

TRANSMISSION SERVICE TARIFF

of

**GEORGIA TRANSMISSION CORPORATION
(An Electric Membership Corporation)**

dated

January 1, 2009

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I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 Affiliate

(i) For any exempt wholesale generator, as defined under Section 32(a) of the Public Utility Holding Company Act of 1935, as amended, the same as provided in Section 214 of the Federal Power Act; and

(ii) for any other entity, the same as provided in 18 C.F.R. § 161.2(a), but not including a GTC Member.

1.2 Ancillary Services

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

1.3 Application

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

1.4 Commission

The Federal Energy Regulatory Commission.

1.5 Completed Application

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

1.6 Control Area

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

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

A Control Area may include a system operated by an agent on behalf of GTC.

1.7 Curtailment

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

1.8 Delivering Party

The entity interconnected to the Transmission System —through which arrangements have been made by the Transmission Customer to deliver capacity and/or energy to GTC for transmission to the Transmission Customer or to the Transmission Customer’s designee at the Point(s) of Receipt.

1.9 Designated Agent

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

1.10 Direct Assignment Facilities

Facilities or portions of facilities that are constructed by GTC for the sole use or benefit of a particular Transmission Customer requesting service under the Tariff.

Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to applicable Governmental Authority approval.

1.11 Eligible Customer

(i) Any electric utility (including GTC and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h)(2) of the Federal Power Act; such entity is eligible only if the service is provided pursuant to a state requirement that GTC offer the unbundled transmission service, or pursuant to a voluntary offer of such service by GTC.

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

1.12 Facilities Study

An engineering study conducted by GTC to determine the required modifications to GTC’s Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested

transmission service.

1.13 Facilities Study Agreement

An agreement between GTC and an Eligible Customer that establishes the rights and obligations of GTC and the Eligible Customer with respect to the cost, implementation and completion of a Facilities Study in accordance with Section 19 or 32 herein.

1.14 Firm Point-To-Point Transmission Service

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.15 Force Majeure

The occurrence or non-occurrence of any act or event that could not reasonably have been expected and avoided by exercise of due diligence and foresight and such act or event is beyond the reasonable control of the Party relying thereon as justification for not performing an obligation or complying with any condition required of such Party (or such Party's contractors, subcontractors, or agents) pursuant to the Tariff and Service Agreement.

1.16 Good Utility Practice

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

1.17 Governmental Authority

Any local, state, regional, federal, or national administrative, legal, judicial, or executive agency, commission, department, or other governmental entity.

1.18 GTC

Georgia Transmission Corporation (An Electric Membership Corporation), an electric membership corporation organized and existing pursuant to the Georgia Electric Membership Corporation Act, as amended, or its Designated Agent.

1.19 GTC Member

Any electric membership corporation organized and existing pursuant to the

Georgia Electric Membership Corporation Act, as amended, that qualifies and has been approved for membership pursuant to Article I, Section 1 of GTC's Bylaws, as amended, including OPC.

1.20 Indenture

The Trust Indenture from GTC, Grantor, to U.S. Bank, Atlanta, Trustee, dated as of January 1, 1997, as the same may be amended, supplemented or substituted from time to time.

1.21 Indenture Interest

The total interest charges (whether capitalized or expensed) of GTC for the applicable period on (i) all debt secured under the Indenture or (ii) under any mortgage, lien, charge or encumbrance on or pledge of or security interest in any of GTC's property subject to the lien of the Indenture that is prior to or on a parity with the lien of the Indenture (other than permitted encumbrances as provided in the Indenture), in all cases including amortization of debt discount and expense or premium, and subject to any exclusions as provided in the Indenture, determined in accordance with the system of accounts prescribed by the Governmental Authority having jurisdiction over GTC or, in the absence thereof, the requirements of generally accepted accounting principles applicable to corporations conducting business similar to that of GTC.

1.22 Integrated Transmission System Agreement or ITSA

The Revised and Restated Integrated Transmission System Agreement between GTC (as assignee of OPC) and Georgia Power Company, dated as of November 12, 1990, and accepted for filing by FERC in *Georgia Power Company*, Docket No. ER91-171-000, 57 FERC ¶ 61,087, *order on reh'g*, 57 FERC & 61,353 (1991), as the same may be amended, supplemented or substituted by the parties to such agreement from time to time.

1.23 Interruption

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

1.24 Load Ratio Share

Ratio of a Transmission Customer's Network Load to GTC's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated once each year for the twelve (12) months ending September 30.

1.25 Load Shedding

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or

voltage control considerations under Part III of the Tariff.

1.26 Long-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.27 Lost Opportunity Costs

Incremental costs incurred by GTC for loss of revenue or savings foregone by GTC or a Transmission Customer associated with the provision of transmission service, determined in accordance with Attachment H.

1.28 Modified Dispatch Cost

The incremental costs incurred by GTC or a Transmission Customer resulting from the modification of the dispatch of any generation facilities or purchased resources in order to provide requested transmission service, determined in accordance with Attachment I.

1.29 Monthly Transmission System Peak

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

1.30 Native Load Customers

The GTC Members and their wholesale and retail power customers, on whose behalf the GTC Member, by statute, franchise, regulatory requirement or contract, has undertaken an obligation to construct and operate its system to meet the reliable electric needs of such customers.

1.31 Network Customer

An entity receiving transmission service pursuant to the terms of GTC's Network Integration Transmission Service under Part III of the Tariff.

1.32 Network Integration Transmission Service

The transmission service provided under Part III of the Tariff.

1.33 Network Load

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

be necessary for such non-designated load.

1.34 Network Operating Committee

A group made up of representatives from the Network Customer(s) and GTC established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.35 Network Resource

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

1.36 Network Upgrades

Modifications or additions to transmission-related facilities that are integrated with and support GTC's overall Transmission System for the general benefit of all users of such Transmission System.

1.37 Non-Firm Point-To-Point Transmission Service

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.38 Non-Firm Sales

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.39 Off-System Transaction

An agreement to transfer energy from a seller to a buyer that crosses the boundaries of the Transmission System.

1.40 OPC

Oglethorpe Power Corporation (An Electric Membership Corporation).

1.41 Open Access Same-Time Information System (OASIS)

The information system and standards of conduct contained in Attachment M.

1.42 Part I

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

1.43 Part II

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.44 Part III

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.45 Parties

GTC and the Transmission Customer receiving service under the Tariff.

1.46 Point(s) of Delivery

The interconnection(s) between the Transmission System and the transmission, sub-transmission, or distribution system of an adjoining utility or entity (whether the Transmission Customer or its designee) at which GTC is to deliver capacity or energy pursuant to this Tariff and which shall be specified in a Service Agreement.

1.47 Point(s) of Receipt

The interconnection(s) between the Transmission System and the transmission, sub-transmission, or distribution system of an adjoining utility or entity (whether the Transmission Customer or its designee) at which GTC is to receive capacity or energy pursuant to this Tariff and which shall be specified in a Service Agreement.

1.48 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.

1.49 Power Purchaser

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

1.50 Pre-Confirmed Application

An Application that commits the Transmission Customer to execute a Service

Agreement upon receipt of notification that GTC can provide the requested Transmission Service.

1.51 Receiving Party

The entity directly interconnected to the Transmission System with which arrangements have been made by the Transmission Customer to receive the capacity and/or energy transmitted by GTC to Point(s) of Delivery.

1.52 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.

1.53 Reserved Capacity

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

1.54 RUS

The Rural Utilities Service or any Governmental Authority succeeding to the power and function thereof.

1.55 Service Agreement

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and GTC for service under this Tariff.

1.56 Service Commencement Date

The date GTC begins to provide service pursuant to the terms of an executed Service Agreement.

1.57 Short-Term Firm Point-To-Point Transmission Service

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.58 System Condition

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

1.59 System Impact Study

An assessment by GTC of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.60 System Impact Study Agreement

An agreement between GTC and an Eligible Customer that establishes the rights and obligations of GTC and the Eligible Customer with respect to the cost, implementation and completion of a System Impact Study in accordance with Section 19 or 32.

1.61 Tariff

GTC's Transmission Service Tariff.

1.62 Third-Party Sale

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.63 Transmission Customer

Any Eligible Customer (or its Designated Agent) that executes a Service Agreement. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.64 Transmission Provider

Georgia Transmission Corporation (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under this Tariff.

1.65 Transmission Service

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

1.66 Transmission System

The facilities owned, controlled, or operated by GTC and the transmission facilities under the ITSA which GTC has contractual rights to utilize to provide transmission service under Part II and Part III of the Tariff.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability

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

2.2 Reservation Priority For Existing Firm Service Customers

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from GTC when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from a GTC Member or elects to purchase capacity and energy from another supplier. If at the end of the contract term, GTC's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current rate, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to GTC whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to January 1, 2009, unless terminated, will become subject to the five year/one year requirement on the first rollover date after January 1, 2009; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of January 1, 2009.

3 Ancillary Services

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

GTC offers to provide (or offers to arrange with its Designated Agent as discussed below) the following Ancillary Services only to the Transmission Customer serving load within GTC's Control Area: (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve – Supplemental. The Transmission Customer serving load within GTC's Control Area is required to acquire these Ancillary Services, whether from GTC, from a third party, or by self-supply. The Transmission Customer may not decline GTC's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from GTC.

If GTC is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, GTC can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services. The Transmission Customer may elect to (i) have GTC act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6 and 9) from a third party or by self-supply when technically feasible. To the extent that the Transmission Customer fails to provide Ancillary Services that it has elected to secure from the Control Area operator, a third party or itself and to the extent that GTC provides such Ancillary Services, the Transmission Customer shall be charged for such Ancillary Services in accordance with the Service Schedules attached hereto.

GTC shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer: In the event of an unauthorized use of Ancillary Services by the Transmission Customer, the total bill for such unauthorized use (derived through the application of the governing rates and charges) shall be multiplied by two hundred percent (200%) to produce the total amount due.

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

3.1 Scheduling, System Control and Dispatch Service

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

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

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

3.3 Regulation and Frequency Response Service

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

3.4 Energy Imbalance Service

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

3.5 Operating Reserve - Spinning Reserve Service

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

3.6 Operating Reserve - Supplemental Reserve Service

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

3.7 Generator Imbalance Service

Where applicable the rates and/or methodology are described in Schedule 9.

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are contained in Attachment M. In the event available transfer capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

5 Reserved For Future Use

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to GTC on similar terms and conditions over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy in interstate commerce 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 in interstate commerce owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by

the Transmission Customer's corporate Affiliates.

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

7 Billing and Payment

7.1 Billing Procedure

Within a reasonable time after the first day of each month, GTC shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within ten (10) days from the date of the invoice. All payments shall be made in immediately available funds payable to GTC, or by wire transfer to a bank named by GTC.

7.2 Interest on Unpaid Balances

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

7.3 Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to GTC on or before the due date as described above, and such failure of payment is not corrected within ten (10) business days after payment is due, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, GTC may undertake actions to terminate service but shall not terminate service until the Governmental Authority having jurisdiction over GTC so approves any such request. In the event of a billing dispute between GTC and the Transmission Customer, GTC will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission

Customer fails to meet these two requirements for continuation of service, then GTC may provide notice to the Transmission Customer of its intention to suspend service in ten (10) business days.

8 Reserved For Future Use

9 Regulatory Filings

The effectiveness of the Tariff and the applicable Service Schedules, and the Service Agreement between GTC and the Transmission Customer, are subject to the approval of the Administrator of the RUS. GTC shall be under no obligation to provide service to the Transmission Customer until the Service Agreement and related agreements have received such approval and any other necessary approval by Governmental Authorities. GTC will file the Service Agreement and related agreements as necessary to comply with the requirements of the appropriate Governmental Authorities.

Requests to modify the terms and conditions of the Tariff, an executed Service Agreement, or the Service Schedules must be submitted by the Transmission Customer to GTC in writing. Approval of modifications shall be granted at the sole discretion of GTC and are subject to any necessary approvals of the Administrator of the RUS.

Except as agreed by the Parties in a Service Agreement, nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise whatever rights it has under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

GTC is subject to the rules and regulation of the RUS. Neither the rates charged by GTC nor the terms and conditions of the Tariff, the Service Schedules, and the Service Agreement are subject to the prior approval of any Federal or State agency or authority other than the RUS. It is recognized, however, that the Commission has certain authority under the Federal Power Act to order GTC to provide transmission service if it so determines such action is warranted. In the event that the Commission exercises authority over GTC, or in the event that the relationship between GTC and RUS changes such that GTC falls under the regulatory authority of the Commission, it may be necessary to revise, amend, modify or replace in entirety the Tariff, the Service Schedules, and the Service Agreements, including any rates, terms, and provisions thereof, in order to comply with Commission rules and regulations. In such event, the Transmission Customer will execute and deliver such documents, upon the request of GTC, as may be necessary or appropriate to implement the orders, rules and regulations of the applicable Governmental Authority.

10 Force Majeure and Indemnification

10.1 Force Majeure

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

10.2 Indemnification

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

11 Creditworthiness and Assignments

11.1 GTC's Creditworthiness Procedures

GTC's creditworthiness procedures are described in Attachment L.

11.2 Procedures for Assignment or Transfer of Service

The Service Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the Parties. Neither the Service Agreement, nor any right or obligation hereunder, shall be assigned to a third person by the Transmission Customer without the written consent of GTC, which consent shall not be unreasonably withheld, and without the approval of the RUS. Either Party may transfer or assign the Service Agreement to any person succeeding to all or substantially all of the assets of such Party, whether by merger or otherwise, so long as such person shall, as a part of such succession, have assumed all of the obligations of the Service Agreement under the transfer and is no less creditworthy, as determined by GTC and the RUS, than the Transmission Customer prior to the transfer or assignment. Any assignment made by the Transmission Customer without the required consent shall be void and of no effect against GTC. The Service Agreement shall not be assigned by the Transmission Customer to any person other than another Eligible Customer (the Assignee).

GTC, without the approval of the Transmission Customer, may assign, transfer, mortgage or pledge the Service Agreement to create a security interest for the benefit of one or more entities that include the United States of America, acting

through the Administrator of the RUS. Thereafter, the Administrator of the RUS, without the approval of the Transmission Customer, may (i) cause the Service Agreement to be sold, assigned, transferred or otherwise disposed of to a third party pursuant to the terms governing such security interests, or (ii) if the Administrator of the RUS first acquires the Service Agreement pursuant to 7 U.S.C. § 907 (as the same may hereafter be amended), sell, assign, transfer or otherwise dispose of the Service Agreement to a third party. In either case GTC shall be in default of its obligations to the Administrator of the RUS that are secured by such security interests and the Administrator of the RUS shall have given the Transmission Customer notice of such default, and the Administrator of the RUS shall have given the Transmission Customer thirty (30) days' prior notice of its intention to sell, assign, transfer or otherwise dispose of the Service Agreement indicating the identity of the intended third-party assignee or the Transmission Customer. No permitted sale, assignment, transfer or other disposition shall release or discharge GTC from its obligations under the Service Agreement.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and GTC involving transmission service under the Tariff shall be referred to a designated senior representative of GTC and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the Parties may agree upon) by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures

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

12.3 Arbitration Decisions

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

12.4 Costs

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

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

12.5 Rights Under The Federal Power Act

Nothing in this Section shall restrict the rights of any party to assert whatever rights it may have under relevant provisions of the Federal Power Act.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

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

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term

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

13.2 Reservation Priority

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, *i.e.*, in the chronological sequence in which each Transmission Customer has requested service.
- (ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not pre-confirmed and that have equal or shorter duration. Among requests with the same duration and pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request that offers the highest price, followed by the date and time of the request.
- (iii) If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the deadline, if available transfer capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. After the deadline, service will commence pursuant to the terms of Part II of the Tariff.
- (iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will

have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Reserved For Future Use

13.4 Service Agreements

GTC shall offer a standard form Member Transmission Service Agreement (Attachment A) or Non-Member Transmission Service Agreement (Attachment B), as applicable, to an Eligible Customer when it submits a Completed Application for Firm Point-To-Point Transmission Service. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Administrator of the RUS, if applicable. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify the conditional curtailment option if selected by the Transmission Customer. Where the Service Agreement contains the conditional curtailment option and is subject to a biennial reassessment as described in Section 15.4, GTC shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, GTC shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs

In cases where GTC determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with GTC's ability to meet prior firm contractual commitments to others, GTC will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate GTC for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent GTC can relieve any system constraint more economically by redispatching GTC-owned resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate GTC pursuant to the terms of Section 27. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service

In the event that a Curtailment on GTC's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with GTC's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, Curtailments will be proportionally allocated among GTC's Native Load Customers, Network Customers, and Transmission Customers taking Firm Point-To-Point Transmission Service. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. When GTC determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of GTC. However, GTC reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in GTC's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. GTC will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

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

(1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 8. The Transmission Customer may not exceed its firm Reserved Capacity at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. In the event that a Transmission Customer (including Third-Party Sales by GTC) exceeds its firm Reserved Capacity at any Point of Receipt or Point of Delivery, the total bill for such excessive use (derived through application of the governing rates and charges) shall be multiplied by two hundred percent (200%) to produce the total amount due.

13.8 Scheduling of Firm Point-To-Point Transmission Service

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to GTC no later than 10:00 a.m. prevailing Central Time of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. prevailing Central Time will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within GTC's service area with multiple requests for Point-To-Point Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. GTC will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify GTC, and GTC shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

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

14.1 Term

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

14.2 Reservation Priority

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same pre-confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Point-To-Point Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by GTC; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by GTC. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Reserved for Future Use

14.4 Service Agreements

GTC shall offer a standard form Member Transmission Service Agreement (Attachment A) or Non-Member Transmission Service Agreement (Attachment B), as applicable, to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Administrator of the RUS, if applicable.

14.5 Classification of Non-Firm Point-To-Point Transmission Service

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. GTC undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. GTC shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer exceeds its non-firm capacity reservation. Non-Firm

Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

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

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to GTC no later than 11:00 a.m. prevailing Central Time of the day prior to commencement of such service. Schedules submitted after 11:00 a.m. prevailing Central Time will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour.

