

**FLORIDA POWER & LIGHT COMPANY**  
**PRO FORMA OPEN ACCESS**  
**TRANSMISSION TARIFF**

**TABLE OF CONTENTS**

<b>PART I.</b>	<b>COMMON SERVICE PROVISIONS .....</b>	<b>10</b>
1	Definitions .....	10
1.1	Affiliate .....	10
1.2	Ancillary Services .....	10
1.3	Annual Network Transmission Service Rate .....	10
1.4	Application.....	10
1.5	Commission.....	10
1.6	Completed Application .....	11
1.7	Control Area .....	11
1.8	Curtailment.....	11
1.9	Delivering Party .....	12
1.10	Designated Agent.....	12
1.11	Direct Assignment Facilities .....	12
1.12	Eligible Customer .....	12
1.13	Facilities Study .....	13
1.14	Firm Point-To-Point Transmission Service .....	13
1.15	Good Utility Practice.....	13
1.16	Interruption .....	14
1.17	Load Ratio Share .....	14
1.18	Load Shedding .....	14
1.19	Long-Term Firm Point-To-Point Transmission Service.....	14
1.20	Native Load Customers.....	15
1.21	Network Customer.....	15
1.22	Network Integration Transmission Service .....	15
1.23	Network Load .....	15
1.24	Network Operating Agreement.....	16
1.25	Network Operating Committee .....	16
1.26	Network Resource .....	16
1.27	Network Upgrades.....	17
1.28	Non-Firm Point-To-Point Transmission Service .....	17
1.29	Open Access Same-Time Information System (OASIS) .....	17
1.30	Part I.....	17
1.31	Part II.....	18
1.32	Part III.....	18
1.33	Parties .....	18
1.34	Point(s) of Delivery .....	18
1.35	Point(s) of Receipt.....	18
1.36	Point-To-Point Transmission Service .....	19

Issued By: C. M. Mennes  
 Issued: March 3, 2008  
 Effective Date: July 13, 2007  
 Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. OA07-46-000, issued January 31, 2008, 122 FERC ¶61,079 (2008).

1.37	Power Purchaser.....	19
1.38	Receiving Party.....	19
1.39	Regional Transmission Group (RTG).....	19
1.40	Reserved Capacity.....	20
1.41	Service Agreement.....	20
1.42	Service Commencement Date.....	20
1.43	Short-Term Firm Point-To-Point Transmission Service.....	20
1.44	System Impact Study.....	21
1.45	Third-Party Sale.....	21
1.46	Transmission Customer.....	21
1.47	Transmission Provider.....	22
1.48	Transmission Provider's Monthly Transmission System Peak.....	22
1.49	Transmission Service.....	22
1.50	Transmission System.....	22
<b>2</b>	<b>Initial Allocation and Renewal Procedures.....</b>	<b>22</b>
2.1	Initial Allocation of Available Transmission Capability.....	22
2.2	Reservation Priority for Existing Firm Service Customers.....	23
<b>3</b>	<b>Ancillary Services.....</b>	<b>24</b>
3.1	Scheduling, System Control and Dispatch Service.....	27
3.2	Reactive Supply and Voltage Control from Generation Sources Service.....	27
3.3	Regulation and Frequency Response Service.....	27
3.4	Energy Imbalance Service.....	27
3.5	Operating Reserve - Spinning Reserve Service.....	28
3.6	Operating Reserve - Supplemental Reserve Service.....	28
3.7	Generator Imbalance Service.....	28
<b>4</b>	<b>Open Access Same-Time Information System (OASIS).....</b>	<b>28</b>
<b>5</b>	<b>Local Furnishing Bonds.....</b>	<b>29</b>
5.1	Transmission Providers that Own Facilities Financed by Local Furnishing Bonds.....	29
5.2	Alternative Procedures for Requesting Transmission Service.....	30
<b>6</b>	<b>Reciprocity.....</b>	<b>31</b>
<b>7</b>	<b>Billing and Payment.....</b>	<b>33</b>
7.1	Billing Procedure.....	33
7.2	Interest on Unpaid Balances.....	33

Issued By: C. M. Mennes

Issued: March 3, 2008

Effective Date: July 13, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. OA07-46-000, issued January 31, 2008, 122 FERC ¶61,079 (2008).

7.3	Customer Default .....	34
<b>8</b>	<b>Accounting for the Transmission Provider's Use of the Tariff .....</b>	<b>35</b>
8.1	Transmission Revenues .....	35
8.2	Study Costs and Revenues .....	35
<b>9</b>	<b>Regulatory Filings .....</b>	<b>36</b>
<b>10</b>	<b>Force Majeure and Indemnification .....</b>	<b>36</b>
10.1	Force Majeure .....	36
10.2	Indemnification .....	37
<b>11</b>	<b>Creditworthiness .....</b>	<b>38</b>
<b>12</b>	<b>Dispute Resolution Procedures .....</b>	<b>38</b>
12.1	Internal Dispute Resolution Procedures .....	38
12.2	External Arbitration Procedures .....	38
12.3	Arbitration Decisions .....	39
12.4	Costs .....	40
12.5	Rights under The Federal Power Act .....	40
<b>PART II.</b>	<b>POINT-TO-POINT TRANSMISSION SERVICE</b>	<b>Preamble.. 41</b>
<b>13</b>	<b>Nature of Firm Point-To-Point Transmission Service .....</b>	<b>41</b>
13.1	Term .....	41
13.2	Reservation Priority .....	41
13.3	Use of Firm Transmission Service by the Transmission Provider .....	43
13.4	Service Agreements .....	44
13.5	Transmission Customer Obligations for Facility Additions or Redispatch Costs .....	45
13.6	Curtailment of Firm Transmission Service .....	46
13.7	Classification of Firm Transmission Service .....	48
13.8	Scheduling of Firm Point-To-Point Transmission Service .....	50
<b>14</b>	<b>Nature of Non-Firm Point-To-Point Transmission Service .....</b>	<b>51</b>
14.1	Term .....	51
14.2	Reservation Priority .....	52
14.3	Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider .....	53
14.4	Service Agreements .....	53
14.5	Classification of Non-Firm Point-To-Point Transmission Service .....	54
14.6	Scheduling of Non-Firm Point-To-Point Transmission Service .....	55
14.7	Curtailment or Interruption of Service .....	56

Issued By: C. M. Mennes  
Issued: March 3, 2008

Effective Date: July 13, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. OA07-46-000, issued January 31, 2008, 122 FERC ¶61,079 (2008).

