

1 **PART III. NETWORK INTEGRATION TRANSMISSION SERVICE**

2 **Preamble**

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

14 **28 Nature of Network Integration Transmission Service**

15

16 **28.1 Scope of Service:** Network Integration Transmission Service is a  
17 transmission service that allows Network Customers to efficiently and  
18 economically utilize their Network Resources (as well as other non-  
19 designated generation resources) to serve their Network Load located  
20 in the Transmission Provider's Control Area and any additional load

1           that may be designated pursuant to Section 31.3 of the Tariff. The  
2           Network Customer taking Network Integration Transmission Service  
3           must obtain or provide Ancillary Services pursuant to Section 3.

4           **28.2 Transmission Provider Responsibilities:** The Transmission  
5           Provider will plan, construct, operate and maintain its Transmission  
6           System in accordance with Good Utility Practice and its planning  
7           obligations in Attachment K in order to provide the Network Customer  
8           with Network Integration Transmission Service over the Transmission  
9           Provider's Transmission System. The Transmission Provider, on  
10          behalf of its Native Load Customers, shall be required to designate  
11          resources and loads in the same manner as any Network Customer  
12          under Part III of this Tariff. This information must be consistent with  
13          the information used by the Transmission Provider to calculate  
14          available transfer capability. The Transmission Provider shall include  
15          the Network Customer's Network Load in its Transmission System  
16          planning and shall, consistent with Good Utility Practice and  
17          Attachment K, endeavor to construct and place into service sufficient  
18          transfer capability to deliver the Network Customer's Network  
19          Resources to serve its Network Load on a basis comparable to the

1                   Transmission Provider's delivery of its own generating and purchased  
2                   resources to its Native Load Customers.

3                   **28.3 Network Integration Transmission Service:** The Transmission  
4                   Provider will provide firm transmission service over its Transmission  
5                   System to the Network Customer for the delivery of capacity and  
6                   energy from its designated Network Resources to service its Network  
7                   Loads on a basis that is comparable to the Transmission Provider's  
8                   use of the Transmission System to reliably serve its Native Load  
9                   Customers.

10                  **28.4 Secondary Service:** The Network Customer may use the  
11                  Transmission Provider's Transmission System to deliver energy to its  
12                  Network Loads from resources that have not been designated as  
13                  Network Resources. Such energy shall be transmitted, on an as-  
14                  available basis, at no additional charge. Secondary service shall not  
15                  require the filing of an Application for Network Integration  
16                  Transmission Service under the Tariff. However, all other  
17                  requirements of Part III of the Tariff (except for transmission rates)  
18                  shall apply to secondary service. Deliveries from resources other than  
19                  Network Resources will have a higher priority than any Non-Firm  
20                  Point-To-Point Transmission Service under Part II of the Tariff.

1           **28.5 Real Power Losses:** Real Power Losses are associated with all  
2           transmission service. The Transmission Provider is not obligated to  
3           provide Real Power Losses. The Network Customer is responsible  
4           for replacing losses associated with all transmission service as  
5           calculated by the Transmission Provider. For Network Integration  
6           Service (including non-firm uses in accordance with Section 28.4),  
7           and Firm Point-to-Point Transmission Service sales and Non-firm  
8           Point-to-Point Transmission Service sales pursuant to Part II, FPL's  
9           average transmission system losses (excluding generator step-up  
10          losses) shall be used. Such average losses shall be set out in  
11          Schedule 10.

12          **28.6 Restrictions on Use of Service:** The Network Customer shall not  
13          use Network Integration Transmission Service for (i) sales of  
14          capacity and energy to non-designated loads, or (ii) direct or  
15          indirect provision of transmission service by the Network Customer  
16          to third parties. All Network Customers taking Network Integration  
17          Transmission Service shall use Point-To-Point Transmission  
18          Service under Part II of the Tariff for any Third-Party Sale which  
19          requires use of the Transmission Provider's Transmission System.  
20          The Transmission Provider shall specify

1                   any appropriate charges and penalties and all related terms and  
2                   conditions applicable in the event that a Network Customer uses  
3                   Network Integration Transmission Service or secondary service  
4                   pursuant to Section 28.4 to facilitate a wholesale sale that does not  
5                   serve a Network Load.