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

14.7 Curtailment or Interruption of Service

GTC reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with GTC's Transmission System. GTC reserves the right to interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. GTC also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt.

Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to

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

15 Service Availability

15.1 General Conditions

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

15.2 Determination of Available Transfer Capability

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

15.3 Reserved For Future Use.

15.4 Obligation to Provide Point-to-Point Transmission Service that Requires Expansion or Modification of the Transmission System or Conditional Curtailments

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

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

15.5 Deferral of Service

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

15.6 Reserved For Future Use

15.7 Real Power Losses

Real Power Losses are associated with all transmission service. GTC is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by GTC. The applicable Real Power Loss factors shall be calculated in accordance with the methodology for determining loss compensation under the ITSA and are set forth in Attachment G.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers

Point-To-Point Transmission Service shall be provided by GTC only if the following conditions are satisfied by the Transmission Customer:

- a. The Transmission Customer has pending a Completed Application for

service;

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

16.2 Transmission Customer Responsibility for Third-Party Arrangements

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

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

17.1 Application

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application, and shall be submitted at least sixty (60) days in advance of the calendar month in which service is to commence, to:

Georgia Transmission Corporation
2100 East Exchange Place
Tucker, GA 30084-5336
Attention: Manager, System Services

Fax: (770) 270-7450

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

17.2 Completed Application

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

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. GTC will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements. GTC shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Point-To-Point Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on GTC's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

- (ix) A statement indicating whether the Transmission Customer commits to a pre-confirmed request, i.e., will execute a Service Agreement upon receipt of notification that GTC can provide the requested Transmission Service; and
- (x) Any additional information required by GTC's planning process established in Attachment K.

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

17.3 Deposit

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by GTC because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals, said deposit shall be returned with less any reasonable costs incurred by GTC in connection with the review of the losing bidder's Application. The deposit also will be returned less any reasonable costs incurred by GTC if GTC is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full less reasonable costs incurred by GTC to the extent such costs have not already been recovered by GTC from the Eligible Customer. GTC will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. GTC shall pay whatever interest it earns, to the extent it earns any such interest, on the deposit amount.

17.4 Notice of Deficient Application

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

17.5 Response to a Completed Application

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

17.6 Execution of Service Agreement

Whenever GTC determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement, within fifteen (15) days after it is tendered by GTC will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service

The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

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

18.1 Application

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to GTC. Applications should be submitted by

entering the information listed below on GTC's OASIS. Prior to implementation of GTC's OASIS, a Completed Application may be submitted by (i) transmitting the required information to GTC by telefax, or (ii) providing the information by telephone over GTC's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application:

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

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (v) The proposed dates and hours for initiating and terminating transmission service hereunder.
- (vi) In addition to the information specified above, when required to properly evaluate system conditions, GTC also may ask the Transmission Customer to provide the following:
- (vii) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
- (viii) The electrical location of the ultimate load.

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

- (ix) A statement indicating whether the Transmission Customer commits to a pre-confirmed request, i.e., will execute a Service Agreement upon

receipt of notification that GTC can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than 11:00 a.m. prevailing Central Time the day before service is to commence. Requests for service received later than 11:00 a.m. prevailing Central Time prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transfer Capability

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

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

19.1 Notice of Need for System Impact Study

After receiving a request for service, GTC shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of GTC's methodology for completing a System Impact Study is provided in Attachment D. If GTC determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify GTC if it elects to have GTC study conditional curtailment as part of the System Impact Study. GTC shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse GTC for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to GTC within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned. GTC shall pay whatever interest it earns, to the extent it earns any such interest, on the deposit amount.

19.2 System Impact Study Agreement and Cost Reimbursement

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

19.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, GTC will use due diligence to complete the required System Impact Study within a ninety (90) day period. The System Impact Study shall identify (1) any system constraints identified with specificity by transmission element or flowgate, (2) conditional curtailment option (when requested by an Eligible Customer) including the System Conditions during which conditional curtailment may occur, and (3) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that GTC is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. GTC will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing comparable studies for itself. GTC shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, GTC,

within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse GTC for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to GTC within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned. GTC shall pay whatever interest it earns, to the extent it earns any such interest, on the deposit amount. Upon receipt of an executed Facilities Study Agreement, GTC will use due diligence to complete the required Facilities Study within a sixty (60) day period.

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

19.5 Facilities Study Modifications

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

19.6 Due Diligence in Completing New Facilities

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

19.7 Partial Interim Service

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

19.8 Expedited Procedures for New Facilities

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

20 Procedures if GTC is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service

20.1 Delays in Construction of New Facilities

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

20.2 Alternatives to the Original Facility Additions

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, GTC shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request GTC to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, GTC shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event GTC concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12.

20.3 Refund Obligation for Unfinished Facility Additions

If GTC and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned. GTC shall pay whatever interest it earns, to the extent it earns any such interest, on the deposit amount. However, the Transmission Customer shall be responsible for all prudently incurred costs by GTC through the time construction was suspended.

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

21.1 Responsibility for Third-Party System Additions

GTC shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. GTC will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

21.2 Coordination of Third-Party System Additions

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, GTC shall have the right to coordinate construction on its own system with the construction required by others. GTC, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot

be completed in a timely manner. GTC shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by GTC of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis

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

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by GTC on behalf of its Native Load Customers.
- (b) The sum of all Firm and Non-Firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this Section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification On a Firm Basis

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with

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

23 Limited Sale or Assignment of Firm Point-To-Point Transmission Service Rights

23.1 Sale or Assignment of Rights

A Transmission Customer paying the maximum rate may sell, assign or transfer its Firm Point-To-Point Transmission Service rights under its Service Agreement, but only to another Eligible Customer (the Assignee), subject to the limitations and requirements set forth in this Section 23. A Transmission Customer that sells, assigns or transfers, pursuant to this Section 23, its Firm Point-To-Point Transmission rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, or (ii) GTC's rate under Schedule 8 at the time of the assignment.

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

23.2 Limitations on Assignment or Transfer of Service

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, GTC will consent to such change subject to the provisions of the Tariff, provided that (i) the change will not impair the operation and reliability of the generation, transmission, or distribution systems of GTC and the GTC Members and (ii) the Reseller has consented to any change of primary (firm)

Point of Receipt or Point of Delivery. The Assignee shall compensate GTC for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except (i) as specifically agreed to by GTC and the Reseller through an amendment to the Service Agreement and (ii) as approved by the RUS, if applicable. A GTC Member may only sell, assign or transfer its Firm Point-To-Point Transmission rights (including indirectly through a buy-sell arrangement) to another GTC Member. The GTC Member limitations to sell, assign or transfer its Firm Point-to-Point Transmission rights may be modified by the GTC Board of Directors. In such cases, all costs associated with the secondary transaction would be directly assigned to the individual GTC Member(s).

23.3 Information on Assignment or Transfer of Service

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

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

24.1 Transmission Customer Obligations

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

24.2 Transmission Provider Access to Metering Data

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

24.3 Power Factor

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor of not less than 0.93 or such other power factor as may be established by the ITSA, measured at the transmission voltage delivery point.

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in Schedule 8 appended to the Tariff: (A) Long-Term Firm Transmission Service; (B) Short-Term Firm Transmission Service; (C) Peak Period Firm Transmission Service; and (D) Non-Firm Transmission Service.

26 Stranded Cost Recovery

GTC may seek to recover stranded costs from the Transmission Customer pursuant to the terms and conditions of the Service Agreement and any applicable Governmental Authority policy.

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by GTC in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs. Whenever a System Impact Study performed by GTC identifies capacity constraints that may be relieved more economically by redispatching GTC-owned resources to eliminate such constraints, the Transmission Customer shall be responsible for one hundred percent (100%) of the redispatch costs that GTC incurs directly or indirectly as a result of the Transmission Customer's request or the Lost Opportunity Costs, whichever is higher.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble

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

28 Nature of Network Integration Transmission Service

28.1 Scope of Service

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

28.2 Transmission Provider Responsibilities

GTC will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over GTC's Transmission System on a just and reasonable and not unduly discriminatory basis. GTC shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, reasonably endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load.

28.3 Network Integration Transmission Service

GTC will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a just and reasonable and not unduly discriminatory basis.

28.4 Secondary Service

The Network Customer may use GTC's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network

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

28.5 Real Power Losses

Real Power Losses are associated with all transmission service. GTC is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by GTC. The applicable Real Power Loss factors shall be calculated in accordance with the methodology for determining loss compensation under the ITSA and are set forth in Attachment G.

28.6 Restrictions on Use of Service

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of GTC's Transmission System.

29 Initiating Service

29.1 Condition Precedent for Receiving Service

Subject to the terms and conditions of Part III of the Tariff, GTC will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and GTC complete the technical arrangements set forth in Sections 29.3 and 29.4, and (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment A or B for service under Part III of the Tariff.

29.2 Application Procedures

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to GTC as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on GTC's OASIS. Prior to

implementation of GTC's OASIS, a Completed Application may be submitted by (i) transmitting the required information to GTC by telefax, or (ii) providing the information by telephone over GTC's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

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

computations

- Arrangements governing sale and delivery of power to third parties from generating facilities located in GTC's 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(s) from which the power will originate
- Delivery point(s) to GTC's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations;

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

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

(vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;

(viii) A statement signed by an authorized officer from or agent of the Network

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

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

Unless the Parties agree to a different time frame, GTC must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this Section, GTC shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, GTC will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, GTC shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this Section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. GTC shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service

Network Integration Transmission Service shall not commence until GTC and the Network Customer, or a third party, have completed installation of all equipment specified under the Service Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System, nor shall any Network Integration Transmission Service continue unless the Network Customer conducts its operations consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed by GTC to ensure the reliable operation of the Transmission System. GTC shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

Notwithstanding the above, if GTC determines that it cannot accommodate a

Completed Application for Network Integration Transmission Service from a specific designated Network Resource because of insufficient capability on its Transmission System, GTC will offer, unless such service impairs system reliability, the Network Integration Transmission Service with the condition that the GTC may curtail the service from the specific designated Network Resource prior to the curtailment of other firm transmission service during System Condition(s). If the Transmission Customer accepts the service, GTC shall specify in the Service Agreement the System Conditions under which conditional curtailment may occur. GTC will use due diligence to provide the service until Network Upgrades, as specified in the Service Agreement, are completed. GTC reserves the right to perform a reassessment study and make changes to the System Conditions under which conditional curtailment may occur. GTC shall provide the Transmission Customer notice of any changes to the curtailment conditions, including the reasons for such changes, no less than 90 days prior to the date for imposition of new curtailment conditions.

29.4 Network Customer Facilities

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from GTC's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Approval of Service Agreement

GTC will seek any necessary approvals of Service Agreements from the Administrator of the RUS.

30 Network Resources

30.1 Designation of Network Resources

Network Resources shall include all generation owned, purchased or leased and delivered to GTC on a non-interruptible basis by the Network Customer and designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under non-interruptible agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources. For purposes of this Section 30, "non-interruptible" shall mean that curtailment or interruption of services by the entity or entities transmitting to GTC may only occur in the event

of Force Majeure, provided that such services are given the highest priority afforded to any customer of a generator, seller, or transmission provider.

30.2 Designation of New Network Resources

The Network Customer may designate a new Network Resource by providing GTC with as much advance notice as practicable. A designation of a new Network Resource must be made through GTC's OASIS by a request for modification of service pursuant to an Application under Section 29.

30.3 Termination of Network Resources

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource at any time but should provide notification to GTC through OASIS as soon as reasonably practicable but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- Effective date and time of temporary termination;
- Effective date and time of redesignation, following period of temporary termination;
- Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
- Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

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

30.4 Operation of Network Resources

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or GTC's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered to Part II of the Tariff, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of GTC to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. The Network Customer may not schedule delivery of a Network Resource not physically interconnected with GTC's Transmission System in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29.

30.5 Network Customer Redispatch Obligation

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

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With GTC

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

30.7 Limitation on Designation of Network Resources

The Network Customer must demonstrate that it owns or has committed to purchase and have delivered to GTC on a non-interruptible basis generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff. In the case of load management devices, the Network Customer must demonstrate that it controls the load management device and has the right to give control over such device to GTC.

30.8 Use of Interface Capacity by the Network Customer

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

transmission systems may not exceed the Network Customer's Load Ratio Share.

30.9 Network Customer Owned Transmission Facilities

The Network Customer that owns existing transmission facilities that are integrated with GTC's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the planning and operations of GTC, to serve -its transmission customers. For facilities added by the Network Customer subsequent to the Service Commencement Date under Part III of the Tariff, the Network Customer shall receive credit for such transmission facilities added if such facilities are jointly planned and installed in coordination with GTC, and integrated into the operations of GTC's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by GTC, would be eligible for inclusion in GTC's Rate Schedule for Network Integration Transmission Service (Schedule 7) and Rate Schedule for Point-To-Point Transmission Service (Schedule 8). Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31 Designation of Network Load

31.1 Network Load

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

31.2 New Network Loads Connected With GTC

The Network Customer shall provide GTC with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. GTC will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with applicable policies.

31.3 Network Load Not Physically Interconnected with GTC

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with GTC. To the extent that the Network Customer desires to obtain transmission service for a load outside GTC's Transmission System, the Network Customer

shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this Section the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points

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

31.5 Changes in Service Requests

Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Network Integration Transmission Service (*e.g.*, the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by GTC and charged to the Network Customer as reflected in the Service Agreement. However, GTC must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

31.6 Annual Load and Resource Information Updates

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

32 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study

After receiving a request for service, GTC shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of GTC's methodology for completing a System Impact Study is provided in

Attachment D. If GTC determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify GTC if it elects to have GTC study conditional curtailment as part of the System Impact Study. GTC shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse GTC for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to GTC within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned. GTC shall pay whatever interest it earns, to the extent it earns any such interest, on the deposit amount.

32.2 System Impact Study Agreement and Cost Reimbursement

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

32.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, GTC will use due diligence to complete the required System Impact Study within a ninety (90) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), (3) conditional curtailment option (when requested by an Eligible Customer) including the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that GTC is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is

required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. GTC will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. GTC shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, GTC, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse GTC for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to GTC within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned. GTC shall pay whatever interest it earns, to the extent it earns any such interest, on the deposit amount. Upon receipt of an executed Facilities Study Agreement, GTC will use due diligence to complete the required Facilities Study within a sixty (60) day period. If GTC is unable to complete the Facilities Study in the allotted time period, GTC shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide GTC with a letter of credit or other reasonable form of security acceptable to GTC equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

33 Load Shedding and Curtailments

33.1 Procedures

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

33.2 Transmission Constraints:

During any period when GTC determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of GTC's system, GTC will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of GTC's system. To the extent GTC determines that the reliability of the Transmission System can be maintained by redispatching resources, GTC will initiate procedures pursuant to the Service Agreement to redispatch all Network Resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not be unduly discriminatory between Network Customers.

33.3 Cost Responsibility for Relieving Transmission Constraints

Whenever GTC implements least-cost redispatch procedures in response to a transmission constraint, each Network Customer will bear a proportionate share of the total redispatch cost based on its respective Load Ratio Share.

33.4 Curtailments of Scheduled Deliveries

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

33.5 Allocation of Curtailments

GTC shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by Network Customers in proportion to their respective Load Ratio Shares.

33.6 Load Shedding

To the extent that a system contingency exists on GTC's Transmission System and GTC determines that it is necessary for the Network Customer to shed load,

the Network Customers shall shed load in accordance with previously established procedures under the Service Agreement.

33.7 System Reliability

Notwithstanding any other provisions of this Tariff, GTC reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on GTC's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on GTC's Transmission System or on any other system(s) directly or indirectly interconnected with GTC's Transmission System, GTC, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. GTC will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory as between Network Customers. GTC shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34 Rates and Charges

The Network Customer shall pay GTC for charges incurred for service provided under this Tariff in accordance with Section 7 and any Direct Assignment Facilities, Service Schedules, and applicable study costs, along with the following:

34.1 Power Delivery Charges

The Network Customer shall pay Power Delivery Charges, which shall be determined in accordance with the formulary rates set forth in Schedule 7.

34.2 Determination of Network Customer's Annual Network Load

The Network Customer's annual Network Load is its hourly load (including its designated Network Load not physically interconnected with GTC under Section 31.3) coincident with GTC's five (5) highest non-holiday, weekday demands occurring during the twelve (12) months ending September 30 of the preceding contract year (Annual Transmission System Peak).

34.3 Determination of Transmission Provider's Annual Transmission System Load

GTC's annual Transmission System load is GTC's Annual Transmission System Peak minus the coincident peak usage of all Firm Point-To-Point Transmission

Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-To-Point Transmission Service customers.

34.4 Redispatch Charge

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

34.5 Stranded Cost Recovery

GTC may seek to recover stranded costs from the Network Customer pursuant to this Tariff in accordance with the terms, conditions and procedures set forth in FERC Order No. 888.

35 Operating Arrangements

35.1 Operation under the Service Agreement

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the terms and conditions set forth in this Section 35 and in the applicable Service Agreement.

35.2 Network Operating Conditions

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

by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO. GTC shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services.

35.3 Network Operating Committee

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

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. Scheduling, System Control and Dispatch Service is to be provided directly by GTC or indirectly by GTC making arrangements with the Control Area operator that performs this service for GTC's Transmission System. The Transmission Customer must purchase this service from GTC. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates posted on GTC's OASIS and updated as needed. To the extent the Control Area operator or another entity performs this service for GTC, charges to the Transmission Customer are to reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing the service.

The charge for this service shall be determined as follows:

- For Firm Point-To-Point Transmission Service, the applicable Schedule 1 rate (yearly, weekly or daily) shall be multiplied by the demand at the point of output from GTC's Transmission System.
- For Non-Firm Point-To-Point Transmission Service, the applicable Schedule 1 rate (monthly, weekly, daily or hourly) shall be multiplied by the demand at the point of output from GTC's Transmission System.
- For hourly Non-Firm Point-To-Point Transmission Service provided during the sixteen (16) hour period from 6:00 a.m. to 10:00 p.m. (prevailing Central Time), the "on-peak" hourly Schedule 1 rate is applicable.