<b>15</b>	<b>Service Availability</b>	<b>59</b>
15.1	General Conditions	59
15.2	Determination of Available Transmission Capability	59
15.3	Initiating Service in the Absence of an Executed Service Agreement	59
15.4	Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System	60
15.5	Deferral of Service	63
15.6	Other Transmission Service Schedules	63
15.7	Real Power Losses	63
<b>16</b>	<b>Transmission Customer Responsibilities</b>	<b>64</b>
16.1	Conditions Required of Transmission Customers	64
16.2	Transmission Customer Responsibility for Third-Party Arrangements	65
<b>17</b>	<b>Procedures for Arranging Firm Point-To-Point Transmission Service</b>	<b>66</b>
17.1	Application	66
17.2	Completed Application	67
17.3	Deposit	68
17.4	Notice of Deficient Application	70
17.5	Response to a Completed Application	70
17.6	Execution of Service Agreement	71
17.7	Extensions for Commencement of Service	72
<b>18</b>	<b>Procedures for Arranging Non-Firm Point-To-Point Transmission Service</b>	<b>73</b>
18.1	Application	73
18.2	Completed Application	74
18.3	Reservation of Non-Firm Point-To-Point Transmission Service	75
18.4	Determination of Available Transmission Capability	76
<b>19</b>	<b>Additional Study Procedures for Firm Point-To-Point Transmission Service Requests</b>	<b>76</b>
19.1	Notice of Need for System Impact Study	76
19.2	System Impact Study Agreement and Cost Reimbursement	78
19.3	System Impact Study Procedures	79
19.4	Facilities Study Procedures	81
19.5	Facilities Study Modifications	83
19.6	Due Diligence in Completing New Facilities	83

Issued By: C. M. Mennes  
Issued: March 3, 2008

Effective Date: July 13, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. OA07-46-000, issued January 31, 2008, 122 FERC ¶61,079 (2008).

19.7	Partial Interim Service .....	83
19.8	Expedited Procedures for New Facilities .....	84
<b>19.9</b>	<b>Penalties for Failure to Meet Study Deadlines.....</b>	<b>84</b>
<b>19.10</b>	<b>Clustering of Transmission Service Requests.....</b>	<b>86</b>
<b>20</b>	<b>Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service .....</b>	<b>89</b>
20.1	Delays in Construction of New Facilities .....	89
20.2	Alternatives to the Original Facility Additions.....	90
20.3	Refund Obligation for Unfinished Facility Additions.....	90
<b>21</b>	<b>Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities.....</b>	<b>91</b>
21.1	Responsibility for Third-Party System Additions.....	91
21.2	Coordination of Third-Party System Additions.....	91
<b>22</b>	<b>Changes in Service Specifications.....</b>	<b>92</b>
22.1	Modifications on a Non-Firm Basis.....	92
22.2	Modification on a Firm Basis .....	94
<b>23</b>	<b>Sale or Assignment of Transmission Service .....</b>	<b>95</b>
23.1	Procedures for Assignment or Transfer of Service.....	95
23.2	Limitations on Assignment or Transfer of Service .....	96
23.3	Information on Assignment or Transfer of Service .....	97
<b>24</b>	<b>Metering and Power Factor Correction at Receipt and Delivery Point(s).....</b>	<b>97</b>
24.1	Transmission Customer Obligations.....	97
24.2	Transmission Provider Access to Metering Data.....	97
24.3	Power Factor .....	98
<b>25</b>	<b>Compensation for Transmission Service .....</b>	<b>98</b>
<b>26</b>	<b>Stranded Cost Recovery .....</b>	<b>98</b>
<b>27</b>	<b>Compensation for New Facilities and Redispatch Costs .....</b>	<b>99</b>

**PART III. NETWORK INTEGRATION TRANSMISSION SERVICE**

	<b><u>Preamble.....</u></b>	<b><u>100</u></b>
<b>28</b>	<b>Nature of Network Integration Transmission Service.....</b>	<b>100</b>
28.1	Scope of Service .....	100
28.2	Transmission Provider Responsibilities.....	101
28.3	Network Integration Transmission Service .....	102
28.4	Secondary Service .....	102
28.5	Real Power Losses .....	103
28.6	Restrictions on Use of Service .....	103
<b>29</b>	<b>Initiating Service .....</b>	<b>104</b>

Issued By: C. M. Mennes  
 Issued: March 3, 2008

Effective Date: July 13, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. OA07-46-000, issued January 31, 2008, 122 FERC ¶61,079 (2008).