6    **29 Initiating Service**

7

8            **29.1 Condition Precedent for Receiving Service:** Subject to the terms  
9            and conditions of Part III of the Tariff, the Transmission Provider will  
10           provide Network Integration Transmission Service to any Eligible  
11           Customer, provided that (i) the Eligible Customer completes an

1           Application for service as provided under Part III of the Tariff, (ii) the  
2           Eligible Customer and the Transmission Provider complete the  
3           technical arrangements set forth in Sections 29.3 and 29.4, (iii) the  
4           Eligible Customer executes a Service Agreement pursuant to  
5           Attachment F for service under Part III of the Tariff or requests in  
6           writing that the Transmission Provider file a proposed unexecuted  
7           Service Agreement with the Commission, and (iv) the Eligible  
8           Customer executes a Network Operating Agreement with the  
9           Transmission Provider pursuant to Attachment G or requests in  
10          writing that the Transmission Provider file a proposed unexecuted  
11          Network Operating Agreement.

12          **29.2 Application Procedures:** An Eligible Customer requesting service  
13          under Part III of the Tariff must submit an Application, with a deposit  
14          approximating the charge for one month of service, to the  
15          Transmission Provider as far as possible in advance of the month in  
16          which service is to commence. Unless subject to the procedures in  
17          Section 2, Completed Applications for Network Integration  
18          Transmission Service will be assigned a priority according to the date  
19          and time the Application is received, with the earliest Application  
20          receiving the highest priority. Applications should be submitted by

1 entering the information listed below on the Transmission Provider's  
2 OASIS. Prior to implementation of the Transmission Provider's  
3 OASIS, a Completed Application may be submitted by (i) transmitting  
4 the required information to the Transmission Provider by telefax, or (ii)  
5 providing the information by telephone over the Transmission  
6 Provider's time recorded telephone line. Each of these methods will  
7 provide a time-stamped record for establishing the service priority of  
8 the Application. A Completed Application shall provide all of the  
9 information included in 18 CFR § 2.20 including but not limited to the  
10 following:

- 11 (i) The identity, address, telephone number and facsimile number  
12 of the party requesting service;
- 13  
14 (ii) A statement that the party requesting service is, or will be upon  
15 commencement of service, an Eligible Customer under the  
16 Tariff;
- 17  
18 (iii) A description of the Network Load at each delivery point. This  
19 description should separately identify and provide the Eligible  
20 Customer's best estimate of the total loads to be served at  
21 each transmission voltage level, and the loads to be served  
22 from each Transmission Provider substation at the same  
23 transmission voltage level. The description should include a  
24 ten (10) year forecast of summer and winter load and resource  
25 requirements beginning with the first year after the service is  
26 scheduled to commence;
- 27  
28 (iv) The amount and location of any interruptible loads included in  
29 the Network Load. This shall include the summer and winter

capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

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

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

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area from which the power will originate
- Delivery point(s) to the Transmission Provider's Transmission System

- 1 - Transmission arrangements on the external transmission  
2 system(s)  
3 - Operating restrictions, if any  
4 - Any periods of restricted operations throughout  
5 the year  
6 - Maintenance schedules  
7 - Minimum loading level of unit  
8 - Normal operating level of unit  
9 - Any must-run unit designations required for  
10 system reliability or contract reasons  
11 - Approximate variable generating cost (\$/MWH) for  
12 redispatch computations;  
13  
14 (vi) Description of Eligible Customer's transmission system:  
15 - Load flow and stability data, such as real and reactive  
16 parts of the load, lines, transformers, reactive devices  
17 and load type, including normal and emergency ratings  
18 of all transmission equipment in a load flow format  
19 compatible with that used by the Transmission Provider  
20 - Operating restrictions needed for reliability  
21 - Operating guides employed by system operators  
22 - Contractual restrictions or committed uses of the Eligible  
23 Customer's transmission system, other than the Eligible  
24 Customer's Network Loads and Resources  
25 - Location of Network Resources described in subsection  
26 (v) above  
27 - 10 year projection of system expansions or upgrades  
28 - Transmission System maps that include any proposed  
29 expansions or upgrades  
30 - Thermal ratings of Eligible Customer's Control Area ties  
31 with other Control Areas;  
32  
33 (vii) Service Commencement Date and the term of the requested  
34 Network Integration Transmission Service. The minimum term  
35 for Network Integration Transmission Service is one year;  
36  
37 (viii) A statement signed by an authorized officer from or agent of  
38 the Network Customer attesting that all of the network

