating Companies under Section 8.6.1 shall be considered reimbursements for fuel or purchased power expenses.

8.7 Tracking Account

8.7.1 The Transmission Provider shall calculate and track the difference for each WPP Operating Week of (a) the sum of payments received from Point-to-Point Transmission Customers pursuant to Section 8.3.4 and (b) the redispatch charges allocated to Point-to-Point Transmission Service Customers under Section 8.3.1.

8.7.2 The Transmission Provider shall on an annual basis (a) credit any positive dollar amount for the prior year calculated pursuant to Section 8.7.1 against the transmission revenue requirement applicable to the rate for Long-Term Firm Point-to-Point Transmission Service and the charge for Network Integration Transmission Service or (b) include as a cost in such transmission revenue requirement any negative dollar amount (expressed as an absolute value) for the prior year calculated pursuant to Section 8.7.1.

9.0 Hold Harmless Provision

9.1 The provisions of this Section 9 shall apply to a WPP Participant only if the amount of NITS Network Resources and NRIS resources (MW) included in the WPP by the WPP Participant through the submission of cost data or self-schedules exceeds the WPP Participant's expected hourly load plus the WPP Participant's Operating Reserve requirement, for each hour of the WPP Operating Week.

9.2 If a WPP Participant's (a) production costs from Run 2 plus payments owed by the WPP Participant pursuant to Section 8.4 minus payments owed to the WPP Participant pursuant to Section 8.6 exceeds (b) the WPP Participant's production costs from Run 0 plus payments owed by the WPP Participant pursuant to Section 8.4, then such WPP Participant's cost data for existing Network Resources and offers from third party suppliers shall be removed from the WPP for the applicable WPP Operating Week, and the optimization process shall be performed and costs shall be calculated and allocated without such resources and offers,

provided that the cost data for EMO's existing Network Resources shall remain available for the provision of redispatch for Point-to-Point Transmission Service based on redispatch, provided further that EMO shall be treated as a WPP Participant under Section 8.6 for purposes of receiving an allocation of redispatch payments associated with Point-to-Point Transmission Service.

10.0 Conditional Network Resources

10.1 A WPP Participant that has been designated new Network Resources in the WPP shall designate an amount of its Network Resources (MW) as existed prior to the applicable WPP optimization as Conditional Network Resources. The WPP Participant shall designate an amount of Conditional Network Resources (MW) equal to the amount of its new Network Resources granted through the WPP (MW). Subject to re-designation pursuant to Section 10.3 and the availability of service pursuant to Section 10.4, a resource shall remain a Conditional Network Resource for the period during the WPP Operating Week that the associated new resource is a designated Network Resource.

10.2 For each amount of a WPP Participant's new Network Resources located in a constrained area (MW), the WPP Participant must designate an amount of Conditional Network Resources in that constrained area (MW), provided that if the new Network Resource is located in an area that is import constrained, the Conditional Network Resource need not be located in that area.

10.3 If a Network Resource designated through the WPP becomes unavailable to a WPP Participant as a result of a derating or outage of the resource, the WPP Participant may re-designate an equivalent amount of Conditional Network Resource (MW) as Network Resources for the period of such unavailability.

10.3.1 The Conditional Network Resource re-designated as a Network Resource must either be in the same constrained area as the resource that is unavailable or located in an area that is import constrained.

10.3.2 The Transmission Provider shall re-calculate AFCs to reflect any changes in Network Resources and Conditional Network Resources under this Section 10.3.

10.4 Transmission service for Conditional Network Resources will be available under the Tariff.

10.5 The selection and re-designation of Conditional Network Resources will be subject to review and validation by the ICT.

11.0 Settlements and Billing

11.1 Each WPP Participant shall be solely responsible for entering into contractual arrangements for purchases from resource selected in the WPP, provided that such contractual arrangements shall comply with all terms of the WPP.

11.1.1 Such contractual arrangements shall provide that power sales through the WPP are unit firm.

11.1.2 Payments for a resource selected in the WPP shall be the offer price of such resource.

11.1.3 Payment obligations shall be between the applicable WPP Participant and the supplier.

11.2 The Transmission Provider shall be responsible for billing and collecting all amounts due under this Attachment V, provided that payment obligations under contractual arrangements entered into pursuant to Section 11.1 shall be in accordance with that Section. The Transmission Provider also shall be responsible for making all payments under Section 8.6.