29.1	Condition Precedent for Receiving Service .....	104
29.2	Application Procedures .....	105
29.3	Technical Arrangements to be Completed Prior to Commencement of Service .....	110
29.4	Network Customer Facilities .....	110
29.5	Filing of Service Agreement .....	111
<b>30</b>	<b>Network Resources .....</b>	<b>111</b>
30.1	Designation of Network Resources .....	111
30.2	Designation of New Network Resources .....	112
30.3	Termination of Network Resources .....	113
30.4	Operation of Network Resources .....	114
30.5	Network Customer Redispatch Obligation.....	116
30.6	Transmission Arrangements for Network Resources not Physically Interconnected with the Transmission Provider..... .....	117
30.7	Limitation on Designation of Network Resources .....	117
30.8	Use of Interface Capacity by the Network Customer .....	117
30.9	Network Customer Owned Transmission Facilities .....	118
<b>31</b>	<b>Designation of Network Load .....</b>	<b>119</b>
31.1	Network Load .....	119
31.2	New Network Loads Connected with the Transmission Provider .....	119
31.3	Network Load not Physically Interconnected with the Transmission Provider.....	120
31.4	New Interconnection Points.....	120
31.5	Changes in Service Requests .....	121
31.6	Annual Load and Resource Information Updates.....	121
<b>32</b>	<b>Additional Study Procedures for Network Integration Transmission Service Requests .....</b>	<b>122</b>
32.1	Notice of Need for System Impact Study.....	122
32.2	System Impact Study Agreement and Cost Reimbursement .....	123
32.3	System Impact Study Procedures .....	124
32.4	Facilities Study Procedures.....	125
<b>32.5</b>	<b>Penalties for Failure to Meet Study Deadlines.....</b>	<b>126</b>
<b>32.6</b>	<b>Clustering of Transmission Service Requests.....</b>	<b>126</b>
<b>33</b>	<b>Load Shedding and Curtailments.....</b>	<b>128</b>
33.1	Procedures .....	128
33.2	Transmission Constraints .....	128
33.3	Cost Responsibility for Relieving Transmission Constraints	129

Issued By: C. M. Mennes  
 Issued: March 3, 2008

Effective Date: July 13, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. OA07-46-000, issued January 31, 2008, 122 FERC ¶61,079 (2008).

33.4	Curtailments of Scheduled Deliveries.....	130
33.5	Allocation of Curtailments.....	130
33.6	Load Shedding .....	130
33.7	System Reliability .....	131
<b>34</b>	<b>Rates and Charges .....</b>	<b>132</b>
34.1	Monthly Demand Charge .....	132
34.2	Determination of Network Customer's Monthly Network Load .....	132
34.3	Determination of Transmission Provider's Monthly Transmission System Load .....	133
34.4	Redispatch Charge.....	133
34.5	Stranded Cost Recovery .....	133
<b>35</b>	<b>Operating Arrangements .....</b>	<b>134</b>
35.1	Operation under the Network Operating Agreement .....	134
35.2	Network Operating Agreement.....	134
35.3	Network Operating Committee .....	136
<b>SCHEDULE 1 .....</b>		<b>137</b>
Scheduling, System Control and Dispatch Service .....		137
<b>SCHEDULE 2 .....</b>		<b>139</b>
Reactive Supply and Voltage Control from Generation Sources Service. .....		139
<b>SCHEDULE 3 .....</b>		<b>142</b>
Regulation and Frequency Response Service .....		142
<b>SCHEDULE 4 .....</b>		<b>145</b>
Energy Imbalance Service.....		145
<b>SCHEDULE 5 .....</b>		<b>148</b>
Operating Reserve - Spinning Reserve Service .....		148
<b>SCHEDULE 6 .....</b>		<b>151</b>
Operating Reserve - Supplemental Reserve Service .....		151
<b>SCHEDULE 7 .....</b>		<b>154</b>
Firm Point-To-Point Transmission Service.....		154
<b>SCHEDULE 8 .....</b>		<b>156</b>

Issued By: C. M. Mennes  
 Issued: March 3, 2008  
 Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. OA07-46-000, issued January 31, 2008, 122 FERC ¶61,079 (2008).  
 Effective Date: July 13, 2007

1	<b>Non-Firm Point-To-Point Transmission Service .....</b>	<b>156</b>
2	<b><u>SCHEDULE 9 .....</u></b>	<b><u>158</u></b>
3	<b>Generator Imbalance Service .....</b>	<b>158</b>
4	<b><u>SCHEDULE 10 .....</u></b>	<b><u>162</u></b>
5	<b>Losses .....</b>	<b>162</b>
6	<b><u>ATTACHMENT A.....</u></b>	<b><u>163</u></b>
7	<b>Form of Service Agreement for Firm Point-To-Point Transmission</b>	
8	<b>Service.....</b>	<b>163</b>
9	<b><u>ATTACHMENT A-1.....</u></b>	<b><u>165J</u></b>
10	<b>Form of Service Agreement for The Resale, Reassignment Or Transfer Of</b>	
11	<b>Point-To-Point Transmission Service</b>	
12	<b><u>ATTACHMENT B.....</u></b>	<b><u>166</u></b>
13	<b>Form of Service Agreement for Non-Firm Point-To-Point</b>	
14	<b>Transmission Service .....</b>	<b>166</b>
15	<b><u>ATTACHMENT C.....</u></b>	<b><u>175</u></b>
16	<b>Methodology to Assess Available Transfer Capability .....</b>	<b>175</b>
17	<b><u>ATTACHMENT D.....</u></b>	<b><u>179</u></b>
18	<b>Methodology for Completing a System Impact Study.....</b>	<b>179</b>
19	<b><u>ATTACHMENT E .....</u></b>	<b><u>200</u></b>
20	<b>Index of Point-To-Point Transmission Service Customers.....</b>	<b>200</b>
21	<b><u>ATTACHMENT F .....</u></b>	<b><u>203</u></b>
22	<b>Form of Service Agreement for Network Integration Transmission</b>	
23	<b>Service.....</b>	<b>203</b>
24	<b><u>ATTACHMENT G.....</u></b>	<b><u>212</u></b>
25	<b>Form of a Network Operating Agreement .....</b>	<b>212</b>
26	<b><u>ATTACHMENT H.....</u></b>	<b><u>245</u></b>
27	<b>Annual Network Transmission Service Rate.....</b>	<b>245</b>
28	<b><u>ATTACHMENT I .....</u></b>	<b><u>246</u></b>
29	<b>Index of Network Integration Transmission Service Customers.....</b>	<b>246</b>
30		