1 resources listed pursuant to Section 29.2(v) satisfy the following  
2 conditions: (1) the Network Customer owns the resource, has  
3 committed to purchase generation pursuant to an executed  
4 contract, or has committed to purchase generation where  
5 execution of a contract is contingent upon the availability of  
6 transmission service under Part III of the Tariff; and (2) the  
7 Network Resources do not include any resources, or any portion  
8 thereof, that are committed for sale to non-designated third  
9 party load or otherwise cannot be called upon to meet the  
10 Network Customer's Network Load on a non-interruptible basis,  
11 except for purposes of fulfilling obligations under a reserve  
12 sharing program; and

13  
14 (ix) Any additional information required of the Transmission  
15 Customer as specified in the Transmission Provider's planning  
16 process established in Attachment K

17  
18 Unless the Parties agree to a different time frame, the Transmission  
19 Provider must acknowledge the request within ten (10) days of receipt.

20 The acknowledgement must include a date by which a response,  
21 including a Service Agreement, will be sent to the Eligible Customer. If  
22 an Application fails to meet the requirements of this section, the  
23 Transmission Provider shall notify the Eligible Customer requesting  
24 service within fifteen (15) days of receipt and specify the reasons for  
25 such failure. Wherever possible, the Transmission Provider will  
26 attempt to remedy deficiencies in the Application through informal  
27 communications with the Eligible Customer. If such efforts are  
28 unsuccessful, the Transmission Provider shall return the Application

1 without prejudice to the Eligible Customer filing a new or revised  
2 Application that fully complies with the requirements of this section.  
3 The Eligible Customer will be assigned a new priority consistent with  
4 the date of the new or revised Application. The Transmission Provider  
5 shall treat this information consistent with the standards of conduct  
6 contained in Part 37 of the Commission's regulations.

7 **29.3 Technical Arrangements to be Completed Prior to**  
8 **Commencement of Service:** Network Integration Transmission  
9 Service shall not commence until the Transmission Provider and the  
10 Network Customer, or a third party, have completed installation of all  
11 equipment specified under the Network Operating Agreement  
12 consistent with Good Utility Practice and any additional requirements  
13 reasonably and consistently imposed to ensure the reliable operation  
14 of the Transmission System. The Transmission Provider shall  
15 exercise reasonable efforts, in coordination with the Network  
16 Customer, to complete such arrangements as soon as practicable  
17 taking into consideration the Service Commencement Date.

18 **29.4 Network Customer Facilities:** The provision of Network Integration  
19 Transmission Service shall be conditioned upon the Network  
20 Customer's constructing, maintaining and operating the facilities on its

1 side of each delivery point or interconnection necessary to reliably  
2 deliver capacity and energy from the Transmission Provider's  
3 Transmission System to the Network Customer. The Network  
4 Customer shall be solely responsible for constructing or installing all  
5 facilities on the Network Customer's side of each such delivery point  
6 or interconnection.

7 **29.5 Filing of Service Agreement:** The Transmission Provider will file  
8 Service Agreements with the Commission in compliance with  
9 applicable Commission regulations.

## 10 **30 Network Resources**

11

12 **30.1 Designation of Network Resources:** Network Resources shall  
13 include all generation owned, purchased or leased by the Network  
14 Customer designated to serve Network Load under the Tariff.  
15 Network Resources may not include resources, or any portion  
16 thereof, that are committed for sale to non-designated third party load  
17 or otherwise cannot be called upon to meet the Network Customer's  
18 Network Load on a non-interruptible basis, except for purposes of  
19 fulfilling obligations under a reserve sharing program. Any owned or  
20 purchased resources that were serving the Network Customer's  
21 loads under firm agreements entered into on or before the Service  
22 Commencement

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1 Date shall initially be designated as Network Resources until the Network  
2 Customer terminates the designation of such resources.