- For hourly Non-Firm Point-To-Point Transmission Service provided during the eight (8) hour period from 10:00 p.m. to 6:00 a.m. (prevailing Central Time), the “off-peak” hourly Schedule 1 rate is applicable.
- The total charge for this service in any day, pursuant to a reservation for hourly delivery, shall not exceed the daily Schedule 1 rate specified above times the highest billing demand in kilowatts in any hour during such day.

DETERMINATION OF RATES

1. When the Georgia System Operations Corporation is the Control Area operator that performs this service for GTC’s Transmission System, the cost includes the system control center’s direct and allocated administrative expenses, allocated between generation and transmission less any revenue credits allocable to generation.
 - 1.1 The costs of performing Scheduling, System Control and Dispatch Service for GTC Members are embedded within the GTC share of the Georgia System Operations Corporation’s System Control Center cost. There is no separate rate or charge under this Schedule for this service to GTC Members.
 - 1.2. For non-GTC Members, the rate is based on the pro-rata share of the portion of the direct and allocated administrative expenses, allocable to generation less any revenue credits allocable to generation, plus any other cost incurred by GTC in connection with providing this service.
2. To the extent that another entity performs this service for GTC, charges to the Transmission Customer shall reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing the service.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

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

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided indirectly by GTC making arrangements with generation owners and the Control Area operator that performs this service for GTC's Transmission System. The Transmission Customer must either (i) purchase this service from GTC or the Control Area operator, or (ii) self supply subject to GTC's prior approval of all or a portion of such Schedule 2 service. The charges for such service will be based on the rates posted on GTC's OASIS and updated as needed. To the extent that the Control Area operator or another entity performs this service for GTC, charges to the Transmission Customer shall reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing this service.

The charge for this service shall be determined as follows:

- For Firm Point-To-Point Transmission Service, the applicable Schedule 2 rate (yearly, weekly or daily) shall be multiplied by the demand at the point of output from GTC's Transmission System.
- For Non-Firm Point-To-Point Transmission Service, the applicable Schedule 2 rate (monthly, weekly, daily or hourly) shall be multiplied by the demand at the point of output from GTC's Transmission System.
- For hourly Non-Firm Point-To-Point Transmission Service provided during the sixteen (16) hour period from 6:00 a.m. to 10:00 p.m. (prevailing Central Time), the "on-peak" hourly Schedule 2 rate is applicable.
- For hourly Non-Firm Point-To-Point Transmission Service provided during the eight (8) hour period from 10:00 p.m. to 6:00 a.m. (prevailing Central Time), the "off-peak" hourly Schedule 2 rate is applicable.

DETERMINATION OF RATES

To the extent that another entity performs this service for GTC, charges to the Transmission Customer shall reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing the service.

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with GTC (or the Control Area operator that performs this function for GTC). GTC offers this service when the transmission service is used to serve load connected to the Transmission System. The Transmission Customer must either purchase this service from GTC or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The charges for Regulation and Frequency Response Service shall be based on the rates posted on GTC's OASIS and updated as needed.

A Transmission Customer must (i) purchase this service from GTC, (ii) purchase this service from the Control Area operator, or (iii) self-supply or make comparable alternative arrangements in lieu of purchasing all or a portion of this service from GTC. To the extent that another entity performs this service for GTC, charges to the Transmission Customer shall reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing this service. The billing determinants for this purchase shall be reduced by any portion of the purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

The charge for this service shall be determined as follows:

- For Firm Point-To-Point Transmission Service, the applicable Schedule 3 rate (yearly, weekly or daily) shall be multiplied by the demand at the point of output from GTC's Transmission System.
- For Non-Firm Point-To-Point Transmission Service, the applicable Schedule 3 rate (monthly, weekly, daily or hourly) shall be multiplied by the demand at the point of output from GTC's Transmission System.
- For hourly Non-Firm Point-To-Point Transmission Service provided during the sixteen (16) hour period from 6:00 a.m. to 10:00 p.m. (prevailing Central Time), the "on-peak" hourly Schedule 3 rate is applicable.
- For hourly Non-Firm Point-To-Point Transmission Service provided during the eight (8) hour period from 10:00 p.m. to 6:00 a.m. (prevailing Central Time), the "off-peak" hourly Schedule 3 rate is applicable.
- The total charge for this service in any day, pursuant to a reservation for hourly delivery, shall not exceed the daily Schedule 3 rate specified above times the highest billing demand in kilowatts in any hour during such day.
- For Network Integration Transmission Service, the applicable Schedule 3 rate shall be multiplied by the Network Customer's annual Network Load (as determined by Section 34.2) at the point of output from GTC's Transmission System when the Network Customer purchases this service from GTC.

DETERMINATION OF RATES

To the extent that another entity performs this service for GTC, charges to the Transmission Customer shall reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing the service.

DATA REQUIREMENTS TO SUPPORT REGULATION AND FREQUENCY RESPONSE

In order to perform Regulation and Frequency Response Service for a Transmission Customer, GTC must be provided with the information listed in Schedule 3 - Exhibit 1 attached.

PROCEDURES REQUIRED TO SUPPORT REGULATION AND FREQUENCY RESPONSE

The procedures listed in Schedule 3 - Exhibit 2 attached must be observed.

SCHEDULE 3 - EXHIBIT 1

Transmission Customer Data Required for Regulation and Frequency Response Service

1. Real-time data (*i.e.*, telemetered) on the load for each of the Transmission Customer's delivery points.

Note: Alternatively, as agreed with GTC, this could be a real-time total of the output from sets of Points of Delivery.

- 1.1 GTC must be kept informed of any changes to the total set of the Transmission Customer's Points of Delivery.
- 1.2 GTC must be provided with revenue metering records of the delivery point loads.

2. Real-time data on the output from each of the Transmission Customer's resources assigned to support the transaction.

Note: Alternatively, as agreed with GTC, this could be a real-time total of the output from sets of Transmission Customer plants.

- 2.1 GTC must be kept informed of any changes to the total set of Transmission Customer's resources assigned to support the transaction.
- 2.2 GTC must be provided after-the-fact with revenue metering records of the output of the Transmission Customer's resources assigned to support the transaction.

3. Information on the scheduled purchases and sales with other utilities, assigned to support the transaction.

GTC must be advised of:

- a) Start and stop times for transactions
- b) Agreed ramp rates
- c) Amounts (*i.e.*, MW)
- d) All other information for North American Electric Reliability Corporation (NERC) tag requirements and associated NERC Reliability Standards

Transmission Customer must comply with the notice times for scheduling of such transactions as defined in the Service Agreement.

- 3.1 The data could be for individual transactions or the net amount for a subset of the transactions as agreed.
- 3.2 This information must be updated to GTC as soon as practical after any changes or additions are made.

SCHEDULE 3 - EXHIBIT 2

Procedures Required for Regulation and Frequency Response Service

1. GTC must be given advance written notice of least six (6) months before the installation of a new delivery point for transactions to permit the proper engineering, installation and testing of the metering, telemetry and ECS database/displays for the point. Advance written notice of less than six (6) months will be accommodated if practicable.
2. GTC must be given sufficient advance written notice of at least six (6) months before the installation of a new Transmission Customer resource to be assigned to support transactions to permit the proper engineering, installation and testing of the metering, telemetry and ECS database/displays for the point. Advance written notice of less than six (6) months will be accommodated if practicable.

SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. GTC offers this service when GTC's transmission service is used to serve load connected to GTC's Transmission System. The Transmission Customer must either purchase this service from GTC or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator or another entity performs this service for GTC, charges to the Transmission Customer are to reflect a pass-through of the costs charged to GTC by that entity plus any other costs incurred by GTC in connection with providing this service. GTC may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule 4 or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

GTC shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within the greater of +/- 1.5 percent (1.5%), with a minimum of 2 MW, of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at one hundred percent (100%) of incremental or decremental cost; (ii) deviations greater than +/- 1.5 percent (1.5%) up to 7.5 percent (7.5%), or greater than 2 MW up to 10 MW, of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at one hundred and ten percent (110%) of incremental cost or ninety percent (90%) of decremental cost, and

(iii) deviations greater than +/- 7.5 percent (7.5%), with a minimum of 10 MW, of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at one hundred and twenty-five percent (125%) of incremental cost or seventy-five percent (75%) of decremental cost.

For purposes of this Schedule, incremental cost and decremental cost represent the actual average hourly cost of the last 10 MW dispatched for any purpose, e.g., to supply Native Load Customers, correct imbalances, or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable. The actual average hourly cost of the last 10 MW dispatched for any purpose changes on an hourly basis. The formulas and charges for incremental and decremental Energy Imbalance Service shall be made available to a Transmission Customer that takes Energy Imbalance Service through a Service Agreement with GTC.

DETERMINATION OF RATES

To the extent that another entity performs this service for GTC, charges to the Transmission Customer shall reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing the service.

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. GTC offers this service when the transmission service is used to serve load connected to GTC's Transmission System. The Transmission Customer must either purchase this service from GTC or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The charges for Operating Reserve – Spinning Reserve Service shall be based on the rates posted on GTC's OASIS and updated as needed.

A Transmission Customer must (i) purchase this service from GTC, (ii) purchase this service from the Control Area operator, or (iii) self-supply or make comparable alternative arrangements in lieu of purchasing all or a portion of this service from GTC. To the extent that another entity performs this service for GTC, charges to the Transmission Customer shall reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing this service. The billing determinants for this purchase shall be reduced by any portion of the purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

The charge for this service shall be determined as follows:

- For Firm Point-To-Point Transmission Service, the applicable Schedule 5 rate (yearly, weekly or daily) shall be multiplied by the demand at the point of output from GTC's Transmission System.
- For Non-Firm Point-To-Point Transmission Service, the applicable Schedule 5 rate (monthly, weekly, daily or hourly) shall be multiplied by the demand at the point of output from GTC's Transmission System.

- For hourly Non-Firm Point-To-Point Transmission Service provided during the sixteen (16) hour period from 6:00 a.m. to 10:00 p.m. (prevailing Central Time), the “on-peak” hourly Schedule 5 rate is applicable.
- For hourly Non-Firm Point-To-Point Transmission Service provided during the eight (8) hour period from 10:00 p.m. to 6:00 a.m. (prevailing Central Time), the “off-peak” hourly Schedule 5 rate is applicable.
- The total charge in any day for this service, pursuant to a reservation for hourly delivery, shall not exceed the daily Schedule 5 rate specified above times the highest billing demand in kilowatts in any hour during such day.
- For Network Integration Transmission Service, the applicable Schedule 5 rate shall be multiplied by the Network Customer’s annual Network Load (as determined by Section 34.2) at the point of output from GTC’s Transmission System when the Network Customer purchases this service from GTC.

DETERMINATION OF RATES

To the extent that another entity performs this service for GTC, charges to the Transmission Customer shall reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing the service.

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. GTC offers this service when the transmission service is used to serve load connected to GTC's Transmission System. The Transmission Customer must either purchase this service from GTC or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The charges for Operating Reserve – Supplemental Reserve Service shall be based on the rates posted on GTC's OASIS and updated as needed.

A Transmission Customer must (i) purchase this service from GTC, (ii) purchase this service from the Control Area operator, or (iii) self-supply or make comparable alternative arrangements in lieu of purchasing all or a portion of this service from GTC. To the extent that another entity performs this service for GTC, charges to the Transmission Customer shall reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing this service. The billing determinants for this purchase shall be reduced by any portion of the purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

The charge for this service shall be determined as follows:

- For Firm Point-To-Point Transmission Service, the applicable Schedule 6 rate (yearly, weekly or daily) shall be multiplied by the demand at the point of output from GTC's Transmission System.

- For Non-Firm Point-To-Point Transmission Service, the applicable Schedule 6 rate (monthly, weekly, daily or hourly) shall be multiplied by the demand at the point of output from GTC's Transmission System.
- For hourly Non-Firm Point-To-Point Transmission Service provided during the sixteen (16) hour period from 6:00 a.m. to 10:00 p.m. (prevailing Central Time), the "on-peak" hourly Schedule 6 rate is applicable.
- For hourly Non-Firm Point-To-Point Transmission Service provided during the eight (8) hour period from 10:00 p.m. to 6:00 a.m. (prevailing Central Time), the "off-peak" hourly Schedule 6 rate is applicable.
- The total charge in any day, pursuant to a reservation for hourly delivery, shall not exceed the daily Schedule 6 rate specified above times the highest billing demand in kilowatts in any hour during such day.
- For Network Integration Transmission Service, the applicable Schedule 6 rate shall be multiplied by the Network Customer's annual Network Load (as determined by Section 34.2) at the point of output from GTC's Transmission System when the Network Customer purchases this service from GTC.

DETERMINATION OF RATES

To the extent that another entity performs this service for GTC, charges to the Transmission Customer shall reflect a pass-through of the costs charged to GTC by that entity, plus any other costs incurred by GTC in connection with providing the service.

SCHEDULE 7

Rate Schedule for Network Integration Transmission Service

1.0 General Billing hereunder will be by Transmission Customer with delivery point readings totaled by hour. If the Transmission Customer is a GTC Member, then the Transmission Customer's allocation of capacity from the Southeastern Power Administration will not be subtracted from the Transmission Customer's load as long as GTC provides the transmission service to deliver this capacity.

Under the GTC Tariff, the Transmission Customer will incur charges for the utilization of Transmission Capacity and Distribution Substations. There will be no charges for distribution if the Distribution Substations are owned by the Transmission Customer, unless GTC performs operations and maintenance for a Distribution Facility. Terms not otherwise defined in this Rate Schedule shall have the meanings set forth in Section 1 of the GTC Tariff.

2.0 Schedule Of Expense Recovery (Monthly):

The monthly billing to Transmission Customer is the sum of all applicable charges as calculated in Subsections "A" through "D" listed below:

A. Transmission:

Transmission Customer's Power Delivery Transmission Charges calculated in accordance with Formula 1.0.

B. Distribution:

Transmission Customer's Power Delivery Distribution Substation Capacity Charge calculated in accordance with Formula 3.0.

C. Distribution Metering Point:

Transmission Customer's Power Delivery Distribution Metering Point Capacity Charge calculated in accordance with Formula 4.0.

D. Prior Period Adjustment:

The refund credit or additional charge for the Contract Year, if any, calculated in accordance with the Prior Period Adjustment Rider.

I. DETERMINATION OF POWER DELIVERY CAPACITY REQUIREMENTS

The Power Delivery Capacity Requirements will be effective for monthly billings for the Contract. The Power Delivery Capacity Requirements for billing purposes for the Contract Year will be determined as follows:

A. Transmission Capacity:

The Power Delivery Transmission Capacity Requirement will be determined as the Transmission Customer's average demand hereunder coincident with GTC's five (5) highest non-holiday, weekday demands occurring during the twelve (12) months ending September 30 of the preceding Contract Year.

B. Distribution Substation:

1. Distribution Substations:

(a) The Power Delivery Distribution Substation Charge Requirement will be determined as an allocated portion of the cost of all Distribution Substation facilities, serving a Transmission Customer's system load and not owned by the Transmission Customer. This Dedicated Cost is defined below and will reflect costs of all substations in service as of September 30 of the preceding Contract Year.

(b) Distribution Substations will be classified as follows: (i) Dedicated Distribution Substations where a Transmission Customer is the only distribution supplier taking service; (ii) Joint Use Distribution Substations, where two or more

distribution suppliers take service; or (iii) Transmission Substations where a Transmission Customer takes distribution service.

The Dedicated Cost for Distribution Substations shall be determined as follows:

- (i) The Dedicated Cost of a facility for Dedicated Distribution Substations will be calculated as one hundred percent (100%) of the original cost investment of the facilities serving a Transmission Customer's load, as long as the facilities are owned by an ITS party. When facilities are purchased by GTC, the investment shall include any necessary ownership, connection, and A&G charges. In Transmission Substations where the Transmission Customer has the only distribution service, dedicated cost will be one hundred percent (100%) of the original cost investment of the facilities owned by an ITS party required to serve the distribution load.
- (ii) The Dedicated Cost for Joint Use Distribution Substations and Transmission Substations will be determined as the original cost investment of the facility pro-rated on the basis of the load ratios of the various distribution suppliers taking service at the same voltage from a joint use power transformer and adjusted for any transformers dedicated to one distribution supplier. The load ratio is the Transmission Customer's monthly peak demand at the substation occurring in the same month as the annual substation peak demand divided by the annual substation peak demand. The original cost investment of Distribution Service Facilities ("DSF") will be removed from the investment and the ratio applied. The original cost investment of DSF serving Transmission Customers will then be added.

(iii) Whenever actual original cost investment for any facility is not available, an average value based on similar facilities will be used. This is especially applicable to service from Transmission Substations, as the total original cost investment of the substation will also include the transmission facilities. In addition, the original cost investment of transmission facilities residing in Distribution Substations (for example, 115 kV breakers or a 115 kV capacitor bank) will be deducted from the Dedicated Cost. Also, when a Transmission Customer has incurred a direct cost responsibility for Distribution Substation expenses through either (1) assigned investment responsibility, or (2) contribution in aid of construction, the original cost investment will be reduced by that amount to reflect the value of the payment.

2. Distribution Metering Points:

The Distribution Metering Point (“DMP”) charge will be billed as a pass through of the budgeted cost from the provider of the DMP. Any new DMP shall be considered temporary with a maximum duration of one (1) year.

II. POWER DELIVERY CHARGES

The formulary charges described in this Section II apply to Transmission Customers that are not GTC Members. Charges to GTC Members shall be discounted to reflect GTC’s status as a taxable cooperative and RUS borrower. The differences for GTC Member billing are as follows:

- Cost of Debt - GTC Members are charged based on the embedded cost of funds, while non-GTC Members are charged the market rate for public debt. This is done to avoid non-Rural Electrification Act beneficiaries receiving the benefit of RUS funds.

- Rate of Return - GTC Members pay for interest expense and a margin while non-GTC Members pay a rate of return based on the weighted cost of debt (market) and equity capital.
- Income Tax - Since GTC's revenue from non-GTC Members is taxable, non-GTC Members pay income tax on the equity portion of GTC's return.