Florida Power & Light Company	Second Revised Sheet No. 9
FERC Electric Tariff, 2nd Rev. Vol. No. 6	Superseding 1 <sup>st</sup> Rev Sheet No. 9
<b>ATTACHMENT J</b> .....	<b>246A</b>
<b>Notice of Adoption of Revised NERC TLR Procedures</b> .....	<b>246A</b>
<b>ATTACHMENT K</b> .....	<b>246B</b>
<b>Transmission Planning Process</b> .....	<b>246B</b>
<b>ATTACHMENT L</b> .....	<b>246C</b>
<b>Creditworthiness Procedures</b> .....	<b>246C</b>
<b>ATTACHMENT M</b> .....	<b>247</b>
<b>Large Generator Interconnection Procedures and Agreement</b> .....	<b>247</b>
<b>ATTACHMENT N</b> .....	<b>409</b>
<b>Small Generator Interconnection Procedures and Agreement</b> .....	<b>409</b>
<b>ATTACHMENT O</b> .....	<b>505</b>
<b>STANDARDS PROMULGATED BY THE WHOLESALE ELECTRIC</b>	
<b>QUADRANT OF THE NORTH AMERICAN ENERGY STANDARDS</b>	
<b>BOARD</b> .....	<b>505</b>

Issued By: C. M. Mennes  
 Issued: March 3, 2008  
 Effective Date: July 13, 2007  
 Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. OA07-46-000, issued January 31, 2008, 122 FERC ¶61,079 (2008).

1                                    **PART I.        COMMON SERVICE PROVISIONS**

2    **1        Definitions**

3

4            **1.1    Affiliate:** With respect to a corporation, partnership or other entity,  
5                                    each such other corporation, partnership or other entity that directly or  
6                                    indirectly, through one or more intermediaries, controls, is controlled  
7                                    by, or is under common control with, such corporation, partnership or  
8                                    other entity.

9            **1.2    Ancillary Services:** Those services that are necessary to support the  
10                                    transmission of capacity and energy from resources to loads while  
11                                    maintaining reliable operation of the Transmission Provider's  
12                                    Transmission System in accordance with Good Utility Practice.

13           **1.3    Annual Network Transmission Service Rate:** The total annual rate  
14                                    for purposes of Network Integration Transmission Service shall be as  
15                                    specified in Attachment H until amended by the Transmission Provider  
16                                    or modified by the Commission.

17           **1.4    Application:** A request by an Eligible Customer for transmission  
18                                    service pursuant to the provisions of the Tariff.

19           **1.5    Commission:** The Federal Energy Regulatory Commission.

Issued By: C. M. Mennes  
Issued: March 3, 2008

Effective Date: July 13, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. OA07-46-000,  
issued January 31, 2008, 122 FERC ¶61,079 (2008).

1           **1.6 Completed Application:** An Application that satisfies all of the  
2           information and other requirements of the Tariff, including any  
3           required deposit.

4           **1.7 Control Area:** An electric power system or combination of electric  
5           power systems to which a common automatic generation control  
6           scheme is applied in order to:

7                           (1) match, at all times, the power output of the  
8                           generators within the electric power system(s) and capacity and  
9                           energy purchased from entities outside the electric power  
10                          system(s), with the load within the electric power system(s);

11                         (2) maintain scheduled interchange with other  
12                         Control Areas, within the limits of Good Utility Practice;

13                         (3) maintain the frequency of the electric power  
14                         system(s) within reasonable limits in accordance with Good  
15                         Utility Practice; and

16                         (4) provide sufficient generating capacity to maintain  
17                         operating reserves in accordance with Good Utility Practice.

18           **1.8 Curtailment:** A reduction in firm or non-firm transmission service in  
19           response to a transfer capability shortage as a result of system  
20           reliability conditions.



1           the unbundled transmission service, or pursuant to a voluntary offer of  
2           such service by the Transmission Provider. (ii) Any retail customer  
3           taking unbundled Transmission Service pursuant to a state  
4           requirement that the Transmission Provider offer the transmission  
5           service, or pursuant to a voluntary offer of such service by the  
6           Transmission Provider, is an Eligible Customer under the Tariff.

7           **1.13 Facilities Study:** An engineering study conducted by the  
8           Transmission Provider to determine the required modifications to the  
9           Transmission Provider's Transmission System, including the cost and  
10          scheduled completion date for such modifications, that will be required  
11          to provide the requested transmission service.

12          **1.14 Firm Point-To-Point Transmission Service:** Transmission Service  
13          under this Tariff that is reserved and/or scheduled between specified  
14          Points of Receipt and Delivery pursuant to Part II of this Tariff.

15          **1.15 Good Utility Practice:** Any of the practices, methods and acts  
16          engaged in or approved by a significant portion of the electric utility  
17          industry during the relevant time period, or any of the practices,  
18          methods and acts which, in the exercise of reasonable judgment in  
19          light of the facts known at the time the decision was made, could have  
20          been expected to accomplish the desired result at a reasonable cost

1 consistent with good business practices, reliability, safety and  
2 expedition. Good Utility Practice is not intended to be limited to the  
3 optimum practice, method, or act to the exclusion of all others, but  
4 rather to be acceptable practices, methods, or acts generally accepted  
5 in the region, including those practices required by Federal Power Act  
6 section 215(a)(4).

7 **1.16 Interruption:** A reduction in non-firm transmission service due to  
8 economic reasons pursuant to Section 14.7.

9 **1.17 Load Ratio Share:** Ratio of a Transmission Customer's Network Load  
10 to the Transmission Provider's total load computed in accordance with  
11 Sections 34.2 and 34.3 of the Network Integration Transmission  
12 Service under Part III of the Tariff and calculated on a rolling twelve  
13 month basis.

14 **1.18 Load Shedding:** The systematic reduction of system demand by  
15 temporarily decreasing load in response to transmission system or  
16 area capacity shortages, system instability, or voltage control  
17 considerations under Part III of the Tariff.

18 **1.19 Long-Term Firm Point-To-Point Transmission Service:** Firm Point-  
19 To-Point Transmission Service under Part II of the Tariff with a term of  
20 one year or more.

1           **1.20 Native Load Customers:** The wholesale and retail power customers  
2           of the Transmission Provider on whose behalf the Transmission  
3           Provider, by statute, franchise, regulatory requirement, or contract,  
4           has undertaken an obligation to construct and operate the  
5           Transmission Provider's system to meet the reliable electric needs of  
6           such customers.