3

4 **30.2 Designation of New Network Resources:** The Network Customer may  
5 designate a new Network Resource by providing the Transmission  
6 Provider with as much advance notice as practicable. A designation of a  
7 new Network Resource must be made through the Transmission  
8 Provider's OASIS by a request for modification of service pursuant to an  
9 Application under Section 29. This request must include a statement that  
10 the new network resource satisfies the following conditions: (1) the  
11 Network Customer owns the resource, has committed to purchase  
12 generation pursuant to an executed contract, or has committed to  
13 purchase generation where execution of a contract is contingent upon the  
14 availability of transmission service under Part III of the Tariff; and (2) The  
15 Network Resources do not include any resources, or any portion thereof,  
16 that are committed for sale to non-designated third party load or  
17 otherwise cannot be called upon to meet the Network Customer's  
18 Network Load on a non-interruptible basis, except for purposes of fulfilling  
19 obligations under a reserve sharing program. The Network Customer's  
20 request will be deemed deficient if it does not include this statement and  
21 the Transmission

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1                    Provider will follow the procedures for a deficient application as  
2                    described in Section 29.2 of the Tariff.

3                    **30.3 Termination of Network Resources:** The Network Customer may  
4                    terminate the designation of all or part of a generating resource as a  
5                    Network Resource by providing notification to the Transmission  
6                    Provider through OASIS as soon as reasonably practicable, but not  
7                    later than the firm scheduling deadline for the period of termination.  
8                    Any request for termination of Network Resource status must be  
9                    submitted on OASIS, and should indicate whether the request is for  
10                    indefinite or temporary termination. A request for indefinite  
11                    termination of Network Resource status must indicate the date and  
12                    time that the termination is to be effective, and the identification and  
13                    capacity of the resource(s) or portions thereof to be indefinitely  
14                    terminated. A request for temporary termination of Network Resource  
15                    status must include the following:

- 16                    (i)     Effective date and time of temporary termination;
- 17                    (ii)    Effective date and time of redesignation, following period of  
18                    temporary termination;
- 19                    (iii)   Identification and capacity of resource(s) or portions thereof to  
20                    be temporarily terminated;

1           (iv) Resource description and attestation for redesignating the  
2           network resource following the temporary termination, in  
3           accordance with Section 30.2; and

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

13           As part of a temporary termination, a Network Customer may only  
14           redesignate the same resource that was originally designated, or a  
15           portion thereof. Requests to redesignate a different resource and/or a  
16           resource with increased capacity will be deemed deficient and the  
17           Transmission Provider will follow the procedures for a deficient  
18           application as described in Section 29.2 of the Tariff.

19          **30.4 Operation of Network Resources:** The Network Customer shall not  
20          operate its designated Network Resources located in the Network

Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses ,plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. The Transmission Provider

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1 shall specify the rate treatment and all related terms and conditions  
2 applicable in the event that a Network Customer's schedule at the  
3 delivery point for a Network Resource not physically interconnected  
4 with the Transmission Providers' Transmission System exceeds the  
5 Network Resource's designated capacity, excluding energy  
6 delivered using secondary service or Point-to-Point Transmission  
7 Service.

8 **30.5 Network Customer Redispatch Obligation:** As a condition to  
9 receiving Network Integration Transmission Service, the Network  
10 Customer agrees to redispatch its Network Resources as  
11 requested by the Transmission Provider pursuant to Section 33.2.  
12 To the extent practical, the redispatch of resources pursuant to this  
13 section shall be on a least cost, non-discriminatory basis between  
14 all Network Customers, and the Transmission Provider.

- 1           **30.6 Transmission Arrangements for Network Resources not**  
2           **Physically Interconnected with the Transmission Provider: The**  
3           Network Customer shall be responsible for any arrangements  
4           necessary to deliver capacity and energy from a Network Resource  
5           not physically interconnected with the Transmission Provider's  
6           Transmission System. The Transmission Provider will undertake  
7           reasonable efforts to assist the Network Customer in obtaining such  
8           arrangements, including without limitation, providing any information  
9           or data required by such other entity pursuant to Good Utility Practice.
- 10          **30.7 Limitation on Designation of Network Resources:** The Network  
11          Customer must demonstrate that it owns or has committed to  
12          purchase generation pursuant to an executed contract in order to  
13          designate a generating resource as a Network Resource.  
14          Alternatively, the Network Customer may establish that execution of a  
15          contract is contingent upon the availability of transmission service  
16          under Part III of the Tariff.
- 17          **30.8 Use of Interface Capacity by the Network Customer:** There is no  
18          limitation upon a Network Customer's use of the Transmission  
19          Provider's Transmission System at any particular interface to integrate  
20          the Network Customer's Network Resources (or substitute economy

1 purchases) with its Network Loads. However, a Network Customer's  
2 use of the Transmission Provider's total interface capacity with other  
3 transmission systems may not exceed the Network Customer's Load.