1.0 Calculation of Power Delivery Transmission Capacity Charge.

$$\text{PDTCHG} = (\text{PDTCCR} * \text{PDTCR}) + \text{PDSCET} + (\text{PDSC} * (\text{PDTCR}) / \sum \text{PDTCCRRL})$$

PDTCHG is Power Delivery Transmission Charge.

PDTCCR is Power Delivery Transmission Capacity Charge Rate (**see 2.0**).

PDTCR is Power Delivery Transmission Capacity Requirement as determined in accordance with Section I of this Rate Schedule.

PDSCET is Power Delivery Stranded Cost resulting from an Early Termination where Member reduces its Network Integration Transmission Service requirements after the Initial Term. This cost is directly assigned to the Member reducing its service.

PDSC is Power Delivery Stranded Cost resulting from another purchaser's failure to pay for the costs associated with providing Network Integration Transmission Service.

PDTCCRRL is Power Delivery Transmission Capacity Requirement as determined in accordance with Section I of this Rate Schedule, summed for all Members' remaining Network Load.

2.0 Calculation of Power Delivery Transmission Capacity Charge Rate.

$$\text{PDTCCR} = (\text{PDTCC} + \text{PDTAGO} - \text{PDTREV} - \text{SEPREVT}) / [(\sum \text{PDTCR} - \text{SEPCC}) * 12]$$

PDTCCR is Power Delivery Transmission Capacity Charge Rate.

PDTCC is Power Delivery Transmission Capacity Costs and is equal to $PDTCC_M$ for GTC Members and $PDTCC_{NM}$ for non-GTC Members (see 2.1).

PDTAGO is Power Delivery Transmission allocated Administrative and General expenses and Other general expenses and is equal to $PDTAGO_M$ for GTC Members and $PDTAGO_{NM}$ for non-GTC Members (see 2.4).

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDTCCR is Power Delivery Transmission Capacity Requirement as determined in accordance with Section I of this Rate Schedule, then summed for all Transmission Customers.

SEPREVT is SEPA wheeling Transmission-related Revenue credit in Power Delivery Transmission Charge. (see 5.0)

SEPCC is the Sum of SEPA Contract Capacity (MW) for all Members of GTC.

2.1 Calculation of Power Delivery Transmission Capacity Costs.

For non-GTC Members, $PDTCC_{NM} = PDTDEP + PDTR + PDTPT + PDTINS + PDTOM + PDTLAND$

For GTC Members, $PDTCC_M = PDTDEP + PDTINT + PDTPT + PDTINS + PDTOM + PDTLAND$

PDTCC is Power Delivery Transmission Capacity Costs and is equal to $PDTCC_M$ for GTC Members and $PDTCC_{NM}$ for non-GTC Members.

PDTDEP is Power Delivery Transmission Depreciation and amortization expense.

PDTR is Power Delivery Transmission Return (see 2.2).

PDTPT is Power Delivery Transmission Property Taxes (see 2.3).

PDTINS is Power Delivery Transmission Property Insurance expense associated with Power Delivery Transmission facilities.

PDTOM is Power Delivery Transmission Operation and Maintenance expenses, including all operation and maintenance charges from GSOC.

PDTINT is Power Delivery Transmission Interest Expense (see 2.1.1).

PDTLAND is Power Delivery Transmission principal payments associated with GTC's debt for the ownership of Land to accommodate transmission facilities.

2.1.1 Calculation of Power Delivery Transmission Interest Expense.

$$\text{PDTINT} = \text{PDTDAI} + ((\text{PDTPLT}/\text{TNPLT}) * \text{NETINT})$$

PDTINT is Power Delivery Transmission Interest expense.

PDTDAI is Power Delivery Transmission Interest expense directly assigned to Power Delivery Transmission investment.

PDTPLT is Power Delivery Total Net Transmission Plant investment, less investment where interest has been directly assigned.

TNPLT is Total Net Plant investment, less investment where interest has been directly assigned.

NETINT is Annual Total Interest expense (net of interest charged to construction) allocable based on net plant investment.

2.2 Calculation of Power Delivery Transmission Return.

$$\text{PDTR} = \text{PDTPLT} * \text{ROR}$$

PDTR is Power Delivery Transmission Return.

PDTPLT is Power Delivery Total Net Transmission Plant Investment, less investment where interest has been directly assigned.

ROR is Rate of Return (see 2.2.1).

2.2.1 Calculation of Rate of Return.

$$\text{ROR} = \text{WLTDCOST} + (\text{WEQCOST} / (1 - \text{TAXRATE}))$$

ROR is GTC's weighted average rate of return from debt and equity capital.

WLTDCOST is GTC's weighted average cost of debt capital (see 2.2.2).

WEQCOST is GTC's weighted cost of equity capital (see 2.2.3).

TAXRATE is corporate income tax rate.

2.2.2 Calculation of Weighted Cost of Debt Capital.

$$\text{WLTDCOST} = \text{LTDCOST} * (\text{LTDDEBT} / \text{CAPITAL})$$

WLTDCOST is GTC's weighted average cost of debt capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

LTDDEBT is GTC's Long Term Debt in the public market.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

2.2.3 Calculation of Weighted Cost of Equity Capital.

$$\text{WEQCOST} = \text{EQCOST} * (\text{PAT} / \text{CAPITAL})$$

WEQCOST is GTC's weighted cost of equity capital.

EQCOST is the average cost of GTC's equity capital (see 2.2.4).

PAT is GTC's amount of patronage capital.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

2.2.4 Calculation of Cost of Equity Capital.

$$\text{EQCOST} = \text{LTDCOST} + 0.04$$

EQCOST is the average cost of GTC's equity capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

2.3 Calculation of Power Delivery Transmission Property Taxes.

$$\text{PDTPT} = \text{PDTPAV} * \text{PDTPMR}$$

PDTPT is Power Delivery Transmission Property Taxes.

PDTPAV is Power Delivery Total Transmission Plant investment Assessed Value.

PDTPMR is Power Delivery Transmission Plant property tax weighted average Millage Rate.

2.4 Calculation of Power Delivery Transmission Administrative and General Expenses and Other General Expenses.

For non-GTC Members, $\text{PDTAGO}_{\text{NM}} = ((\text{PDTCC} - \text{PDTREV}) / (\text{PDTCC} + \text{PDSCC} - \text{REVCRE})) * \text{AG}$

For GTC Members, $\text{PDTAGO}_{\text{M}} = ((\text{PDTCC} - \text{PDTREV}) / (\text{PDTCC} + \text{PDSCC} - \text{REVCRE})) * \text{TOTAGO}$

PDTAGO is Power Delivery Transmission Costs allocated Administrative and General expenses and Other general expenses.

PDTCC is Power Delivery Transmission Capacity Costs and is equal to PDTCC_{M} for GTC Members and PDTCC_{NM} for non-GTC Members.

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSCC is Power Delivery Substation Capacity Costs and is equal to PDSCC_{M} for GTC Members and PDSCC_{NM} for non-GTC Members.

REVCRE is the sum of Revenue Credits (**see 2.6**).

AG is the corporate administrative and general expenses less Margin Component (**see 2.5**).

TOTAGO is Total Administrative and General expenses and Other general expenses.

2.5 Calculation of Administrative and General Expenses.

$$AG = TOTAGO - MC$$

AG is the corporate administrative and general expenses less Margin Component.

TOTAGO is Total Administrative and General expenses and Other general expenses. (**see 2.8**)

MC is Margin Component (**see 2.7**).

2.6 Calculation of Revenue Credits.

$$REVCRE = PDTREV + PDSREV$$

REVCRE is the sum of Revenue Credits.

PDTREV is Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category, including but not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category, including but not limited to parity and transmission service revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

2.7 Calculation of Margin Component.

$$MC = (\text{INDINT} * (\text{MFIREQ} - 1)) +/- \text{MCA}$$

MC is Margin Component.

INDINT is Indenture Interest.

MFIREQ is the ratio of Margins for Interest to Indenture Interest Required and defined in the Indenture.

MCA is Margin Component Adjustments equal to any additions to or reductions of Seller's margins for non-recurring charges to income as set forth in the definition of Margins for Interest contained in the Indenture.

2.8 Calculation of Total Administrative and General Expenses And Other General Expenses.

$$\text{TOTAGO} = \text{TOTAG} - \text{DAIEXP} + \text{OGENEX} + \text{GENDEP} + \text{GENINT} + \text{GENPT} + \text{OTHEXP} + \text{MISODE} \\ - \text{MISREV} + \text{MC} + \text{INCTAX} + \text{BDEXP}$$

TOTAGO is Total Administrative and General expenses and Other general expenses.

TOTAG is Total Administrative and General expenses, including general plant operation and maintenance expense.

DAIEXP is Property Insurance expense Directly Assigned to functional category, excluding property insurance assigned to general plant.

OGENEX is Other General Expense.

GENDEP is General Plant Depreciation and amortization expense.

GENINT is General Plant Interest expense.

GENPT is General Plant Property Taxes.

OTHEXP is Other Expenses.

MISODE is Miscellaneous Other Deductions (e.g., rental amortization, amortization of losses).

MISREV is Miscellaneous Revenues and other revenue credits not otherwise directly assigned to a functional category (e.g., interest income, equity component of allowance for funds used during construction, income from subsidiary activities, and rental income and other non-operating income).

MC is Margin Component.

INCTAX is Federal and State Income and other Taxes imposed on income from investments and other taxable transactions, if any.

BDEXP is Board of Directors' fees and Expenses.

3.0 Calculation of Power Delivery Distribution Substation Capacity Charge.

$$PDSCHR = ((PDSINVM * PDSAF) / 12) + ((PURCHINV * PDSAFOM)/12)$$

PDSCHR is Power Delivery distribution Substation capacity Charge.

PDSINVM is the Dedicated Cost of all the delivery points of a Transmission Customer's system as calculated in accordance with Section I of this Rate Schedule.

PDSAF is the Power Delivery Substation Allocation Factor (see 3.1).

PURCHINV is the investment of all delivery points owned by a Transmission Customer and where GTC performs operations and maintenance.

PDSAFOM is the operations and maintenance portion of PDSAF (see 3.1.1).

3.1 Calculation of the Power Delivery Substation Allocation Factor.

$$PDSAF = (PDSTC + SEPREVD) / (\sum PDSINVM)$$

PDSAF is the Power Delivery Substation Allocation Factor.

SEPREVD is SEPA wheeling Distribution-related Revenue credit in Power Delivery Distribution charge. (see 5.1)

PDSTC is Power Delivery Distribution Substation Total Costs (see 3.2)

PDSINVM is the Dedicated Cost of all the delivery points of a Transmission Customer's system, as calculated in accordance with Section I of this Rate Schedule, then summed for all Transmission Customers.

3.1.1 Calculation of the Power Delivery Substation Allocation Factor for Operations and Maintenance.

$$\text{PDSAFOM} = \text{PDSOM} / (\sum \text{PDSINVM})$$

PDSAFOM is the operations and maintenance portion of PDSAF.

PDSOM is Power Delivery Distribution Substation Operation and Maintenance expenses.

PDSINVM is the Dedicated Cost of all the delivery points of a Transmission Customer System as calculated in accordance with Section I of this Rate Schedule.

3.2 Calculation of Power Delivery Distribution Substation Total Cost.

$$\text{PDSTC} = \text{PDSCC} + \text{PDSAGO} - \text{PDSREV} - \text{SEPREVD}$$

PDSTC is Power Delivery Distribution Substation Total Costs.

PDSCC is Power Delivery Distribution Substation Capacity Costs (**see 3.3**).

PDSAGO is Power Delivery Distribution Substation Administrative and General expenses and Other general expenses and is equal to PDTAGO_M for GTC Members and PDTAGO_{NM} for non-GTC Members (**see 3.6**).

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

SEPREVD is SEPA wheeling Distribution-related Revenue credit in Power Delivery Distribution charge. (see 5.1)

3.3 Calculation of Power Delivery Distribution Substation Capacity Costs.

For non-GTC Members, $PDS_{CC_{NM}} = PDS_{DEP} + PDS_{R} + PDS_{PT} + PDS_{INS} + PDS_{SOM} + PDS_{LAND} - PDM_{CC}$

For GTC Members, $PDS_{CC_{M}} = PDS_{DEP} + PDS_{INT} + PDS_{PT} + PDS_{INS} + PDS_{SOM} + PDS_{LAND} - PDM_{CC}$

PDS_{CC} is Power Delivery Distribution Substation Capacity Costs.

PDS_{DEP} is Power Delivery Distribution Substation Depreciation and amortization expense.

PDS_R is Power Delivery Distribution Substation Return (see 3.4).

PDS_{PT} is Power Delivery Distribution Substation Property Taxes (see 3.5).

PDS_{INS} is Power Delivery Distribution Substation Property Insurance expense associated with Power Delivery Distribution Substation facilities.

PDS_{SOM} is Power Delivery Distribution Substation Operation and Maintenance expenses.

PDM_{CC} is Power Delivery Distribution Metering Point Capacity annual budgeted Costs billed to GTC by Georgia Power Company and the Municipal Electric Authority of Georgia (see 4.0).

PDS_{INT} is Power Delivery Distribution Substation Interest expense (see 3.3.1).

PDS_{LAND} is Power Delivery Distribution Substation principal payments associated with GTC's debt for the ownership of Land to accommodate distribution facilities.

3.3.1 Calculation of Power Delivery Distribution Substation Interest Expense.

$$PDS_{INT} = PDS_{DAI} + ((PDS_{PLT}/TN_{PLT}) * NET_{INT})$$

PDS_{INT} is Power Delivery Distribution Substation Interest expense.

PDS_{DAI} is Power Delivery Distribution Substation Interest expense Directly Assigned to Power Delivery Distribution Substation investment.

PDSPLT is Power Delivery Total Net Distribution Substation Plant investment, less investment where interest has been directly assigned.

TNPLT is Total Net Plant investment, less investment where interest has been directly assigned.

NETINT is Annual Total Interest expense (net of interest charged to construction) allocable based on net plant investment.

3.4 Calculation of Power Delivery Distribution Substation Return.

$$PDSR = PDSPLT * ROR$$

PDSR is Power Delivery Distribution Substation Return.

PDSPLT is Power Delivery Total Net Distribution Substation Plant Investment, less investment where interest has been directly assigned.

ROR is Rate of Return (see 2.2.1).

3.5 Calculation of Power Delivery Distribution Substation Property Taxes.

$$PDSPT = PDSAV * PDSMR$$

PDSPT is Power Delivery Distribution Substation Property Taxes.

PDSAV is Power Delivery Distribution Substation plant investment Assessed Value.

PDSMR is Power Delivery Distribution Substation property tax weighted average millage rate.

3.6 Calculation of Power Delivery Distribution Substation Administrative and General Expenses and Other General Expenses.

For non-GTC Members, $PDSAGO_{NM} = ((PDSCC - PDSREV)/(PDTCC + PDSCC - REVCRE)) * AG$

For GTC Members, $PDSAGO_M = ((PDSCC - PDSREV)/(PDTCC + PDSCC - REVCRE)) * TOTAGO$

PDSAGO is Power Delivery Substation Capacity Costs allocated Administrative and General expenses and Other general expenses.

PDSCC is Power Delivery Substation Capacity Costs.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDTCC is Power Delivery Transmission Capacity Costs and is equal to $PDTCC_M$ for GTC Members and $PDTCC_{NM}$ for non-GTC Members.

REVCRE is the sum of Revenue Credits (**see 2.6**).

AG is the corporate administrative and general expenses less Margin Component.

TOTAGO is Total Administrative and General expenses and Other general expenses.

4.0 Calculation of Power Delivery Distribution Metering Point Capacity Charge.

$$PDMPCR = PDMCC / 12$$

PDMPCR is Power Delivery Distribution Metering Point Capacity Charge.

PDMCC is Power Delivery Distribution Metering Point Capacity annual budgeted Costs billed to GTC by Georgia Power Company and the Municipal Electric Authority of Georgia.

5.0 Calculation of SEPA Wheeling Revenue Credit - Transmission.

$$SEPREVT = SEPREVTOT * (PDTTC / (PDTTC + PDDTC))$$

SEPREVT is SEPA wheeling Transmission-related Revenue credit in Power Delivery Transmission Charge.

SEPREVTOT is Total SEPA Revenue (**see 5.2**).

PDTTC is Power Delivery Transmission Total Costs (**see 5.4**).

PDDTC is Power Delivery Distribution Total Costs (**see 5.5**).

5.1 Calculation of SEPA Wheeling Revenue Credit - Distribution.

$$\text{SEPREVD} = \text{SEPAEVTOT} * (\text{PDDTC} / (\text{PDTTC} + \text{PDDTC}))$$

SEPREVD is SEPA wheeling Distribution-related Revenue credit in Power Delivery Distribution Charge.

SEPAEVTOT is Total SEPA Revenue (see 5.2).

PDTTC is Power Delivery Transmission Total Costs (see 5.4).

PDDTC is Power Delivery Distribution Total Costs (see 5.5).

5.2 Calculation of Total SEPA Revenue.

$$\text{SEPAEVTOT} = (\text{SEPCC} * \text{SEPCHRG}) * 12$$

SEPAEVTOT is Total SEPA Revenue.

SEPCC is the Sum of SEPA Contract Capacity (MW) for all Members of GTC.

SEPCHRG is SEPA Wheeling Charge (see 5.3).

5.3 Calculation of SEPA Wheeling Charge.

$$\text{SEPCHRG} = ((\text{PDTTC} + \text{PDDTC}) / \sum \text{PDTCCR}) / 12$$

SEPCHRG is SEPA Wheeling Charge.

PDTTC is Power Delivery Transmission Total Costs (see 5.4).

PDDTC is Power Delivery Distribution Total Costs (see 5.5).

PDTCCR is Power Delivery Transmission Capacity Requirement as determined in accordance with Section I of this Rate Schedule, then summed for all Transmission Customers.

5.4 Calculation of Power Delivery Transmission Total Costs.

$$\text{PDTTC} = \text{PDTCC} + \text{PDTAGO} - \text{PDTREV}$$

PDTTC is Power Delivery Transmission Total Costs.

PDTCC is Power Delivery Transmission Capacity Costs and is equal to PDTCC_M for GTC Members.