7           **1.21 Network Customer:** An entity receiving transmission service pursuant  
8           to the terms of the Transmission Provider's Network Integration  
9           Transmission Service under Part III of the Tariff.

10          **1.22 Network Integration Transmission Service:** The transmission  
11          service provided under Part III of the Tariff.

12          **1.23 Network Load:** The load that a Network Customer designates for  
13          Network Integration Transmission Service under Part III of the Tariff.  
14          The Network Customer's Network Load shall include all load served  
15          by the output of any Network Resources designated by the Network  
16          Customer. A Network Customer may elect to designate less than its  
17          total load as Network Load but may not designate only part of the load  
18          at a discrete Point of Delivery. Where a Eligible Customer has elected  
19          not to designate a particular load at discrete points of delivery as  
20          Network Load, the Eligible Customer is responsible for making

1 separate arrangements under Part II of the Tariff for any Point-To-  
2 Point Transmission Service that may be necessary for such non-  
3 designated load.

4 **1.24 Network Operating Agreement:** An executed agreement that  
5 contains the terms and conditions under which the Network  
6 Customer shall operate its facilities and the technical and  
7 operational matters associated with the implementation of Network  
8 Integration Transmission Service under Part III of the Tariff.

9 **1.25 Network Operating Committee:** A group made up of  
10 representatives from the Network Customer(s) and the  
11 Transmission Provider established to coordinate operating criteria  
12 and other technical considerations required for implementation of  
13 Network Integration Transmission Service under Part III of this  
14 Tariff.

15 **1.26 Network Resource:** Any designated generating resource owned,  
16 purchased or leased by a Network Customer under the Network  
17 Integration Transmission Service Tariff. Network Resources do not  
18 include any resource, or any portion thereof, that is committed for  
19 sale to third parties or otherwise cannot be called upon to meet the  
20 Network Customer's Network Load on a non-interruptible basis,  
21 except for purposes of fulfilling obligations under a reserve sharing  
22 program.

- 1           **1.27 Network Upgrades:** Modifications or additions to transmission-related  
2           facilities that are integrated with and support the Transmission  
3           Provider's overall Transmission System for the general benefit of all  
4           users of such Transmission System.
- 5           **1.28 Non-Firm Point-To-Point Transmission Service:** Point-To-Point  
6           Transmission Service under the Tariff that is reserved and scheduled  
7           on an as-available basis and is subject to Curtailment or Interruption  
8           as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-  
9           To-Point Transmission Service is available on a stand-alone basis for  
10          periods ranging from one hour to one month.
- 11          **1.29 Non-Firm Sale:** An energy sale for which receipt or delivery may be  
12          interrupted for any reason or no reason, without liability on the part of  
13          either the buyer or seller.
- 14          **1.30 Open Access Same-Time Information System (OASIS):** The  
15          information system and standards of conduct contained in Part 37 of  
16          the Commission's regulations and all additional requirements  
17          implemented by subsequent Commission orders dealing with OASIS.
- 18          **1.31 Part I: Tariff Definitions and Common Service Provisions** contained in  
19          Sections 1 through 12.

1           **1.32 Part II:** Tariff Sections 13 through 27 pertaining to Point-To-Point  
2           Transmission Service in conjunction with the applicable Common  
3           Service Provisions of Part I and appropriate Schedules and  
4           Attachments.

5           **1.33 Part III:** Tariff Sections 28 through 35 pertaining to Network  
6           Integration Transmission Service in conjunction with the applicable  
7           Common Service Provisions of Part I and appropriate Schedules and  
8           Attachments.

9           **1.34 Parties:** The Transmission Provider and the Transmission Customer  
10          receiving service under the Tariff.

11          **1.35 Point(s) of Delivery:** Point(s) on the Transmission Provider's  
12          Transmission System where capacity and energy transmitted by the  
13          Transmission Provider will be made available to the Receiving Party  
14          under Part II of the Tariff. The Point(s) of Delivery shall be specified in  
15          the Service Agreement for Long-Term Firm Point-To-Point  
16          Transmission Service.

17          **1.36 Point(s) of Receipt:** Point(s) of interconnection on the Transmission  
18          Provider's Transmission System where capacity and energy will be  
19          made available to the Transmission Provider by the Delivering Party  
20          under Part II of the Tariff. The Point(s) of Receipt shall be specified in

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

- 1.37 Point-To-Point Transmission Service:** The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.
- 1.38 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.
- 1.39 Pre-Confirmed Application:** An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.
- 1.40 Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.
- 1.41 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           **1.42 Reserved Capacity:** The maximum amount of capacity and energy  
2           that the Transmission Provider agrees to transmit for the Transmission  
3           Customer over the Transmission Provider's Transmission System  
4           between the Point(s) of Receipt and the Point(s) of Delivery under  
5           Part II of the Tariff. Reserved Capacity shall be expressed in terms of  
6           whole megawatts on a sixty (60) minute interval (commencing on the  
7           clock hour) basis.

8           **1.43 Service Agreement:** The initial agreement and any amendments or  
9           supplements thereto entered into by the Transmission Customer and  
10          the Transmission Provider for service under the Tariff.

11          **1.44 Service Commencement Date:** The date the Transmission Provider  
12          begins to provide service pursuant to the terms of an executed  
13          Service Agreement, or the date the Transmission Provider begins to  
14          provide service in accordance with Section 15.3 or Section 29.1 under  
15          the Tariff.

16          **1.45 Short-Term Firm Point-To-Point Transmission Service:** Firm Point-  
17          To-Point Transmission Service under Part II of the Tariff with a term of  
18          less than one year.

19          **1.46 System Condition:** A specified condition on the Transmission  
20          Provider's system or on a neighboring system, such as a constrained

1 transmission element or flowgate, that may trigger Curtailment of  
2 Long-Term Firm Point-to-Point Transmission Service using the  
3 curtailment priority pursuant to Section 13.6. Such conditions must be  
4 identified in the Transmission Customer's Service Agreement.