4 **30.9 Network Customer Owned Transmission Facilities:** The Network  
5 Customer that owns existing transmission facilities that are integrated  
6 with the Transmission Provider's Transmission System may be eligible  
7 to receive consideration either through a billing credit or some other  
8 mechanism. In order to receive such consideration the Network  
9 Customer must demonstrate that its transmission facilities are  
10 integrated into the plans or operations of the Transmission Provider to  
11 serve its power and transmission customers. For facilities added by  
12 the Network Customer subsequent to May 14, 2007, the Network  
13 Customer shall receive credit for such transmission facilities added if  
14 such facilities are integrated into the operations of the Transmission  
15 Provider's facilities; provided however, the Network Customer's  
16 transmission facilities shall be presumed to be integrated if such  
17 transmission facilities, if owned by the Transmission Provider, would  
18 be eligible for inclusion in the Transmission Provider's annual  
19 transmission revenue requirement as specified in Attachment H. .

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1            Calculation of any credit under this subsection shall be addressed in  
2            either the Network Customer's Service Agreement or any other  
3            agreement between the Parties.

4    **31 Designation of Network Load**

5

6            **31.1 Network Load:** The Network Customer must designate the individual  
7            Network Loads on whose behalf the Transmission Provider will  
8            provide Network Integration Transmission Service. The Network  
9            Loads shall be specified in the Service Agreement.

10           **31.2 New Network Loads Connected with the Transmission Provider:**  
11           The Network Customer shall provide the Transmission Provider with  
12           as much advance notice as reasonably practicable of the designation  
13           of new Network Load that will be added to its Transmission System. A  
14           designation of new Network Load must be made through a  
15           modification of service pursuant to a new Application. The  
16           Transmission Provider will use due diligence to install any  
17           transmission facilities required to interconnect a new Network Load  
18           designated by the Network Customer. The costs of new facilities  
19           required to interconnect a new Network Load shall be determined in  
20           accordance with the procedures provided in Section 32.4 and shall be

1 charged to the Network Customer in accordance with Commission  
2 policies.

3 **31.3 Network Load not Physically Interconnected with the**  
4 **Transmission Provider:** This section applies to both initial  
5 designation pursuant to Section 31.1 and the subsequent addition of  
6 new Network Load not physically interconnected with the  
7 Transmission Provider. To the extent that the Network Customer  
8 desires to obtain transmission service for a load outside the  
9 Transmission Provider's Transmission System, the Network Customer  
10 shall have the option of (1) electing to include the entire load as  
11 Network Load for all purposes under Part III of the Tariff and  
12 designating Network Resources in connection with such additional  
13 Network Load, or (2) excluding that entire load from its Network Load  
14 and purchasing Point-To-Point Transmission Service under Part II of  
15 the Tariff. To the extent that the Network Customer gives notice of its  
16 intent to add a new Network Load as part of its Network Load  
17 pursuant to this section the request must be made through a  
18 modification of service pursuant to a new Application.

19 **31.4 New Interconnection Points:** To the extent the Network Customer  
20 desires to add a new Delivery Point or interconnection point between

1           the Transmission Provider's Transmission System and a Network  
2           Load, the Network Customer shall provide the Transmission Provider  
3           with as much advance notice as reasonably practicable.

4           **31.5 Changes in Service Requests:** Under no circumstances shall the  
5           Network Customer's decision to cancel or delay a requested change  
6           in Network Integration Transmission Service (e.g. the addition of a  
7           new Network Resource or designation of a new Network Load) in any  
8           way relieve the Network Customer of its obligation to pay the costs of  
9           transmission facilities constructed by the Transmission Provider and  
10          charged to the Network Customer as reflected in the Service  
11          Agreement. However, the Transmission Provider must treat any  
12          requested change in Network Integration Transmission Service in a  
13          non-discriminatory manner.

14          **31.6 Annual Load and Resource Information Updates:** The Network  
15          Customer shall provide the Transmission Provider with annual  
16          updates of Network Load and Network Resource forecasts consistent  
17          with those included in its Application for Network Integration  
18          Transmission Service under Part III of the Tariff including, but not  
19          limited to, any information provided under section 29.2(ix) pursuant to  
20          the Transmission Provider's planning process in Attachment K. The

1            Network Customer also shall provide the Transmission Provider with  
2            timely written notice of material changes in any other information  
3            provided in its Application relating to the Network Customer's Network  
4            Load, Network Resources, its transmission system or other aspects of  
5            its facilities or operations affecting the Transmission Provider's ability  
6            to provide reliable service.