PDTAGO is Power Delivery Transmission allocated Administrative and General expenses and Other general expenses and is equal to $PDTAGO_M$ for GTC Members.

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

5.5 Calculation of Power Delivery Distribution Total Costs.

$$PDDTC = PDSCC + PDSAGO - PDSREV$$

PDDTC is Power Delivery Distribution Total Costs.

PDSCC is Power Delivery Distribution Substation Capacity Costs and is equal to $PDSCC_M$ for GTC Members.

PDSAGO is Power Delivery Distribution Substation Administrative and General expenses and Other general expenses and is equal to $PDSAGO_M$ for GTC Members.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

Prior Period Adjustment Rider

Section I. GENERAL:

Each GTC Member shall be billed an annual Prior Period Adjustment for each Contract Year calculated in accordance with this Rider, if applicable.

The Prior Period Adjustment for the Contract Year, which may be an additional charge or a refund credit, shall be made if Margins For Interest before making such Prior Period Adjustment is less than that required by the Indenture or greater than 1.2 times Indenture Interest. Such Prior Period Adjustment shall be determined in accordance with the formula set forth herein below. Such Prior Period Adjustment for each Contract Year shall be credited or debited to each GTC Member in the Contract Year and refunded or collected in nine (9) equal monthly installments on the bills rendered from April 1 through December 31 of the succeeding Contract Year.

Section II. CALCULATION OF PRIOR PERIOD ADJUSTMENT:

1.0 Calculation Of Minimum Margin Component Requirement.

$$\text{MINMAR} = (\text{ACTINT} * (\text{MFIREQ} - 1)) +/- \text{MCA}$$

MINMAR is the Minimum Margin Component requirement necessary to achieve Margins For Interest of 1.1 times Indenture Interest for the Contract Year.

ACTINT is Actual Indenture Interest of the GTC for the Contract Year.

MFIREQ is the ratio of Margins for Interest to Indenture Interest Required and defined in the rate covenant contained in the Indenture.

MCA is Margin Component Adjustments equal to any additions to or reductions of Seller's margins for non-recurring charges to income as set forth in the definition of Margins for Interest contained in the Indenture.

2.0 Calculation Of Maximum Margin Allowable.

$$\text{MAXMAR} = (\text{ACTINT} * 0.2) +/- \text{MCA}$$

MAXMAR is the Maximum Margin Component above which all additional margins shall be refunded to the GTC Members.

ACTINT is Actual Indenture Interest of the GTC for the Contract Year.

MCA is Margin Component Adjustments equal to any additions to or reductions of Seller's margins for non-recurring charges to income as set forth in the definition of Margins for Interest contained in the Indenture.

3.0 Calculation Of Margins For Interest Ratio Before Prior Period Adjustment.

$$\text{MFIR} = (\text{ACTINT} + [\text{UADMAR} \pm \text{MCA}] / \text{ACTINT})$$

MFIR is the ratio of Margins For Interest to Indenture Interest for the Contract Year calculated prior to any Prior Period Adjustment for the Contract Year.

ACTINT is Actual Indenture Interest of the GTC for the Contract Year.

UADMAR is actual Unadjusted Margins, excluding revenues associated with land-related principal payments, for the Contract Year determined prior to any Prior Period Adjustment for the Contract Year.

MCA is Margin Component Adjustments equal to any additions to or reductions of Seller's margins for non-recurring charges to income as set forth in the definition of Margins for Interest contained in the Indenture.

4.0 Calculation Of Margin Adjustment.

(A) If MFIR is less than MFIREQ, then

$$\text{ADDMAR} = \text{MINMAR} - \text{UADMAR}$$

MFIR is the ratio of Margins For Interest to Indenture Interest for the Contract Year calculated prior to any Prior Period Adjustment for the Contract Year (see 3.0).

ADDMAR is the Additional Margins necessary to achieve the ratio of Margins For Interest to Indenture Interest required by the rate covenant of the Indenture for the Contract Year.

MINMAR is the Minimum Margins Component necessary to achieve the ratio of Margins For Interest to Indenture Interest required by the rate covenant of the Indenture for the Contract Year (see 1.0).

UADMAR is actual Unadjusted Margins, excluding revenues associated with land-related principal payments, for the Contract Year determined prior to any Prior Period Adjustment for the Contract Year.

MFIREQ is the ratio of Margins for Interest to Indenture Interest Required and defined in the rate covenant contained in the Indenture.

(B) If MFIR is greater than 1.2, then

$$\text{REFMAR} = \text{MAXMAR} - \text{UADMAR}$$

MFIR is the ratio of Margins For Interest to Indenture Interest for the Contract Year calculated prior to any Prior Period Adjustment for the Contract Year (see 3.0).

REFMAR is the Margins Refund necessary to achieve a ratio of Margins For Interest to Indenture Interest of 1.2 for the Contract Year.

MAXMAR is the Maximum Margins Component above which all additional margins shall be refunded to the GTC Members (see 2.0).

UADMAR is actual Unadjusted Margins, excluding revenues associated with land-related principal payments, for the Contract Year determined prior to any Prior Period Adjustment for the Contract Year.

5.0 Calculation Of Margin Adjustment Factor.

(A) If MFIR is less than MFIREQ, then

$$\text{MADJF} = \text{ADDMAR} / \text{UADREV}$$

MFIR is the ratio of Margins For Interest to Indenture Interest for the Contract Year calculated prior to any Prior Period Adjustment for the Contract Year (see 3.0).

MADJF is Margin Adjustment Factor.

ADDMAR is the Additional Margins necessary to achieve the ratio of Margins For Interest to Indenture Interest required by the rate covenant of the Indenture for the Contract Year (see 4.0(A)).

UADREV is Unadjusted Revenue, excluding revenues associated with land-related principal payments, for the Contract Year from sales to GTC Members prior to any Prior Period Adjustment for the Contract Year.

MFIREQ is the ratio of Margins for Interest to Indenture Interest Required and defined in the rate covenant contained in the Indenture.

(B) If MFIR is greater than 1.2, then

$$\text{MADJF} = \text{REFMAR} / \text{UADREV}$$

MFIR is the ratio of Margins For Interest to Indenture Interest for the Contract Year calculated prior to any Prior Period Adjustment for the Contract Year (see 3.0).

MADJF is Margin Adjustment Factor.

REFMAR is the Margin Refund necessary to achieve the ratio of Margins For Interest to Indenture Interest of 1.2 for the Contract Year (see 4.0(B)).

UADREV is Unadjusted Revenue, excluding revenues associated with land-related principal payments, for the Contract Year from sales to GTC Members prior to any Prior Period Adjustment for the Contract Year.

6.0 Calculation Of Prior Period Adjustment For Each GTC Member.

(Note: A separate calculation is made for each GTC Member)

$$\text{PPADJ} = (\text{MADJF} * \text{MUAREV})/9$$

PPADJ is Prior Period Adjustment (refund credit or additional charge) for the individual GTC Member to be credited or charged in each month.

MADJF is Margin Adjustment Factor (**see 5.0(A) or (B), as applicable**).

MUAREV is the individual GTC Member's Unadjusted Revenue for the Contract Year from sales to the GTC Member determined prior to any Prior Period Adjustment for the Contract Year.

SCHEDULE 8

Rate Schedules For Point-To-Point Transmission Service

A. LONG-TERM FIRM TRANSMISSION SERVICE

A1.0 **General.** This Service Schedule A, “Long-Term Firm Transmission Service,” is effective under and a part of the TRANSMISSION SERVICE TARIFF OF GEORGIA TRANSMISSION CORPORATION dated January 1, 2009 (“Tariff”). All of the terms, conditions, charges, and stipulations contained in the Tariff are incorporated into this Service Schedule A herein by reference. Terms not otherwise defined in this Service Schedule A shall have the meanings set forth in Section 1 of the Tariff.

A2.0 **Description of Service.** Long-Term Firm Transmission Service contemplated by this Service Schedule A is for the use of GTC’s Transmission System to receive capacity and energy at the Point(s) of Receipt transmit such capacity and energy across the GTC Transmission System, and deliver such capacity and energy at the Point(s) of Delivery. Specifically, Long-Term Firm Transmission Service shall be:

- (a) A Transmission Service transaction of a minimum duration of one (1) year and a maximum duration of ten (10) years;
- (b) Point-to-Point Transmission Service; and
- (c) Available to a Transmission Customer that meets the eligibility requirements of Section 15 of the Tariff and has complied with the service request provisions of Section 17 of the Tariff.

A3.0 **Procedure to Obtain Service.** In order to obtain Long-Term Firm Transmission Service, the Transmission Customer must:

- (a) Have provided a Completed Application required in Section 17.2 of the Tariff at least ninety (90) calendar days in advance of the date on which Transmission Service is to commence;
- (b) Have reimbursed GTC for all costs associated with any System Impact Study as provided for in Section 19.2 and Facilities Study required in Section 19.4 of the Tariff; and
- (c) Have executed a Service Agreement with GTC.

A4.0 Compensation. The Transmission Customer shall pay GTC for Long-Term Firm Transmission Service in accordance with the following formulas:

A4.1 Calculation of Power Delivery Transmission Capacity Charge for Long-Term Firm Transmission Service.

$$PDTCHG_P = PDTCCR_P * TCD$$

PDTCHG_P is the Power Delivery Transmission Capacity Charge for Long-Term Firm Transmission Service, applied during each month of service.

PDTCCR_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Long-Term Firm Transmission Service expressed in terms of dollars per kW-month (see A4.2).

TCD is the Transmission Capacity, in kilowatts, being Delivered, integrated over one (1) hour, that is the greater of:

- 1) Contract amount, or
- 2) Scheduled amount.

A4.2 Calculation of Power Delivery Transmission Capacity Charge Rate for Long-Term Firm Transmission Service.

$$PDTCCR_P = (EXPITS + AGITS) / (100,000 * MOSERV)$$

PDTCCR_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Long-Term Firm Transmission Service expressed in terms of dollars per kW-month.

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service (see A4.2.1).

AGITS is the allocated Administrative and General expenses (see A4.2.2).

MOSERV is the number of months of Transmission Service that is required for the transaction.

A4.2.1 Calculation of Direct Expenses Related to the Change in GTC's Parity Calculation of Investment Responsibility.

For non-GTC Members, $EXPITS_{NM} = (ROR + D + OM + I + AT + L+CCD) * INV$

For GTC Members, $EXPITS_M = (INT + D + OM + I + AT + L+CCD) * INV$

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service.

ROR is GTC's weighted average rate of return from debt and equity capital (see A4.2.1.1).

D is the annual Depreciation expense applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

OM is the annual Operations and Maintenance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

I is the annual Insurance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

AT is the annual Ad valorem Tax expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

L is the annual land-related principal payments applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

CCD is the carrying charge adder for Long Term Firm Transmission Service. It is equal to the difference between the total ITS carrying charge rates of GTC and the ITS party with the highest carrying charge rate.

INV is the change in GTC's ITS parity calculation for off-system Investment responsibility incurred as a result of the 100 MW transmission transaction. For transactions using bulk facilities only, this change is multiplied by the average B2 investment percentage.

INT is the annual Interest expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

A4.2.1.1 Calculation of Rate of Return.

$$\text{ROR} = \text{WLTD COST} + (\text{WEQ COST} / (1 - \text{TAX RATE}))$$

ROR is GTC's weighted average rate of return from debt and equity capital.

WLTD COST is GTC's weighted average cost of debt capital (see A4.2.1.2).

WEQ COST is GTC's weighted cost of equity capital (see A4.2.1.3).

TAX RATE is the corporate income tax rate.

A4.2.1.2 Calculation of Weighted Cost of Debt Capital.

$$\text{WLTD COST} = \text{LTDCOST} * (\text{LTD DEBT} / \text{CAPITAL})$$

WLTD COST is GTC's weighted average cost of debt capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

LTD DEBT is GTC's Long Term Debt including capitalized leases.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

A4.2.1.3 Calculation of Weighted Cost of Equity Capital.

$$\text{WEQCOST} = \text{EQCOST} * (\text{PAT}/\text{CAPITAL})$$

WEQCOST is GTC's weighted cost of equity capital.

EQCOST is the average cost of GTC's equity capital (see A4.2.1.4).

PAT is GTC's amount of patronage capital.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

A4.2.1.4 Calculation of Cost of Equity Capital.

$$\text{EQCOST} = \text{LTDCOST} + 0.04$$

EQCOST is the average cost of GTC's equity capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

A4.2.2 Calculation of Allocated Administrative and General Expenses.

$$\text{For non-GTC Members, } \text{AGITS}_{\text{NM}} = \text{AG}_{\text{NM}} * [\text{EXPITS}_{\text{NM}} / ((\text{PDTCC} + \text{PDS}_{\text{CC}} - \text{REVCRE}) + \text{EXPITS}_{\text{NM}})]$$

$$\text{For GTC Members, } \text{AGITS}_{\text{M}} = \text{AG}_{\text{M}} * [\text{EXPITS}_{\text{M}} / ((\text{PDTCC} + \text{PDS}_{\text{CC}} - \text{REVCRE}) + \text{EXPITS}_{\text{M}})]$$

AGITS is the allocated Administrative and General expenses.

AG_{NM} is the corporate administrative and general expenses less margin component (see A4.2.2.1).

AG_M is the corporate administrative and general expenses including margin component.

EXPITS is the direct expenses related to the change in GTC's parity calculation of investment responsibility.

PDTCC is Power Delivery Transmission Capacity Costs.

PDS_{CC} is Power Delivery Substation Capacity Costs

REVCRE is the sum of Revenue Credits (see A4.2.2.2).

A4.2.2.1 Calculation of Administrative and General Expenses for Non-GTC Members.

$$AG_{NM} = \text{TOTAGO} - \text{MC}$$

AG_{NM} is the corporate administrative and general expenses less margin component.

TOTAGO is Total Administrative and General expenses and Other general expenses. (see **A4.2.2.4**)

MC is Margin Component (see **A4.2.2.3**).

A4.2.2.2 Calculation of Revenue Credits.

$$\text{REVCRE} = \text{PDTREV} + \text{PDSREV}$$

REVCRE is the sum of Revenue Credits.

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

A4.2.2.3 Calculation of Margin Component.

$$\text{MC} = (\text{INDINT} * (\text{MFIREQ} - 1))$$

MC is Margin Component.

INDINT is Indenture Interest.

MFIREQ is the Margins for Interest ratio Required by the Indenture.

A4.2.2.4 Calculation of Total Administrative and General Expenses And Other General Expenses.

$$\text{TOTAGO} = \text{TOTAG} - \text{DAIEXP} + \text{OGENEX} + \text{GENDEP} + \text{GENINT} + \text{GENPT} + \text{OTHEXP} + \text{MISODE} \\ - \text{MISREV} + \text{MC} + \text{INCTAX} + \text{BDEXP}$$

TOTAGO is Total Administrative and General expenses and Other general expenses.

TOTAG is Total Administrative and General expenses, including general plant operation and maintenance expense.

DAIEXP is Property Insurance expense Directly Assigned to functional category, excluding property insurance assigned to general plant.

OGENEX is Other General Expense.

GENDEP is General Plant Depreciation and amortization expense.

GENINT is General Plant Interest expense.

GENPT is General Plant Property Taxes.

OTHEXP is Other Expenses.

MISODE is Miscellaneous Other Deductions (e.g., rental amortization, amortization of losses).

MISREV is Miscellaneous Revenues and other revenue credits not otherwise directly assigned to a functional category (e.g., interest income, equity component of allowance for funds used during construction, income from subsidiary activities, and rental income and other non-operating income).

MC is Margin Component

INCTAX is Federal and State Income and other Taxes imposed on income from investments and other taxable transactions, if any.

BDEXP is Board of Directors' fees and Expenses.

- A4.3** **Special Service Costs.** The Transmission Customer shall pay all applicable Interface Capability costs, Modified Dispatch Costs, or Lost Opportunity Costs, incurred by GTC in order to accommodate a Transmission Service scheduled in accordance with Section 27 of the Tariff.
- A4.4** **Curtailment Costs.** The Transmission Customer shall also pay any applicable Modified Dispatch Costs or Lost Opportunity Costs incurred by GTC at Purchaser's request to avoid or limit curtailment in accordance with Section 27 of the Tariff.
- A4.5** **Miscellaneous Costs.** The Transmission Customer shall also pay other applicable charges in accordance with other provisions of the Tariff or the Service Agreement, if any.

--END OF SERVICE SCHEDULE A--

B. SHORT-TERM FIRM TRANSMISSION SERVICE

B1.0 **General.** This Service Schedule B, “Short-Term Firm Transmission Service,” is effective under and a part of the TRANSMISSION SERVICE TARIFF OF GEORGIA TRANSMISSION CORPORATION dated January 1, 2009 (the “Tariff”). All of the terms, conditions, charges, and stipulations contained in the Tariff are incorporated into this Service Schedule B herein by reference. Terms not otherwise defined in this Service Schedule B shall have the meanings set forth in Section 1 of the Tariff.

B2.0 **Description of Service.** Short-Term Firm Transmission Service contemplated by this Service Schedule B is for the use of GTC’s Transmission System to receive capacity and energy at the Point(s) of Receipt transmit such capacity and energy across the GTC Transmission System, and deliver such capacity and energy at the Point(s) of Delivery. Specifically, Short-Term Firm Transmission Service shall be:

- (a) A Transmission Service transaction with a term of less than one (1) year;
- (b) Point-to-Point Transmission Service; and
- (c) Available to a Transmission Customer that meets the eligibility requirements of Section 15 of the Tariff and has complied with the service request provisions of Section 17 of the Tariff.

B3.0 **Procedure to Obtain Service.** In order to obtain Short-Term Firm Transmission Service, the Transmission Customer must:

- (a) Have provided a Completed Application required in Section 17.2 of the Tariff at least sixty (60) calendar days in advance of the date on which Transmission Service is to commence; in the case of daily or weekly service, this requirement is waived;
- (b) Have reimbursed GTC for all costs associated with any System Impact Study as provided for in Section 19.2 and Facilities Study required in Section 19.4 of the Tariff; and
- (c) Have executed a Service Agreement with GTC.