5 **1.47 System Impact Study:** An assessment by the Transmission Provider  
6 of (i) the adequacy of the Transmission System to accommodate a  
7 request for either Firm Point-To-Point Transmission Service or  
8 Network Integration Transmission Service and (ii) whether any  
9 additional costs may be incurred in order to provide transmission  
10 service.

11 **1.48 Third-Party Sale:** Any sale for resale in interstate commerce to a  
12 Power Purchaser that is not designated as part of Network Load under  
13 the Network Integration Transmission Service.

14 **1.49 Transmission Customer:** Any Eligible Customer (or its Designated  
15 Agent) that (i) executes a Service Agreement, or (ii) requests in writing  
16 that the Transmission Provider file with the Commission, a proposed  
17 unexecuted Service Agreement to receive transmission service under  
18 Part II of the Tariff. This term is used in the Part I Common Service  
19 Provisions to include customers receiving transmission service under  
20 Part II and Part III of this Tariff.



1 commencing with the effective date of the Tariff will be deemed to  
2 have been filed simultaneously. A lottery system conducted by an  
3 independent party shall be used to assign priorities for Completed  
4 Applications filed simultaneously. All Completed Applications for  
5 firm transmission service received after the initial sixty (60) day  
6 period shall be assigned a priority pursuant to Section 13.2.

7 **2.2 Reservation Priority for Existing Firm Service Customers:**

8 Existing firm service customers (wholesale requirements and  
9 transmission-only, with a contract term of five years or more), have  
10 the right to continue to take transmission service from the  
11 Transmission Provider when the contract expires, rolls over or is  
12 renewed. This transmission reservation priority is independent of  
13 whether the existing customer continues to purchase capacity and  
14 energy from the Transmission Provider or elects to purchase  
15 capacity and energy from another supplier. If at the end of the  
16 contract term, the Transmission Provider's Transmission System  
17 cannot accommodate all of the requests for transmission service,  
18 the existing firm service customer must agree to accept a contract  
19 term at least equal to a competing request by any new Eligible  
20 Customer and to pay the current just and reasonable rate, as  
21 approved by the

1 Commission, for such service; provided that, the firm service customer shall have  
2 a right of first refusal at the end of such service only if the new contract is for five  
3 years or more. The existing firm service customer must provide notice to the  
4 Transmission Provider whether it will exercise its right of first refusal no less than  
5 one year prior to the expiration date of its transmission service agreement. This  
6 transmission reservation priority for existing firm service customers is an ongoing  
7 right that may be exercised at the end of all firm contract terms of five years or  
8 longer. Service agreements subject to a right of first refusal entered into prior to  
9 July 21, 2008 or associated with a transmission service request received prior to  
10 July 13, 2007, unless terminated, will become subject to the five year/one year  
11 requirement on the first rollover date after July 21, 2008; provided that, the one-  
12 year notice requirement shall apply to such service agreements with five years or  
13 more left in their terms as of July 21, 2008.

14 **3 Ancillary Services**

15  
16 Ancillary Services are needed with transmission service to maintain reliability  
17 within and among the Control Areas affected by the transmission service. The  
18 Transmission Provider is required to provide (or offer to arrange with the local  
19 Control Area operator as discussed below), and the Transmission Customer is  
20 required to purchase, the following Ancillary Services:(i)

1 Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control  
2 from Generation or Other Sources.

3  
4 The Transmission Provider is required to offer to provide (or offer to arrange with the  
5 local Control Area operator as discussed below) the following Ancillary Services only to  
6 the Transmission Customer serving load within the Transmission Provider's Control Area:

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

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

20 The Transmission Customer may not decline the Transmission Provider's offer of  
21 Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from  
22 another source. The Transmission Customer must list in its Application which Ancillary  
23 Services it will purchase from the Transmission Provider. A Transmission Customer that  
24 exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an  
25 Eligible Customer that uses Transmission Service at a Point of Receipt or Point of  
26 Delivery that it has not reserved is required to pay for all of the Ancillary Services  
27 identified in this

Issued By: C. M. Mennes

Issued: March 17, 2008

Effective Date: March 17, 2008

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. RM05-17-  
000 001,-002 and RM05-25-000001,-002 issued December 28, 2007, 121 FERC ¶61,297 (2007).

1 section that were provided by the Transmission Provider associated with the  
2 unreserved service. The Transmission Customer or Eligible Customer will  
3 pay for Ancillary Services based on the amount of transmission service it  
4 used but did not reserve.

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

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

18 The specific Ancillary Services, prices and/or compensation methods are  
19 described on the Schedules that are attached to and made a part of the  
20 Tariff. Three principal requirements apply to discounts for Ancillary Services

Issued By: C. M. Mennes  
Issued: March 3, 2008

Effective Date: July 13, 2007

Filed to comply with order of the Federal Energy Regulatory Commission, Docket No. OA07-46-000,  
issued January 31, 2008, 122 FERC ¶61,079 (2008).

1 provided by the Transmission Provider in conjunction with its provision of  
2 transmission service as follows: (1) any offer of a discount made by the  
3 Transmission Provider must be announced to all Eligible Customers solely  
4 by posting on the OASIS, (2) any customer-initiated requests for discounts  
5 (including requests for use by one's wholesale merchant or an Affiliate's  
6 use) must occur solely by posting on the OASIS, and (3) once a discount  
7 is negotiated, details must be immediately posted on the OASIS. A  
8 discount agreed upon for an Ancillary Service must be offered for the  
9 same period to all Eligible Customers on the Transmission Provider's  
10 system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

11 **3.1 Scheduling, System Control and Dispatch Service:** The rates  
12 and/or methodology are described in Schedule 1.

13 **3.2 Reactive Supply and Voltage Control from Generation or Other**  
14 **Sources Service:** The rates and/or methodology are described in  
15 Schedule 2.

16 **3.3 Regulation and Frequency Response Service:** Where applicable  
17 the rates and/or methodology are described in Schedule

18 **3.4 Energy Imbalance Service:** Where applicable the rates and/or  
19 methodology are described in Schedule 4.