7    **32 Additional Study Procedures for Network Integration Transmission Service**  
8            **Requests**

9

10           **32.1 Notice of Need for System Impact Study:** After receiving a request  
11           for service, the Transmission Provider shall determine on a non-  
12           discriminatory basis whether a System Impact Study is needed. A  
13           description of the Transmission Provider's methodology for completing  
14           a System Impact Study is provided in Attachment D. If the  
15           Transmission Provider determines that a System Impact Study is  
16           necessary to accommodate the requested service, it shall so inform  
17           the Eligible Customer, as soon as practicable. In such cases, the  
18           Transmission Provider shall within thirty (30) days of receipt of a  
19           Completed Application, tender a System Impact Study Agreement  
20           pursuant to which the Eligible Customer shall agree to reimburse the

1           Transmission Provider for performing the required System Impact  
2           Study. For a service request to remain a Completed Application, the  
3           Eligible Customer shall execute the System Impact Study Agreement  
4           and return it to the Transmission Provider within fifteen (15) days. If  
5           the Eligible Customer elects not to execute the System Impact Study  
6           Agreement, its Application shall be deemed withdrawn and its deposit  
7           shall be returned with interest.

8           **32.2 System Impact Study Agreement and Cost Reimbursement:**

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

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

**32.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints , identified with specificity by transmission element or flowgate, (2) redispatch options(when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A

1 copy of the completed System Impact Study and related work papers  
2 shall be made available to the Eligible Customer as soon as the  
3 System Impact Study is complete. The Transmission Provider will use  
4 the same due diligence in completing the System Impact Study for an  
5 Eligible Customer as it uses when completing studies for itself. The  
6 Transmission Provider shall notify the Eligible Customer immediately  
7 upon completion of the System Impact Study if the Transmission  
8 System will be adequate to accommodate all or part of a request for  
9 service or that no costs are likely to be incurred for new transmission  
10 facilities or upgrades. In order for a request to remain a Completed  
11 Application, within fifteen (15) days of completion of the System  
12 Impact Study the Eligible Customer must execute a Service  
13 Agreement or request the filing of an unexecuted Service Agreement,  
14 or the Application shall be deemed terminated and withdrawn.

15 **32.4 Facilities Study Procedures:** If a System Impact Study indicates that  
16 additions or upgrades to the Transmission System are needed to  
17 supply the Eligible Customer's service request, the Transmission  
18 Provider, within thirty (30) days of the completion of the System

1           Impact Study, shall tender to the Eligible Customer a Facilities Study  
2           Agreement pursuant to which the Eligible Customer shall agree to  
3           reimburse the Transmission Provider for performing the required  
4           Facilities Study. For a service request to remain a Completed  
5           Application, the Eligible Customer shall execute the Facilities Study  
6           Agreement and return it to the Transmission Provider within fifteen  
7           (15) days. If the Eligible Customer elects not to execute the Facilities  
8           Study Agreement, its Application shall be deemed withdrawn and its  
9           deposit shall be returned with interest. Upon receipt of an executed  
10          Facilities Study Agreement, the Transmission Provider will use due  
11          diligence to complete the required Facilities Study within a sixty (60)  
12          day period. If the Transmission Provider is unable to complete the  
13          Facilities Study in the allotted time period, the Transmission Provider  
14          shall notify the Eligible Customer and provide an estimate of the time  
15          needed to reach a final determination along with an explanation of the  
16          reasons that additional time is required to complete the study. When  
17          completed, the Facilities Study will include a good faith estimate of (i)  
18          the cost of Direct Assignment Facilities to be charged to the Eligible  
19          Customer, (ii) the Eligible Customer's appropriate share of the cost of  
20          any required Network Upgrades, and (iii) the time required to complete

1           such construction and initiate the requested service. The Eligible  
2           Customer shall provide the Transmission Provider with a letter of  
3           credit or other reasonable form of security acceptable  
4           to the Transmission Provider equivalent to the costs of new facilities  
5           or upgrades consistent with commercial practices as established by  
6           the Uniform Commercial Code. The Eligible Customer shall have  
7           thirty (30) days to execute a Service Agreement or request the filing of  
8           an unexecuted Service Agreement and provide the required letter of  
9           credit or other form of security or the request no longer will be a  
10          Completed Application and shall be deemed terminated and  
11          withdrawn.