B4.0 **Compensation.** The Transmission Customer shall pay GTC for Short-Term Firm Transmission Service in accordance with the following formulas:

B4.1 **Calculation of Power Delivery Transmission Capacity Charge for Short-Term Firm Transmission Service.**

$$PDTCHG_P = PDTCCR_P * TCD$$

PDTCHG_P is the Power Delivery Transmission Capacity Charge for Short-Term Firm Transmission Service, applied during each month of service.

PDTCCR_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Short-Term Firm Transmission Service expressed in terms of dollars per kW-month.

TCD is the Transmission Capacity, in kilowatts, being Delivered, integrated over one hour, that is the greater of:

- 1) Contract amount, or
- 2) Scheduled amount.

B4.2 **Calculation of Power Delivery Transmission Capacity Charge Rate for Short-Term Firm Transmission Service.**

$$\text{PDTCCR_P} = (\text{EXPITS} + \text{AGITS}) / (100,000 * \text{MOSERV})$$

PDTCCR_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Short-Term Firm Transmission Service expressed in terms of dollars per kW-month.

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service (see **B4.2.1**).

AGITS is the allocated Administrative and General expenses (see **B4.2.2**).

MOSERV is the number of months of that Transmission Service is required for the transaction.

RESP is the number of months of investment responsibility that GTC incurs under the ITS contract-for the firm transaction.

This rate for Short-Term Firm Transmission Service can be expressed in terms of an annual (when appropriate), weekly, daily and hourly rate by applying the following calculations:

If RESP is greater than or equal to 12,

$$\text{Annual Rate} = (\text{EXPITS} + \text{AGITS}), \text{ Annualized} / \text{TCD}$$

If RESP is less than 12,

$$\text{Annual Rate} = \text{PDTCCR_P} * \text{MOSERV}$$

$$\text{Monthly Rate} = \text{PDTCCR_P}$$

$$\text{Weekly Rate} = (\text{EXPITS} + \text{AGITS}), \text{ Annualized} / (\text{TCD} * 52)$$

$$\text{Daily Rate} = \text{Weekly Rate} / 5$$

$$\text{Hourly rate} = \text{Daily Rate} / 16$$

B4.2.1 Calculation of Direct Expenses Related to the Change in GTC's Parity Calculation of

Investment Responsibility.

For non-GTC Members, $EXPITS_{NM} = (ROR + D + OM + I + AT + L + CCD) * INV$

For GTC Members, $EXPITS_M = (INT + D + OM + I + AT + L + CCD) * INV$

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service.

ROR is GTC's weighted average rate of return from debt and equity capital (see **B4.2.1.1**).

D is the annual Depreciation expense applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

OM is the annual Operations and Maintenance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

I is the annual Insurance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

AT is the annual Ad valorem Tax expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

L is the annual land-related principal payments applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

CCD is a carrying charge adder for Short-Term Firm and Non-Firm Transmission Service. It is equal to the difference between the total ITS Carrying Charge rates of GTC and the ITS party with the highest ITS carrying charge rate.

INV is the change in GTC's ITS parity calculation for off-system Investment responsibility incurred as a result of the 100 MW transmission transaction. For transactions using bulk facilities only, this change is multiplied by the average B2 investment percentage.

INT is the annual Interest expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

B4.2.1.1 Calculation of Rate of Return.

$$\text{ROR} = \text{WLTDCOST} + (\text{WEQCOST} / (1 - \text{TAXRATE}))$$

ROR is GTC's weighted average rate of return from debt and equity capital.

WLTDCOST is GTC's weighted average cost of debt capital (see **B4.2.1.2**).

WEQCOST is GTC's weighted cost of equity capital (see **B4.2.1.3**).

TAXRATE is corporate income tax rate.

B4.2.1.2 Calculation of Weighted Cost of Debt Capital.

$$\text{WLTDCOST} = \text{LTDCOST} * (\text{LTDDEBT}/\text{CAPITAL})$$

WLTDCOST is GTC's weighted average cost of debt capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

LTDDEBT is GTC's Long Term Debt including capitalized leases.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

B4.2.1.3 Calculation of Weighted Cost of Equity Capital.

$$\text{WEQCOST} = \text{EQCOST} * (\text{PAT}/\text{CAPITAL})$$

WEQCOST is GTC's weighted cost of equity capital.

EQCOST is the average cost of GTC's equity capital (see **B4.2.1.4**).

PAT is GTC's amount of patronage capital.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

B4.2.1.4 Calculation of Cost of Equity Capital.

$$\text{EQCOST} = \text{LTDCOST} + 0.04$$

EQCOST is the average cost of GTC's equity capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

B4.2.2 Calculation of Allocated Administrative and General Expenses.

For non-GTC Members, $\text{AGITS}_{\text{NM}} = \text{AG}_{\text{NM}} * [\text{EXPITS}_{\text{NM}} / (\text{PDTCC} + \text{PDSCC} - \text{REVCRE}) + \text{EXPITS}_{\text{NM}}]$

For GTC Members, $\text{AGITS}_{\text{M}} = \text{AG}_{\text{M}} * [\text{EXPITS}_{\text{M}} / ((\text{PDTCC} + \text{PDSCC} - \text{REVCRE}) + \text{EXPITS}_{\text{M}})]$

AGITS is the allocated Administrative and General expenses.

AG_{NM} is the corporate administrative and general expenses less margin component (see **B4.2.2.1**).

AG_{M} is the corporate administrative and general expenses including margin component.

EXPITS is the direct expenses related to the change in GTC's parity calculation of investment responsibility.

PDTCC is Power Delivery Transmission Capacity Costs.

PDSCC is Power Delivery Substation Capacity Costs

REVCRE is the sum of Revenue Credits (see **B4.2.2.2**).

B4.2.2.1 Calculation of Administrative and General Expenses for Non-GTC Members.

$$\text{AG}_{\text{NM}} = \text{TOTAGO} - \text{MC}$$

AG_{NM} is the corporate administrative and general expenses less margin component.

TOTAGO is Total Administrative and General expenses and Other general expenses.(see **B4.2.2.4**)

MC is Margin Component (see **B4.2.2.3**).

B4.2.2.2 Calculation of Revenue Credits.

$$\text{REVCRE} = \text{PDTREV} + \text{PDSREV}$$

REVCRE is the sum of Revenue Credits.

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

B4.2.2.3 Calculation of Margin Component.

$$MC = (\text{INDINT} * (\text{MFIREQ} - 1))$$

MC is Margin Component.

INDINT is Indenture Interest.

MFIREQ is the Margins for Interest ratio Required by the Indenture.

B4.2.2.4 Calculation of Total Administrative and General Expenses And Other General Expenses.

$$\begin{aligned} \text{TOTAGO} = & \text{TOTAG} - \text{DAIEXP} + \text{OGENEX} + \text{GENDEP} + \text{GENINT} + \text{GENPT} + \text{OTHEXP} + \text{MISODE} \\ & - \text{MISREV} + \text{MC} + \text{INCTAX} + \text{BDEXP} \end{aligned}$$

TOTAGO is Total Administrative and General expenses and Other general expenses.

TOTAG is Total Administrative and General expenses, including general plant operation and maintenance expense.

DAIEXP is Property Insurance expense Directly Assigned to functional category, excluding property insurance assigned to general plant.

OGENEX is Other General Expense.

GENDEP is General Plant Depreciation and amortization expense.

GENINT is General Plant Interest expense.

GENPT is General Plant Property Taxes.

OTHEXP is Other Expenses.

MISODE is Miscellaneous Other Deductions (e.g., rental amortization, amortization of losses).

MISREV is Miscellaneous Revenues and other revenue credits not otherwise directly assigned to a functional category (e.g., interest income, equity component of allowance for funds used

during construction, income from subsidiary activities, and rental income and other non-operating income).

MC is Margin Component

INCTAX is Federal and State Income and other Taxes imposed on income from investments and other taxable transactions, if any.

BDEXP is Board of Directors' fees and Expenses.

B4.3 Special Services Costs. The Transmission Customer shall pay all applicable Interface Capability costs, Modified Dispatch Costs, or Lost Opportunity Costs, incurred by GTC in order to accommodate a Transmission Service scheduled in accordance with Section 27 of the Tariff.

B4.4 Curtailment Costs. The Transmission Customer shall also pay any applicable Modified Dispatch Costs or Lost Opportunity Costs incurred by GTC at the Transmission Customer's request to avoid or limit curtailment in accordance with Section 27 of the Tariff.

B4.5 Miscellaneous Costs. The Transmission Customer shall also pay other applicable charges in accordance with other provisions of the Tariff or the Service Agreement, if any.

--END OF SERVICE SCHEDULE B--

C. PEAK PERIOD FIRM TRANSMISSION SERVICE

C1.0 **General** This Service Schedule C, “Peak Period Firm Transmission Service,” is effective under and a part of the TRANSMISSION SERVICE TARIFF OF GEORGIA TRANSMISSION CORPORATION dated January 1, 2009 (“Tariff”). All of the terms, conditions, charges, and stipulations contained in the Tariff are incorporated into this Service Schedule C herein by reference. Terms not otherwise defined in this Service Schedule C shall have the meanings set forth in Section 1 of the Tariff.

C2.0 **Description of Service.** Peak Period Firm Transmission Service contemplated by this Service Schedule C is for the use of GTC’s Transmission System to receive capacity and energy at the Point(s) of Receipt transmit such capacity and energy across the GTC Transmission System, and deliver such capacity and energy at the Point(s) of Delivery. Specifically, Peak Period Firm Transmission Service shall be:

- (a) A Transmission Service transaction of a minimum duration in excess of twenty (20) consecutive Peak Period days;
- (b) Limited to one (1) calendar year;
- (c) Point-To-Point Transmission Service; and
- (d) Available to a Transmission Customer that meets the eligibility requirements of Section 15 of the Tariff and has complied with the service request provisions of Section 17 of the Tariff.

C3.0 **Procedure to Obtain Service.** In order to obtain Peak Period Firm Transmission Service, the Transmission Customer must:

- (a) Have provided a Completed Application required in Section 17.2 of the Tariff at least sixty (60) calendar days in advance of the date on which Transmission Service is to commence;
- (b) Have reimbursed GTC for all costs associated with any System Impact Study as provided for in Section 19.2 and Facilities Study required in Section 19.4 of the Tariff; and
- (c) Have executed a Service Agreement with GTC.

C4.0 **Compensation.** The Transmission Customer shall pay GTC for Peak Period Firm Transmission Service in accordance with the following formulas:

C4.1 **Calculation of Power Delivery Transmission Capacity Charge for Peak Period Firm Transmission Service.**

$$PDTCHG_P = PDTCCR_P * TCD$$

PDTCHG_P is the Power Delivery Transmission Capacity Charge for Peak Period Firm Transmission Service, applied during each month of service.

PDTCCR_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Peak Period Firm Transmission Service expressed in terms of dollars per kW-month.

TCD is the Transmission Capacity, in kilowatts, being Delivered, integrated over one (1) hour, that is the greater of:

- 1) Contract amount, or
- 2) Scheduled amount.

C4.2 Calculation of Power Delivery Transmission Capacity Charge Rate for Peak Period Firm Transmission Service.

$$\text{PDTCCR}_P = (\text{EXPITS} + \text{AGITS}) / (100,000 * \text{MOSERV})$$

PDTCCR_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Peak Period Firm Transmission Service expressed in terms of dollars per kW-month.

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service (see C4.2.1).

AGITS is the allocated Administrative and General expenses (see C4.2.2).

MOSERV is the number of months of that transmission service is required for the transaction.

C4.2.1 Calculation of Direct Expenses Related to the Change in GTC's Parity Calculation of Investment Responsibility.

For non-GTC Members $\text{EXPITS}_{\text{NM}} = (\text{ROR} + \text{D} + \text{OM} + \text{I} + \text{AT} + \text{L} + \text{CCD}) * \text{INV}$

For GTC Members, $\text{EXPITS}_{\text{M}} = (\text{INT} + \text{D} + \text{OM} + \text{I} + \text{AT} + \text{L}) * \text{INV}$

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service.

ROR is GTC's weighted average rate of return from debt and equity capital (see C4.2.1.1).

D is the annual Depreciation expense applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

OM is the annual Operations and Maintenance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

I is the annual Insurance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

AT is the annual Ad valorem Tax expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

L is the annual land-related principal payments applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

CCD is a carrying charge adder for Peak Period Firm Transmission Service. It is equal to the difference between the total ITS Carrying Charge rates of GTC and the ITS party with the highest ITS-carrying charge rate.

INV is the change in GTC's ITS parity calculation for off-system Investment responsibility incurred as a result of the 100 MW transmission transaction. For transactions using bulk facilities only, this change is multiplied by the average B2 investment percentage.

INT is the annual Interest expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

C4.2.1.1 Calculation of Rate of Return.

$$\text{ROR} = \text{WLTDCOST} + (\text{WEQCOST} / (1 - \text{TAXRATE}))$$

ROR is GTC's weighted average rate of return from debt and equity capital.

WLTDCOST is GTC's weighted average cost of debt capital (see C4.2.1.2).

WEQCOST is GTC's weighted cost of equity capital (see C4.2.1.3).

TAXRATE is the corporate income tax rate.

C4.2.1.2 Calculation of Weighted Cost of Debt Capital.

$$\text{WLTDCOST} = \text{LTDCOST} * (\text{LTDDEBT}/\text{CAPITAL})$$

WLTDCOST is GTC's weighted average cost of debt capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

LTDDEBT is GTC's Long Term Debt including capitalized leases.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

C4.2.1.3 Calculation of Weighted Cost of Equity Capital.

$$\text{WEQCOST} = \text{EQCOST} * (\text{PAT}/\text{CAPITAL})$$

WEQCOST is GTC's weighted cost of equity capital.

EQCOST is the average cost of GTC's equity capital (see C4.2.1.4).

PAT is GTC's amount of patronage capital.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

C4.2.1.4 Calculation of Cost of Equity Capital.

$$\text{EQCOST} = \text{LTDCOST} + 0.04$$

EQCOST is the average cost of GTC's equity capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

C4.2.2 Calculation of Allocated Administrative and General Expenses.

For non-GTC Members, $AGITS_{NM} = AG_{NM} * [EXPITS_{NM} / ((PDTCC + PDSCC - REVCRE) + EXPITS_{NM})]$

For GTC Members, $AGITS_M = AG_M * [EXPITS_M / ((PDTCC + PDSCC - REVCRE) + EXPITS_M)]$

AGITS is the allocated Administrative and General expenses.

AG_{NM} is the corporate administrative and general expenses less margin component (see **C4.2.2.1**).

AG_M is the corporate administrative and general expenses including margin component.

EXPITS is the direct expenses related to the change in GTC's parity calculation of investment responsibility.

PDTCC is Power Delivery Transmission Capacity Costs.

PDSCC is Power Delivery Substation Capacity Costs

REVCRE is the sum of Revenue Credits (see **C4.2.2**).

C4.2.2.1 Calculation of Administrative and General Expenses for Non-GTC Members.

$$AG_{NM} = TOTAGO - MC$$

AG_{NM} is the corporate administrative and general expenses less margin component.

TOTAGO is Total Administrative and General expenses and Other general expenses. (see **C4.2.2.4**)

MC is Margin Component (see **C4.2.2.3**).

C4.2.2.2 Calculation of Revenue Credits.

$$\text{REVCRE} = \text{PDTREV} + \text{PDSREV}$$

REVCRE is the sum of Revenue Credits.

PDTREV is the portion of power delivery transmission revenue credits assigned or allocated to the power delivery transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, is Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category, including but not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

C4.2.2.3 Calculation of Margin Component.

$$MC = (\text{INDINT} * (\text{MFIREQ} - 1))$$

MC is Margin Component.

INDINT is Indenture Interest.

MFIREQ is the Margins for Interest ratio Required by
the Indenture.

**C4.2.2.4 Calculation of Total Administrative and General Expenses And Other
General Expenses.**

$$\text{TOTAGO} = \text{TOTAG} - \text{DAIEXP} + \text{OGENEX} + \text{GENDEP} + \text{GENINT} + \text{GENPT} + \text{OTHEXP} + \\ \text{MISODE} - \text{MISREV} + \text{MC} + \text{INCTAX} + \text{BDEXP}$$

TOTAGO is Total Administrative and General expenses and Other general expenses.

TOTAG is Total Administrative and General expenses, including general plant operation
and maintenance expense.

DAIEXP is Property Insurance expense Directly Assigned to functional category,
excluding property insurance assigned to general plant.

OGENEX is Other General Expense.

GENDEP is General Plant Depreciation and amortization expense.

GENINT is General Plant Interest expense.

GENPT is General Plant Property Taxes.

OTHEXP is Other Expenses.

MISODE is Miscellaneous Other Deductions (e.g., rental amortization, amortization of
losses).

MISREV is Miscellaneous Revenues and other revenue credits not otherwise directly assigned to a functional category (e.g., interest income, equity component of allowance for funds used during construction, income from subsidiary activities, and rental income and other non-operating income).

MC is Margin Component

INCTAX is Federal and State Income and other Taxes imposed on income from investments and other taxable transactions, if any.

BDEXP is Board of Directors' fees and Expenses.

C4.3 Special Service Costs. The Transmission Customer shall pay all applicable Interface Capability costs, Modified Dispatch Costs, or Lost Opportunity Costs, incurred by GTC in order to accommodate a transmission service scheduled in accordance with Section 27 of the Tariff.

C4.4 Curtailment Costs. The Transmission Customer shall also pay any applicable Modified Dispatch Costs or Lost Opportunity Costs incurred by GTC at the Transmission Customer's request to avoid or limit curtailment in accordance with Section 27 of the Tariff.

C4.5 Miscellaneous Costs. The Transmission Customer shall also pay other applicable charges in accordance with other provisions of the Tariff or the Service Agreement, if any.

--END OF SERVICE SCHEDULE C--

D. NON-FIRM TRANSMISSION SERVICE

D1.0 **General** This Service Schedule D, “Non-Firm Transmission Service,” is effective under and a part of the TRANSMISSION SERVICE TARIFF OF GEORGIA TRANSMISSION CORPORATION dated January 1, 2009 (“Tariff”). All of the terms, conditions, charges, and stipulations contained in the Tariff are incorporated into this Service Schedule D herein by reference. Terms not otherwise defined in this Service Schedule D shall have the meanings set forth in Section 1 of the Tariff.