1           **3.5 Operating Reserve - Spinning Reserve Service:** Where  
2           applicable the rates and/or methodology are described in Schedule  
3           5.

4           **3.6 Operating Reserve - Supplemental Reserve Service:** Where  
5           applicable the rates and/or methodology are described in Schedule  
6           6.

7           **3.7 Generator Imbalance Service:** Where applicable the rates and/or  
8           methodology are described in Schedule 9.

9   **4 Open Access Same-Time Information System (OASIS)**

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

19       The Transmission Provider shall post on OASIS and its public website an  
20       electronic link to all rules, standards and practices that (i) relate to the  
21       terms and conditions of transmission service, (ii) are not subject to a North  
22       American Energy

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

## **5 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

1 Internal Revenue Code ("local furnishing bonds"). Notwithstanding  
2 any other provision of this Tariff, the Transmission Provider shall not  
3 be required to provide transmission service to any Eligible Customer  
4 pursuant to this Tariff if the provision of such transmission service  
5 would jeopardize the tax-exempt status of any local furnishing bond(s)  
6 used to finance the Transmission Provider's facilities that would be  
7 used in providing such transmission service.

8

9 **5.2 Alternative Procedures for Requesting Transmission Service:**

10

11 (i) If the Transmission Provider determines that the provision of  
12 transmission service requested by an Eligible Customer would  
13 jeopardize the tax-exempt status of any local furnishing bond(s)  
14 used to finance its facilities that would be used in providing  
15 such transmission service, it shall advise the Eligible Customer  
16 within thirty (30) days of receipt of the Completed Application.

17 (ii) If the Eligible Customer thereafter renews its request for the  
18 same transmission service referred to in (i) by tendering an  
19 application under Section 211 of the Federal Power Act, the  
20 Transmission Provider, within ten (10) days of receiving a copy

1 of the Section 211 application, will waive its rights to a request  
2 for service under Section 213(a) of the Federal Power Act and  
3 to the issuance of a proposed order under Section 212(c) of the  
4 Federal Power Act. The Commission, upon receipt of the  
5 Transmission Provider's waiver of its rights to a request for  
6 service under Section 213(a) of the Federal Power Act, and to  
7 the issuance of a proposed order under Section 212(c) of the  
8 Federal Power Act, shall issue an order under Section 211 of  
9 the Federal Power Act. Upon issuance of the order under  
10 Section 211 of the Federal Power Act, the Transmission  
11 Provider shall be required to provide the requested  
12 transmission service in accordance with the terms and  
13 conditions of this Tariff.

14 **6 Reciprocity**

15

16 A Transmission Customer receiving transmission service under this Tariff  
17 agrees to provide comparable transmission service that it is capable of  
18 providing to the Transmission Provider on similar terms and conditions over  
19 facilities used for the transmission of electric energy owned, controlled or  
20 operated by the Transmission Customer and over facilities used for the

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

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

1           under the Tariff. If the Transmission Customer does not own, control or  
2           operate transmission facilities, it must include in its Application a sworn  
3           statement of one of its duly authorized officers or other representatives that  
4           the purpose of its Application is not to assist an Eligible Customer to avoid  
5           the requirements of this provision.

6    **7    Billing and Payment**

7  
8           **7.1   Billing Procedure:** Within a reasonable time after the first day of each  
9           month, the Transmission Provider shall submit an invoice to the  
10          Transmission Customer for the charges for all services furnished  
11          under the Tariff during the preceding month. The invoice shall be paid  
12          by the Transmission Customer within twenty (20) days of receipt. All  
13          payments shall be made in immediately available funds payable to the  
14          Transmission Provider, or by wire transfer to a bank named by the  
15          Transmission Provider.

16          **7.2   Interest on Unpaid Balances:** Interest on any unpaid amounts  
17          (including amounts placed in escrow) shall be calculated in  
18          accordance with the methodology specified for interest on refunds in  
19          the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest  
20          on delinquent amounts shall be calculated from the due date of the bill

1                   to the date of payment. When payments are made by mail, bills shall  
2                   be considered as having been paid on the date of receipt by the  
3                   Transmission Provider.

4           **7.3 Customer Default:** In the event the Transmission Customer fails, for  
5           any reason other than a billing dispute as described below, to make  
6           payment to the Transmission Provider on or before the due date as  
7           described above, and such failure of payment is not corrected within  
8           thirty (30) calendar days after the Transmission Provider notifies the  
9           Transmission Customer to cure such failure, a default by the  
10          Transmission Customer shall be deemed to exist. Upon the  
11          occurrence of a default, the Transmission Provider may initiate a  
12          proceeding with the Commission to terminate service but shall not  
13          terminate service until the Commission so approves any such request.  
14          In the event of a billing dispute between the Transmission Provider  
15          and the Transmission Customer, the Transmission Provider will  
16          continue to provide service under the Service Agreement as long as  
17          the Transmission Customer (i) continues to make all payments not in  
18          dispute, and (ii) pays into an independent escrow account the portion  
19          of the invoice in dispute, pending resolution of such dispute. If the  
20          Transmission Customer fails to meet these two requirements for

1 continuation of service, then the Transmission Provider may provide  
2 notice to the Transmission Customer of its intention to suspend service  
3 in sixty (60) days, in accordance with Commission policy.

4 **7.4 Unreserved Use:** In the event that any Transmission Customer uses  
5 transmission service that it has not reserved during a calendar month,  
6 the Transmission Customer shall pay a charge for such unreserved use  
7 based on a rate equal to: (1) 200% of the rate for the Firm Point-To-  
8 Point Transmission Service deemed to have been provided; times (2)  
9 the maximum hourly unreserved use. The charge for unreserved use  
10 occurring during a calendar day will be based on 200% of the charge  
11 for daily Firm Point-To-Point Transmission Service; the charge for  
12 multiple instances of unreserved use occurring on more than one  
13 calendar day during a calendar week will result in a charge based on  
14 200% of the charge for weekly Firm Point-To-Point Transmission  
15 Service; and the charge for multiple instances of unreserved use  
16 occurring during more than one calendar week during a calendar month  
17 will be based on 200% of the charge for monthly Firm Point-To-Point  
18 Transmission Service.