12          **32.5 Penalties for Failure to Meet Study Deadlines:** Section 19.9 defines  
13          penalties that apply for failure to meet the 60-day study completion  
14          due diligence deadlines for System Impact Studies and Facilities  
15          Studies under Part II of the Tariff. These same requirements and  
16          penalties apply to service under Part III of the Tariff.

17          **32.6 Clustering of Transmission Service Requests:** Section 19.10  
18          defines criteria and procedures that pertain to clustering of  
19          Transmission Service Requests under Part II of the Tariff. These

1 same criteria and procedures apply to service under Part III of the  
2 Tariff.

3 **33 Load Shedding and Curtailments**

4

5 **33.1 Procedures:** Prior to the Service Commencement Date, the  
6 Transmission Provider and the Network Customer shall establish Load  
7 Shedding and Curtailment procedures pursuant to the Network  
8 Operating Agreement with the objective of responding to  
9 contingencies on the Transmission System. The Parties will  
10 implement such programs during any period when the Transmission  
11 Provider determines that a system contingency exists and such  
12 procedures are necessary to alleviate such contingency. The  
13 Transmission Provider will notify all affected Network Customers in a  
14 timely manner of any scheduled Curtailment.

15 **33.2 Transmission Constraints:** During any period when the  
16 Transmission Provider determines that a transmission constraint  
17 exists on the Transmission System, and such constraint may impair  
18 the reliability of the Transmission Provider's system, the Transmission

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

14           **33.3 Cost Responsibility for Relieving Transmission Constraints:**  
15           Whenever the Transmission Provider implements least-cost  
16           redispatch procedures in response to a transmission constraint, the  
17           Transmission Provider and Network Customers will each bear a  
18           proportionate share of the total redispatch cost based on their  
19           respective Load Ratio Shares.

1           **33.4 Curtailments of Scheduled Deliveries:** If a transmission constraint  
2           on the Transmission Provider's Transmission System cannot be  
3           relieved through the implementation of least-cost redispatch  
4           procedures and the Transmission Provider determines that it is  
5           necessary to Curtail scheduled deliveries, the Parties shall Curtail  
6           such schedules in accordance with the Network Operating Agreement.

7           **33.5 Allocation of Curtailments:** The Transmission Provider shall, on a  
8           non-discriminatory basis, Curtail the transaction(s) that effectively  
9           relieve the constraint. However, to the extent practicable and  
10          consistent with Good Utility Practice, any Curtailment will be shared by  
11          the Transmission Provider and Network Customer in proportion to  
12          their respective Load Ratio Shares. The Transmission Provider shall  
13          not direct the Network Customer to Curtail schedules to an extent  
14          greater than the Transmission Provider would Curtail the  
15          Transmission Provider's schedules under similar circumstances.

16          **33.6 Load Shedding:** To the extent that a system contingency exists on  
17          the Transmission Provider's Transmission System and the  
18          Transmission Provider determines that it is necessary for the  
19          Transmission Provider and the Network Customer to shed load, the

1 Parties shall shed load in accordance with previously established  
2 procedures under the Network Operating Agreement.

3 **33.7 System Reliability:** Notwithstanding any other provisions of this  
4 Tariff, the Transmission Provider reserves the right, consistent with  
5 Good Utility Practice and on a not unduly discriminatory basis, to  
6 Curtail Network Integration Transmission Service without liability on  
7 the Transmission Provider's part for the purpose of making necessary  
8 adjustments to, changes in, or repairs on its lines, substations and  
9 facilities, and in cases where the continuance of Network Integration  
10 Transmission Service would endanger persons or property. In the  
11 event of any adverse condition(s) or disturbance(s) on the  
12 Transmission Provider's Transmission System or on any other  
13 system(s) directly or indirectly interconnected with the Transmission  
14 Provider's Transmission System, the Transmission Provider,  
15 consistent with Good Utility Practice, also may Curtail Network  
16 Integration Transmission Service in order to (i) limit the extent or  
17 damage of the adverse condition(s) or disturbance(s), (ii) prevent  
18 damage to generating or transmission facilities, or (iii) expedite  
19 restoration of service. The Transmission Provider will give the  
20 Network Customer as much advance notice as is practicable in the

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

8 **34 Rates and Charges**

9

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

13 **34.1 Monthly Demand Charge:** The Network Customer shall pay a  
14 monthly Demand Charge, which shall be determined by multiplying  
15 the Network Customer's monthly Network Load times the monthly  
16 Network Transmission Service Rate specified in Attachment H.