D2.0 **Description of Service.** Non-Firm Transmission Service contemplated by this Service Schedule D is for the use of GTC’s Transmission System to receive energy at the Point(s) of Receipt, transmit such energy across the GTC Transmission System and deliver such energy at the Point(s) of Delivery. Specifically, Non-Firm Transmission Service shall be:

- (a) A Transmission Service transaction of a minimum duration of one (1) hour and a maximum duration of one (1) month;
- (b) Point-to-Point Transmission Service; and
- (c) Available to a Transmission Customer that meets the eligibility requirements of Section 17 of the Tariff and has complied with the service request provisions of Section 18.2 of the Tariff.

D3.0 **Procedure to Obtain Service.** In order to obtain Non-Firm Transmission Service, the Transmission Customer must have provided a Completed Application in accordance with Section 18.2 of the Tariff and have executed a Service Agreement.

D4.0 **Compensation.** The Transmission Customer shall pay GTC for Non-Firm Transmission Service in accordance with the following formulas:

D4.1 **Calculation of Power Delivery Transmission Capacity Charge for Non-Firm Transmission Service.**

$$\text{PDTCHG_P} = \text{PDTCCR_P} * \text{TCD}$$

PDTCHG_P is the Power Delivery Transmission Capacity Charge for Non-Firm Transmission Service, applied during each month of service.

PDTCCR_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Non-Firm Transmission Service expressed in terms of dollars per kW-month.

TCD is the Transmission Capacity, in kilowatts, being Delivered, integrated over one (1) hour, that is the greater of:

- 1) Contract amount, or
- 2) Scheduled amount.

D4.2 **Calculation of Power Delivery Transmission Capacity Charge Rate for Non-Firm Transmission Service.**

$$\text{PDTCCR_P} = (\text{EXPITS} + \text{AGITS}) / (100,000 * \text{MOSERV})$$

PDTCCR_P is the Power Delivery Transmission Capacity Charge Rate, applied during each month of service, for Non-Firm Transmission Service expressed in terms of dollars per kW-month.

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service (see **D4.2.1**).

AGITS is the allocated Administrative and General expenses (see **D4.2.2**).

MOSERV is the number of months of that Transmission Service is required for the transaction.

RESP is the number of months of investment responsibility that GTC incurs under the ITS contract for the firm transaction.

This rate for Non-Firm Transmission Service can be expressed in terms of a monthly, weekly, daily and hourly rate by applying the following calculations:

$$\text{Monthly Rate} = \text{PDTCCR_P}$$

$$\text{Weekly Rate} = \text{Firm Annual Rate for RESP greater than or equal to 12} / 52$$

$$\text{Daily Rate} = \text{Weekly Rate} / 5$$

$$\text{Hourly Rate} = \text{Daily Rate} / 16$$

**D4.2.1 Calculation of Direct Expenses Related to the Change in GTC's Parity
Calculation of Investment Responsibility.**

For non-GTC Members, $\text{EXPITS}_{\text{NM}} = (\text{ROR} + \text{D} + \text{OM} + \text{I} + \text{AT} + \text{L} + \text{CCD}) * \text{INV}$

For GTC Members, $\text{EXPITS}_{\text{M}} = (\text{INT} + \text{D} + \text{OM} + \text{I} + \text{AT} + \text{L}) * \text{INV}$

EXPITS is the total direct expenses related to the change in GTC's parity calculation of investment responsibility for the period of service.

ROR is GTC's weighted average rate of return from debt and equity capital (see **D4.2.1.1**).

D is the annual Depreciation expense applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

OM is the annual Operations and Maintenance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

I is the annual Insurance expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

AT is the annual Ad valorem Tax expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

L is the annual land-related principal payments applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

CCD is a carrying charge adder for Non-Firm Transmission Service. It is equal to the difference between the total ITS Carrying Charge rates of GTC and the ITS party with the highest ITS-carrying charge rate.

INV is the change in GTC's ITS parity calculation for off-system Investment responsibility incurred as a result of the 100 MW transmission transaction. For transactions using bulk facilities only, this change is multiplied by the average B2 investment percentage.

INT is the annual Interest expenses applicable to transmission and distribution facilities divided by the total gross transmission and distribution investment.

D4.2.1.1 Calculation of Rate of Return.

$$\text{ROR} = \text{WLTDCOST} + (\text{WEQCOST} / (1 - \text{TAXRATE}))$$

ROR is GTC's weighted average rate of return from debt and equity capital.

WLTDCOST is GTC's weighted average cost of debt capital (see **D4.2.1.2**).

WEQCOST is GTC's weighted cost of equity capital (see **D4.2.1.3**).

TAXRATE is the corporate income tax rate.

D4.2.1.2 Calculation of Weighted Cost of Debt Capital.

$$\text{WLTDCOST} = \text{LTDCOST} * (\text{LTDDEBT}/\text{CAPITAL})$$

WLTDCOST is GTC's weighted average cost of debt capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the

Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

LTDDEBT is GTC's Long Term Debt including capitalized leases.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

D4.2.1.3 Calculation of Weighted Cost of Equity Capital.

$$\text{WEQCOST} = \text{EQCOST} * (\text{PAT}/\text{CAPITAL})$$

WEQCOST is GTC's weighted cost of equity capital.

EQCOST is the average cost of GTC's equity capital (see **D4.2.1.4**).

PAT is GTC's amount of patronage capital.

CAPITAL is the sum of GTC's Long Term Debt and Patronage Capital.

D4.2.1.4 Calculation of Cost of Equity Capital.

$$\text{EQCOST} = \text{LTDCOST} + 0.04$$

EQCOST is the average cost of GTC's equity capital.

LTDCOST is GTC's current cost of Long Term Debt in the public market unless the Transmission Customer is an RUS borrower, then LTDCOST is the average interest rate of GTC's long-term debt and capitalized leases.

D4.2.2 Calculation of Allocated Administrative and General Expenses.

For non-GTC Members, $AGITS_{NM} = AG_{NM} * [EXPITS_{NM} / ((PDTCC + PDSCC - REVCRE) + EXPITS_{NM})]$

For GTC Members, $AGITS_M = [EXPITS_M / ((PDTCC + PDSCC - REVCRE) + EXPITS_M)]$

AGITS is the allocated Administrative and General expenses.

AG_{NM} is the corporate administrative and general expenses less margin component (see **D4.2.2.1**).

AG_M is the corporate administrative and general expenses including margin component.

EXPITS is the direct expenses related to the change in GTC's parity calculation of investment responsibility.

PDTCC is Power Delivery Transmission Capacity Costs.

PDSCC is Power Delivery Substation Capacity Costs

REVCRE is the sum of Revenue Credits (see **D4.2.2.2**).

D4.2.2.1 Calculation of Administrative and General Expenses for Non-GTC Members.

$$AG_{NM} = TOTAGO - MC$$

AG_{NM} is the corporate administrative and general expenses less margin component.

TOTAGO is Total Administrative and General expenses and Other general expenses. (see **D4.2.2.4**)

MC is Margin Component (see **D4.2.2.3**).

D4.2.2.2 Calculation of Revenue Credits.

$$\text{REVCRE} = \text{PDTREV} + \text{PDSREV}$$

REVCRE is the sum of Revenue Credits.

PDTREV is the portion of Power Delivery Transmission Revenue credits assigned or allocated to the Power Delivery Transmission category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

PDSREV is the portion of Power Delivery Substation Revenue credits assigned or allocated to the Power Delivery Substation category to be returned to Transmission Customers through rates. These credits include, but are not limited to parity, transmission service, and interface sales revenues. The amount of revenues flowed through to Transmission Customers on a current basis versus the amount retained by GTC to build equity will be established by Board policy and consistent with regulatory requirements.

D4.2.2.3 Calculation of Margin Component.

$$\text{MC} = (\text{INDINT} * (\text{MFIREQ} - 1))$$

MC is Margin Component.

INDINT is Indenture Interest.

MFIREQ is the Margins for Interest ratio Required by the Indenture.

D4.2.2.4 Calculation of Total Administrative and General Expenses And Other

General Expenses.

$$\text{TOTAGO} = \text{TOTAG} - \text{DAIEXP} + \text{OGENEX} + \text{GENDEP} + \text{GENINT} + \text{GENPT} + \text{OTHEXP} + \\ \text{MISODE} - \text{MISREV} + \text{MC} + \text{INCTAX} + \text{BDEXP}$$

TOTAGO is Total Administrative and General expenses and Other general expenses.

TOTAG is Total Administrative and General expenses, including general plant operation and maintenance expense.

DAIEXP is Property Insurance expense Directly Assigned to functional category, excluding property insurance assigned to general plant.

OGENEX is Other General Expense.

GENDEP is General Plant Depreciation and amortization expense.

GENINT is General Plant Interest expense.

GENPT is General Plant Property Taxes.

OTHEXP is Other Expenses.

MC is Margin Component

MISODE is Miscellaneous Other Deductions (e.g., rental amortization, amortization of losses).

MISREV is Miscellaneous Revenues and other revenue credits not otherwise directly assigned to a functional category (e.g., interest income, equity component of allowance for funds used during construction, income from subsidiary activities, and rental income and other non-operating income).

INCTAX is Federal and State Income and other Taxes imposed on income from investments and other taxable transactions, if any.

BDEXP is Board of Directors' fees and Expenses.

D4.3 Special Services Costs. The Transmission Customer shall pay all applicable Interface Capability costs, Modified Dispatch Costs, or Lost Opportunity Costs, incurred by GTC in order to accommodate a transmission service schedule in accordance with Section 27 of the Tariff.

D4.4 Curtailment Costs. The Transmission Customer shall also pay any applicable Modified Dispatch Costs or Lost Opportunity Costs incurred by GTC at the Transmission Customer's request to avoid or limit curtailment in accordance with Section 27 of the Tariff.

D4.5 Miscellaneous Costs. The Transmission Customer shall also pay other applicable charges in accordance with other provisions of the Tariff or the Service Agreement, if any.

--END OF SERVICE SCHEDULE D--

SCHEDULE 9

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator connected to GTC's Transmission System and a delivery schedule from that generator to (1) another Control Area or (2) a load connected to GTC's Transmission System during and over a single hour. GTC offers this service, to the extent it is physically feasible to do so from resources available to it, when transmission service is used to deliver energy from a generator connected to GTC's Transmission System. The Transmission Customer must either purchase this service from GTC or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator or another entity performs this service for GTC, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to GTC by that entity plus any other costs incurred by GTC in connection with providing the service. GTC may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule 9 or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

Notwithstanding the following, deviations from scheduled transactions in order to respond to directives by GTC, a transmission operator, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified below and, instead, shall be settled financially, at the end of the month, as provided in Section 4.1 of this Schedule 9. Such

directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

Definitions. For the purposes of this Schedule 9, the following capitalized terms shall have the stated meanings, subject to modification by GTC from time to time as needed. All capitalized terms used herein and not otherwise defined shall have the respective meaning set forth in the Tariff, unless the context in which such term is used clearly requires otherwise.

Generator Imbalance means an oversupply or undersupply of GR Energy (MWh) compared to Scheduled Energy (MWh).

Generation Resource(s) (GR) shall be as listed in Schedule 9 – Exhibit 1 of the Purchaser’s Service Agreement with GTC.

Generator Variance (GV) shall be the average of the absolute value of the difference between the actual output of the GR (expressed in MW) and the scheduled energy (expressed in MW).

GR Energy shall be for any hour the total of the revenue meters of the GR for the hour.

Interconnection and Operation and Maintenance Agreement means an Agreement between a generator and GTC associated with a generator interconnecting with GTC.

NAESB means the North American Energy Standards Board, or its successor.

NERC means the North American Electric Reliability Corporation, or its successor.

PSE means a Purchasing-Selling Entity.

Oversupply means that the GR Energy exceeded the Scheduled Energy.

Oversupply Cost shall be the cost per MWh which is a weighted average of the dispatch rates for all dispatchable resources which were online for the hour.

Purchaser means the Transmission Customer or the Generator that is contracting for Generator Imbalance Service.

Reliability Standards means those standards that apply to bulk power system owners, operators, and users and approved by the Commission pursuant to the Energy Policy Act of 2005.

Scheduled Energy shall be as defined on all electronic tags or other alternate scheduling method as approved by GSOC and as applicable to the GR

Transmission Provider means GTC (or its Designated Agent), Southern Companies, City of Dalton, or Municipal Electric Authority of Georgia that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service.

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

Undersupply means that the GR Energy was less than the Scheduled Energy.

Undersupply Cost shall be the cost per MWh of the highest priced resource, either a generator subject to GTC control or a purchase, providing energy to the GTC system.

This service provides real time balance, as available, for generation by an entity that has entered into an Interconnection and Operation and Maintenance Agreement with GTC to compensate for variations in the output of the Purchaser's generation and provides or absorbs any associated hourly energy in order to allow the generation to be scheduled in the wholesale electric energy market. All energy scheduled shall be corrected for losses in accordance with Schedule 9 -Exhibit 1 to this Service Schedule regardless of which Transmission Provider provides Transmission Service. Generation Imbalance Service is not intended to supply backup resources where the Purchaser's demand or supply obligations significantly differ from the Purchaser's operating capacity.

When the Transmission Service for scheduled energy under this Service Schedule is provided by a Transmission Provider other than GTC, the Purchaser shall incur a service charge reflecting the pass-through of the costs, if any, incurred by GTC in connection with providing the service.

GTC will approve schedules in accordance with this Service Schedule for energy from the Purchaser's Generation Resource(s) (GR) as listed in Schedule 9 - Exhibit 1 of the Purchaser's Service Agreement with GTC. All energy scheduled from the GR shall be through electronic tags in accordance with NERC Reliability Standards and industry business practices, contracts, agreements, or guides, and through any additional scheduling requirements as listed in Schedule 9 -Exhibit 1 to this Service Schedule, as the

same may be amended by GTC from time to time. Any changes to NERC Reliability Standards and industry business practices, contracts, agreements, or guides will constitute an automatic change in the operating requirements for interchange scheduling under this agreement. The total energy scheduled in a given hour shall not exceed the total of the maximum operating capabilities of the GR that are available for the hour. Purchaser's representative shall notify GTC of unit operating capability and availability as changes occur in accordance with GTC procedures.

Generator Variance (GV) Service

This service provides regulating capacity for regulation within the GTC system on a real time basis to compensate for variations in the output of the GR.

The Purchaser shall be deemed to have purchased GV Service from GTC in an amount equal to the difference determined by subtracting the greater of (i) 1.5 percent (1.5%) of the Scheduled Energy and (ii) 2 MWh from the GV for each hour unless such difference is zero or negative.

The rate for GV Service shall be in accordance with Schedule 9 -Exhibit 2 as modified by GTC from time to time.

Generator Imbalances

Generator Imbalances within the bandwidth

Hourly imbalances within a bandwidth of the greater of +/- 2 MWh or +/- 1.5 percent (1.5%) of the Scheduled Energy will accumulate in On-Peak and Off-Peak accounts. Each month GTC shall report the net total of these hourly

imbalances and the total monthly associated cost to the Purchaser for each account.

The total monthly associated cost for each account shall be calculated by multiplying the net total monthly imbalance for that period by GTC's average hourly cost for that period for that month. GTC's average hourly cost shall be calculated by totaling either GTC's Oversupply Cost or GTC's Undersupply Cost, as applicable, for every hour of that period during the month and dividing that total by the number of hours of that period during the month.

For a net Undersupply, the Purchaser shall pay the total monthly associated cost and GTC will zero out the imbalance within the bandwidth.

For a net Oversupply, GTC will credit the Purchaser for the total monthly associated cost and zero out the imbalance within the bandwidth.

Generator Imbalances outside the bandwidth

When an hourly imbalance results in an Oversupply greater than 1.5 percent (1.5%) but less than or equal to 7.5 percent (7.5%), with a minimum of 2 MWh, Purchaser shall be compensated for the total Oversupply at ninety percent (90%) of GTC's Oversupply Cost for that hour.

When an hourly imbalance results in an Oversupply greater than 7.5 percent (7.5%), with a minimum of 10 MWh, Purchaser shall be compensated for the total Oversupply at seventy-five percent (75%) of GTC's Oversupply Cost for that hour.

When an hourly imbalance results in an Undersupply greater than 1.5 percent (1.5%) but less than or equal to 7.5 percent (7.5%), with a minimum of 2 MWh, Purchaser will accrue charges for the total Undersupply at the greater of one hundred and ten percent (110%) of GTC's Undersupply Cost for that hour or \$100/MWh.

When an hourly imbalance results in an Undersupply greater than 7.5 percent (7.5%), with a minimum of 10 MWh, Purchaser will accrue charges for the total Undersupply at the greater of one hundred and twenty-five percent (125%) of GTC's Undersupply Cost for that hour or \$150/MWh.

Administrative Services

The Purchaser shall compensate for the time and material required by GTC to set up to administer the Services listed in this Schedule. This one time fee shall be per rates in Schedule 9 - Exhibit 3 as modified by GTC from time to time.

The Purchaser shall compensate for the services performed by GTC to maintain and administer this Agreement. The monthly rate shall be per the rates in Schedule 9 - Exhibit 3 as modified by GTC from time to time.

Limitation on Scope of Services

Notwithstanding the purchase of any Service from GTC, at any time during the schedule, if in the opinion of GTC:

- (a) the Purchaser fails to deliver energy equal to at least ninety percent (90%) of the associated schedule(s) or delivers energy equal to more than one hundred and ten percent (110%) of the associated schedule(s), or
- (b) backup energy is not reasonably available,

such that system reliability is threatened by the Purchaser's use of this service, GTC retains the right to call for the termination or adjustment of the associated schedule(s), and Purchaser agrees to comply with such call.

SCHEDULE 9 - EXHIBIT 1

Scheduling Requirements

GTC's Scheduling Requirements will be detailed on GTC's OASIS.

SCHEDULE 9 - EXHIBIT 2

GV Service Rate

GTC's GV Service Rate will be detailed as on GTC's OASIS.