1    **8    Accounting for the Transmission Provider's Use of the Tariff**

2

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

5           **8.1    Transmission Revenues:** Include in a separate operating revenue  
6           account or subaccount the revenues it receives from Transmission  
7           Service when making Third-Party Sales under Part II of the Tariff.

8           **8.2    Study Costs and Revenues:** Include in a separate transmission  
9           operating expense account or subaccount, costs properly  
10          chargeable to expense that are incurred to perform any System  
11          Impact Studies or Facilities Studies which the Transmission  
12          Provider conducts to determine if it must construct new  
13          transmission facilities or upgrades necessary for its own uses,  
14          including making Third-Party Sales under the Tariff; and include in  
15          a separate operating revenue account or subaccount the revenues  
16          received for System Impact Studies or

1                   Facilities Studies performed when such amounts are separately stated  
2                   and identified in the Transmission Customer's billing under the Tariff.

3   **9    Regulatory Filings**

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

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

14   **10   Force Majeure and Indemnification**

15

16                  **10.1 Force Majeure:** An event of Force Majeure means any act of God,  
17                  labor disturbance, act of the public enemy, war, insurrection, riot, fire,  
18                  storm or flood, explosion, breakage or accident to machinery or  
19                  equipment, any Curtailment, order, regulation or restriction imposed by  
20                  governmental military or lawfully established civilian authorities, or any

1                    other cause beyond a Party's control. A Force Majeure event does not  
2                    include an act of negligence or intentional wrongdoing. Neither the  
3                    Transmission Provider nor the Transmission Customer will be  
4                    considered in default as to any obligation under this Tariff if prevented  
5                    from fulfilling the obligation due to an event of Force Majeure.  
6                    However, a Party whose performance under this Tariff is hindered by  
7                    an event of Force Majeure shall make all reasonable efforts to perform  
8                    its obligations under this Tariff.

9                    **10.2 Indemnification:** The Transmission Customer shall at all times  
10                    indemnify, defend, and save the Transmission Provider harmless  
11                    from, any and all damages, losses, claims, including claims and  
12                    actions relating to injury to or death of any person or damage to  
13                    property, demands, suits, recoveries, costs and expenses, court costs,  
14                    attorney fees, and all other obligations by or to third parties, arising out  
15                    of or resulting from the Transmission Provider's performance of its  
16                    obligations under this Tariff on behalf of the Transmission Customer,  
17                    except in cases of negligence or intentional wrongdoing by the  
18                    Transmission Provider.

19                    **11 Creditworthiness**

20

1

2           The Transmission Provider will specify its Creditworthiness procedures in  
3           Attachment L.

4   **12 Dispute Resolution Procedures**

5

6           **12.1 Internal Dispute Resolution Procedures:** Any dispute between a  
7           Transmission Customer and the Transmission Provider involving  
8           transmission service under the Tariff (excluding applications for rate  
9           changes or other changes to the Tariff, or to any Service Agreement  
10          entered into under the Tariff, which shall be presented directly to the  
11          Commission for resolution) shall be referred to a designated senior  
12          representative of the Transmission Provider and a senior  
13          representative of the Transmission Customer for resolution on an  
14          informal basis as promptly as practicable. In the event the designated  
15          representatives are unable to resolve the dispute within thirty (30)  
16          days by mutual agreement, such dispute may be submitted to  
17          arbitration and resolved in accordance with the arbitration procedures  
18          set forth below.

19          **12.2 External Arbitration Procedures:** Any arbitration initiated under the  
20          Tariff shall be conducted before a single neutral arbitrator appointed by  
21          the Parties. If the Parties fail to agree upon a single arbitrator within

1           ten (10) days of the referral of the dispute to arbitration, each Party  
2           shall choose one arbitrator who shall sit on a three-member arbitration  
3           panel. The two arbitrators so chosen shall within twenty (20) days  
4           select a third arbitrator to chair the arbitration panel. In either case, the  
5           arbitrators shall be knowledgeable in electric utility matters, including  
6           electric transmission and bulk power issues, and shall not have any  
7           current or past substantial business or financial relationships with any  
8           party to the arbitration (except prior arbitration). The arbitrator(s) shall  
9           provide each of the Parties an opportunity to be heard and, except as  
10          otherwise provided herein, shall generally conduct the arbitration in  
11          accordance with the Commercial Arbitration Rules of the American  
12          Arbitration Association and any applicable Commission regulations or  
13          Regional Transmission Group rules.

14          **12.3 Arbitration Decisions:** Unless otherwise agreed, the arbitrator(s)  
15          shall render a decision within ninety (90) days of appointment and  
16          shall notify the Parties in writing of such decision and the reasons  
17          therefor. The arbitrator(s) shall be authorized only to interpret and  
18          apply the provisions of the Tariff and any Service Agreement entered  
19          into under the Tariff and shall have no power to modify or change any  
20          of the above in any manner. The decision of the arbitrator(s) shall be  
21          final and binding upon the Parties, and judgment on the award may be  
22          entered in any court having jurisdiction. The decision of the

1 arbitrator(s) may be appealed solely on the grounds that the conduct  
2 of the arbitrator(s), or the decision itself, violated the standards set  
3 forth in the Federal Arbitration Act and/or the Administrative Dispute  
4 Resolution Act. The final decision of the arbitrator must also be filed  
5 with the Commission if it affects jurisdictional rates, terms and  
6 conditions of service or facilities.

7 **12.4 Costs:** Each Party shall be responsible for its own costs incurred  
8 during the arbitration process and for the following costs, if applicable:

9

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

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

15 **12.5 Rights under The Federal Power Act:** Nothing in this section shall  
16 restrict the rights of any party to file a Complaint with the Commission  
17 under relevant provisions of the Federal Power Act.

18