17 **34.2 Determination of Network Customer's Monthly Network Load:**  
18 The Network Customer's monthly Network Load is its hourly load  
19 (including its designated Network Load not physically interconnected

1 with the Transmission Provider under Section 31.3) coincident with the  
2 Transmission Provider's Monthly Transmission System Peak.

3 **34.3 Determination of Transmission Provider's Monthly Transmission**  
4 **System Load:** The Transmission Provider's monthly Transmission  
5 System load is the Transmission Provider's Monthly Transmission  
6 System Peak minus the coincident peak usage of all Firm Point-To-  
7 Point Transmission Service customers pursuant to Part II of this Tariff  
8 plus the Reserved Capacity of all Firm Point-To-Point Transmission  
9 Service customers.

10 **34.4 Redispatch Charge:** The Network Customer shall pay a Load Ratio  
11 Share of any redispatch costs allocated between the Network  
12 Customer and the Transmission Provider pursuant to Section 33. To  
13 the extent that the Transmission Provider incurs an obligation to the  
14 Network Customer for redispatch costs in accordance with Section 33,  
15 such amounts shall be credited against the Network Customer's bill for  
16 the applicable month.

17 **34.5 Stranded Cost Recovery:** The Transmission Provider may seek to  
18 recover stranded costs from the Network Customer pursuant to this  
19 Tariff in accordance with the terms, conditions and procedures set  
20 forth in FERC Order No. 888. However, the Transmission Provider

1                    must separately file any proposal to recover stranded costs under  
2                    Section 205 of the Federal Power Act.

3    **35 Operating Arrangements**

4

5            **35.1 Operation under the Network Operating Agreement:** The Network  
6            Customer shall plan, construct, operate and maintain its facilities in  
7            accordance with Good Utility Practice and in conformance with the  
8            Network Operating Agreement.

9            **35.2 Network Operating Agreement:** The terms and conditions under  
10           which the Network Customer shall operate its facilities and the  
11           technical and operational matters associated with the implementation  
12           of Part III of the Tariff shall be specified in the Network Operating  
13           Agreement. The Network Operating Agreement shall provide for the  
14           Parties to (i) operate and maintain equipment necessary for  
15           integrating the Network Customer within the Transmission Provider's  
16           Transmission System (including, but not limited to, remote terminal  
17           units, metering, communications equipment and relaying equipment),  
18           (ii) transfer data between the Transmission Provider and the Network  
19           Customer (including, but not limited to, heat rates and operational  
20           characteristics of Network Resources, generation schedules for units

1 outside the Transmission Provider's Transmission System,  
2 interchange schedules, unit outputs for redispatch required under  
3 Section 33, voltage schedules, loss factors and other real time data),  
4 (iii) use software programs required for data links and constraint  
5 dispatching, (iv) exchange data on forecasted loads and resources  
6 necessary for long-term planning, and (v) address any other technical  
7 and operational considerations required for implementation of Part III  
8 of the Tariff, including scheduling protocols. The Network Operating  
9 Agreement will recognize that the Network Customer shall either (i)  
10 operate as a Control Area under applicable guidelines of the Electric  
11 Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii)  
12 satisfy its Control Area requirements, including all necessary Ancillary  
13 Services, by contracting with the Transmission Provider, or (iii) satisfy  
14 its Control Area requirements, including all necessary Ancillary  
15 Services, by contracting with another entity, consistent with Good  
16 Utility Practice, which satisfies the applicable reliability guidelines of  
17 the ERO. The Transmission Provider shall not unreasonably refuse to  
18 accept contractual arrangements with another entity for Ancillary  
19 Services. The Network Operating Agreement is included in  
20 Attachment G.

1           **35.3 Network Operating Committee:** A Network Operating Committee  
2           (Committee) shall be established to coordinate operating criteria for  
3           the Parties' respective responsibilities under the Network Operating  
4           Agreement. Each Network Customer shall be entitled to have at least  
5           one representative on the Committee. The Committee shall meet  
6           from time to time as need requires, but no less than once each  
7           calendar year.

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