Approved: November 18, 2008
Effective: January 01, 2009

SCHEDULE 9 - EXHIBIT 3

Administrative Charges

GTC's Administrative Charges will be detailed as on GTC's OASIS.

ATTACHMENT A
MEMBER TRANSMISSION SERVICE AGREEMENT
between
GEORGIA TRANSMISSION CORPORATION
(AN ELECTRIC MEMBERSHIP CORPORATION)

and

dated as of

_____, ____

Approved: July 8, 1996
Effective: January 1, 1997

ATTACHMENT B

STANDARD FORM OF NON-MEMBER TRANSMISSION SERVICE AGREEMENT

between

GEORGIA TRANSMISSION CORPORATION

(An Electric Membership Corporation)

and

dated as of

_____, _____

Approved: November 18, 2008
Effective: January 01, 2009

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ATTACHMENT B

**Standard Form of
Non-Member Transmission Service Agreement**

This Transmission Service Agreement (“Agreement”), dated as of _____, is entered into by and between GEORGIA TRANSMISSION CORPORATION (An Electric Membership Corporation) (“GTC”) and _____ (“Transmission Customer”).

1. PURCHASE AND SALE. GTC agrees to provide and Transmission Customer agrees to pay for the transmission of capacity or energy, as the case may be, under GTC’s Transmission Service Tariff (“Tariff”) for the specific services agreed upon by the Parties. The specific services selected, Points of Receipt, Points of Delivery, and other customer-specific terms are set forth in Exhibit 1, attached hereto and incorporated herein, as may be amended from time to time. This Agreement incorporates by reference the rates, terms and conditions set forth in the Tariff.

2. TERM. The primary term of this Agreement is from the date first set forth above until _____. This Agreement shall continue from year to year thereafter until sixty (60) days after either Party gives written notice of termination to the other Party.

3. DESIGNATION OF NETWORK RESOURCES AND LOADS. In the case of Network Customers, for GTC’s service to Transmission Customer pursuant to this Agreement, Network Resources and Network Loads, including Points of Receipt and Points of Delivery, are set forth in Exhibit 1 to this Agreement as it may be amended from time to time.

4. APPROVAL. This Agreement is subject to the approval of the Administrator of the Rural Utilities Service.

5. FORCE MAJEURE, INDEMNIFICATION AND LIABILITY.

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

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

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

5.3 Consequential and Indirect Damages. To the fullest extent permitted by law, neither Party shall have liability to the other Party for any indirect, consequential, multiple or punitive damages unless such damages are the result of the Party's bad faith, gross negligence, or willful misconduct.

6. MISCELLANEOUS.

6.1 Title and Risk of Loss. As between the Parties, GTC shall be deemed to be in exclusive control (and responsible for any injury and damage caused thereby) of the transmission of capacity and energy, and of the transmission and distribution facilities, after the Point of Receipt and before to the Point of Delivery, and Transmission Customer shall be deemed to be in exclusive control (and responsible for any damages or injury caused thereby) of the transmission or distribution of capacity and energy, and of the transmission and distribution facilities, at and to the Point of Receipt and at and from the Point of Delivery.

6.2 Notices. All notices, requests, statements or payments provided for, required or permitted by this Agreement shall be sufficient for any and all purposes under this Agreement when transmitted by facsimile, first class United States Mail, hand delivery, or a private express delivery service to the facsimile numbers or addresses provided below or as otherwise designated in writing by the applicable Party:

GTC:

Georgia Transmission Corporation
2100 East Exchange Place
Tucker, GA 30084-5338
Attention: Manager, System Services
FAX: (770) 270-7450

Transmission Customer:

[Address]
[City, State ZIP]
Attention:
FAX:

6.3 Communications Regarding Emergencies. Any communications regarding operational emergencies or other operational problems may be made orally or in any other manner reasonable under the circumstances and should be directed to the persons specified below, or to such other person or address as may have been designated in a written notice given to the other persons by or on behalf of the person entitled to receive notice. In the event the person entitled to receive notice cannot be found, notice may be given to any other responsible person.

If to GTC:

Georgia Transmission Corporation
2100 East Exchange Place
Tucker, GA 30084-5336
Attention: (System Operator)
FAX: (770) 270-7872

If to Transmission Customer:

FAX _____

6.4 Governing Law. The validity, interpretation and performance of the Tariff and this Agreement and each of their respective provisions shall be governed by the laws of the State of Georgia.

6.5 Waivers and Exercise of Rights.

6.5.1 Waiver. GTC may waive any provision of the Tariff when it determines that doing so is in the best interests of the GTC Members.

6.5.2 Subsequent Default. Any waiver at any time by GTC of its rights with respect to any matter arising in connection with the Tariff or this Agreement shall not be considered a waiver with respect to any subsequent default or matter.

6.5.3 Exercise of Rights. No failure or delay on the part of either Party in exercising any right, power or privilege under the Tariff or this Agreement and any related agreement, and no course of dealing between the Parties, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power, or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

6.6 Counterparts. This Agreement may be executed in as many counterparts as may be required, and it shall not be necessary that the signatures of or on behalf of each Party appear on each counterpart, but it shall be sufficient that the signature of or on behalf of each Party appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. Each executed counterpart shall have the same force and effect as an original instrument, and it shall not be necessary in any proof of the Agreement to produce or account for more than the number of counterparts containing the respective signatures of or on behalf of each of the Parties.

6.7 Compliance with Legal Requirements. Each Party shall cooperate in taking whatever action may be required to comply with all legal requirements of any Governmental Authority having jurisdiction over the Tariff in accordance with Good Utility Practice.

6.8 Severability. If any part of any provision of the Tariff, this Agreement, and any other agreement, document, or writing given pursuant to or in connection with such tariffs, agreements and schedules shall be invalid or unenforceable under applicable law, said part shall be ineffective to the extent of such invalidity only, without in any way affecting the remaining parts of said provision or the remaining provisions.

6.9 Third-Party Beneficiaries.

6.9.1 No Third-Party Beneficiaries. This Agreement is intended solely for the benefit of the Parties, and nothing in the Tariff or this Agreement will be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a Party hereto.

6.9.2 Enforcement. It is the intention of the Parties that no person or entity other than the Parties shall have any right to bring any action to enforce any provision of the Tariff, this Agreement, and related agreements against either of the Parties, and that the covenants, undertakings and agreements set forth in the aforementioned documents shall be solely for the benefit of, and shall be enforceable only by, the Parties or their respective successors or permitted assigns.

6.9.3 Responsibility of Parties. Each of the Parties will be responsible for its own conduct and neither will be responsible for the conduct of the other. The Tariff and this Agreement do not create a contractual relationship or duty of one Party with or to the customers of the other Party.

6.10 No Dedication of Facilities. GTC's agreement to provide service under the provisions of the Tariff or this Agreement shall not constitute the dedication of GTC's Transmission System, or any portion thereof, to the Transmission Customer or the

public. GTC's obligations to the Transmission Customer under any provisions of the Tariff or this Agreement will cease upon termination of the Tariff or the Agreement. GTC's provision of service under the Tariff or this Agreement does not constitute a sale, lease, rental, transfer, or conveyance of an ownership interest in or to any facilities of any kind.

6.11 Action by Affiliates. Failure by either Party to perform fully any obligation required by the Tariff, this Agreement, and any related agreements, shall not be excused by reason of the fact that such performance was prevented by any action or inaction of an Affiliate unless such Affiliate's actions or inactions are the result of a Force Majeure or are taken pursuant to the Tariff and are not unduly discriminatory.

6.12 Independent Contractors. The Parties to this Agreement are independent contractors, and nothing contained in the Tariff, the Service Schedules, or the Agreement will be deemed to create an association, joint venture, partnership, principal-agent or any other kind of fiduciary relationship between the Parties.

6.13 Rules of Construction.

6.13.1 Headings. The descriptive headings of the various articles, sections and subsections of the Tariff have been inserted for convenience of reference only and should not be construed as to define, expand, or restrict the rights and obligations of the Parties.

6.13.2 Including. Wherever the term "including" is used in the Tariff or the Service Schedules, such term shall not be construed as limiting the generality of any statement, clause, phrase or term.

6.13.3 Singular and Plural. The terms defined in the Tariff and this Agreement shall be applicable to the plural as well as the singular and the singular as well as the plural.

6.13.4 Time of the Essence. Time is of the essence in the performance of the obligations set forth in the Tariff, the Service Schedules and this Agreement.

6.14 Survival. The applicable provisions of the Tariff and this Agreement will continue in effect after termination or cancellation of the Tariff or this Agreement to the extent necessary to provide for final billing, billing adjustments and payments, and with respect to liability and indemnification from acts or events that occurred while the Tariff and Agreement were in effect.

6.15 Definitions. All capitalized terms used herein and not otherwise defined shall have the respective meaning set forth in the Tariff, unless the context in which such term is used clearly requires otherwise.

6.16 Amendments. No amendment to this Agreement shall be effective unless it is in writing, executed by both Parties, and has been approved or accepted for filing and permitted to go into effect by any Governmental Authority having jurisdiction. Changes to the Tariff shall be effective as to the Transmission Customer when approved by GTC and not prohibited by the express provisions of this Agreement.

6.17 Relationship of GTC to Transmission Customer. The Transmission Customer shall furnish to GTC promptly upon request any and all information about itself, its financial condition, business and properties which may be necessary or desirable to facilitate any financing undertaken by GTC or any continuing disclosure obligation incurred by GTC in connection with any such financing. The Transmission Customer shall be responsible only to GTC for the accuracy and completeness of the information furnished and shall have no responsibility or liability for the manner in which such information is used or its appropriateness for such use. The Transmission Customer shall have no liability to any third party to which GTC may furnish this information or any excerpt therefrom or summary thereof, and shall be entitled to receive appropriate assurances and indemnities from GTC to that effect as a condition to providing such information, provided that no such assurance or indemnity shall relieve the Transmission Customer of liability to GTC for the accuracy and completeness of the information supplied.

6.18 Transmission Customer's Information Obligations. The Transmission Customer is obligated to provide GTC or its agent information concerning all transmissions of energy into, out of or across the Transmission System by or on behalf of the Transmission Customer in a manner consistent with all the North American Electric Reliability Corporation ("NERC") and the SERC Reliability Corporation ("SERC") guidelines, and in such detail and upon such frequency as GTC or its agent reasonably requests in connection with those services furnished by GTC to the Transmission Customer pursuant to the Tariff.

6.19 Entire Agreement. This Agreement constitutes the entire agreement between the Parties hereto relating to the subject matter contemplated by this Agreement and supersedes all prior agreements, whether oral or written. The Tariff is incorporated herein by reference. All exhibits attached hereto are incorporated herein by reference.

6.20 After Termination or Cancellation. The applicable provisions of the Tariff and this Agreement entered into under the Tariff will continue in effect after termination or cancellation to the extent necessary to provide for final billing, billing adjustments and payments, and with respect to liability and indemnification from acts or events that occurred while the Tariff and Agreement were in effect.

6.21 Periodic Review of Scheduling Procedures. GTC shall periodically review the times for scheduling set forth in the Tariff and shall amend the Tariff if

necessary to keep such times consistent with times for scheduling that are generally accepted in the region and with Good Utility Practice.

(Signatures on next page.)

IN WITNESS WHEREOF, GTC and the Transmission Customer have caused this Transmission Service Agreement to be executed, attested, sealed and delivered by their respective duly authorized officers as of the day and year first written above.

GTC:

**GEORGIA TRANSMISSION CORPORATION
(An Electric Membership Corporation)**

[CORPORATE SEAL]

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

Transmission Customer:

[CORPORATE SEAL]

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

E. Reserved Capacity

F. Direct Assignment Facilities

G. Name(s) of Intervening Systems Providing Transmission Service

III. Other material terms:

IV. Terms of individual transactions to be confirmed on the attached Confirmation.

GTC:

**GEORGIA TRANSMISSION CORPORATION
(An Electric Membership Corporation)**

By: _____

Name: _____

Title: _____

Transmission Customer:

By: _____

Name: _____

Title: _____

Point-To-Point Transmission Service Specifications

I. The Transmission Customer agrees to purchase, and GTC agrees to provide, the following Point-To-Point Transmission Services in accordance with the Tariff and the Agreement (check all that apply):

- A. Long-Term Firm Point-To-Point Transmission Service _____
- B. Short-Term Firm Point-To-Point Transmission Service _____
- C. Peak Period Point-To-Point Transmission Service _____
- D. Non-Firm Point-To-Point Transmission Service _____

II. The Transmission Customer shall provide the following information for the Point-To-Point Transmission Services identified above:

- A. Point(s) of Receipt and Delivering Party

- B. Point(s) of Delivery and Receiving Party

- C. Reserved Capacity

- D. Direct Assignment Facilities

- E. Name(s) of Intervening Systems Providing Transmission Service

III. Other material terms:

IV. Terms of individual transactions to be confirmed on the attached Confirmation.

GTC:

**GEORGIA TRANSMISSION CORPORATION
(An Electric Membership Corporation)**

By: _____

Name: _____

Title: _____

Transmission Customer:

By: _____

Name: _____

Title: _____

Ancillary Service Specifications

- I. The Transmission Customer agrees to purchase, and GTC agrees to provide, the following Ancillary Services in accordance with the Tariff and the Agreement (check all that apply):
- A. Scheduling, System Control and Dispatch Service _____
 - B. Reactive Supply and Voltage Control from Generation Sources Service _____
 - C. Regulation and Frequency Response Service _____
 - D. Energy Imbalance Service _____
 - E. Operating Reserve - Spinning Reserve Service _____
 - F. Operating Reserve - Supplemental Reserve Service _____
 - G. Generation Imbalance Service _____
- II. Other material terms:
- III. Terms of individual transactions to be confirmed on the attached Confirmation.

GTC:

GEORGIA TRANSMISSION CORPORATION
(An Electric Membership Corporation)

By: _____

Name: _____

Title: _____

Transmission Customer:

By: _____

Name: _____

Title: _____

Approved: November 18, 2008
Effective: January 01, 2009

CONFIRMATION OF TRANSMISSION TRANSACTION

Dated _____, _____

Pursuant to the Transmission Service Agreement, dated _____, _____, between Georgia Transmission Corporation (An Electric Membership Corporation) ("GTC") and _____ ("Transmission Customer"), this Confirmation sets forth the specific terms of the individual transaction agreed to by representatives of the parties on _____, _____.

<u>GTC</u>	<u>Transmission Customer</u>
Attn.: _____	Attn.: _____
Tel.: _____	Tel.: _____
Fax: _____	Fax: _____

Type of Service: _____
Duration: [date/time] _____ through
[date/time] _____
Hours: _____
Quantity: _____
Capacity: _____
Energy: _____
Rates: _____
Point(s) of Delivery: _____
Receiving Party(ies): _____
Point(s) of Receipt: _____
Delivering Party(ies): _____

Special Terms:

AGREED:

GTC	Transmission Customer
By: _____	By: _____

NOTICE: IF THE PARTY RECEIVING THIS CONFIRMATION DISAGREES WITH ANY OF THE TERMS SUMMARIZED HEREIN, IT SHALL PROMPTLY NOTIFY THE SENDING PARTY BY TELEPHONE AND FACSIMILE TRANSMISSION. FAILURE BY THE RECIPIENT TO EXECUTE AND RETURN THIS CONFIRMATION OR TO NOTIFY SENDER OF ITS DISAGREEMENT WITHIN ONE BUSINESS DAY OF RECEIVING THIS CONFIRMATION CONSTITUTES THE RECIPIENT'S AGREEMENT TO THE TERMS SET FORTH HEREIN.

Approved: November 18, 2008
Effective: January 01, 2009

ATTACHMENT C

Methodology To Assess Available Transfer Capability

GTC shall be responsible for calculating available transfer capability (“ATC”) and related terms on GTC’s Transmission System based on current industry practices, standards and criteria, and shall make available the ATC information to all transmission users at the same time on GTC’s Open Access Same-Time Information System (“OASIS”).

GTC will use the methodology and criteria as outlined in the documents titled “Transmission Transfer Capability” and “Available Transfer Capability Definitions and Determination” as approved by and periodically reviewed by NERC.

ATTACHMENT D

Methodology for Completing a System Impact Study

GTC will perform System Impact Studies on a non-discriminatory basis using the criteria and process for this assessment as detailed on GTC's OASIS.

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers

<u>Customer</u>	<u>Date of Service Agreement</u>
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Approved: July 8, 1996
Effective: April 1, 1997

ATTACHMENT F

Index of Network Integration Transmission Service Customers

<u>Customer</u>	<u>Date of Service Agreement</u>
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Approved: July 8, 1996
Effective: April 1, 1997

ATTACHMENT G

Real Power Loss Calculation

The amounts of demand, energy or both delivered from GTC's Transmission System shall be the amounts accepted by GTC for transmission, less the average system loss (see below), rounded to the nearest full MW, as an allowance for transmission and distribution losses.

Voltage Level Delivery:	Demand	Energy
Transmission	2.27%	2.0%
Distribution	3.2586%	2.9081%

The preceding reflects GTC's best determination of average losses associated with Transmission Service.

In the event GTC determines at any time that the actual average system losses have increased, GTC shall have the right upon thirty (30) days notice to the Transmission Customer to adjust the percentage allowance for losses to reflect actual average system losses.

Real Power Loss factors shall be posted on GTC's OASIS.

ATTACHMENT H

Calculation Of Lost Opportunity Costs

Lost Opportunity Costs result from reductions in power transfers for economic purposes and represent those sales or purchases of energy or capacity on an hourly, daily, weekly, monthly, seasonal, or annual basis from which Transmission Customers taking Firm Point-to-Point Transmission Service could derive economic benefits and that would have taken place had Transmission Service not been made available in accordance with the applicable provisions of the Tariff. The Lost Opportunity Costs resulting from any such reduction in power transfers shall be determined monthly.

If such reduction in economic transfers represents a lost sales opportunity, the Lost Opportunity Costs shall be determined by the following.

Lost Opportunity Cost = SP - MC, where:

SP = Total Sale Price that the affected Transmission Customer would have otherwise charged for the lost sales; and

MC = Marginal Cost that would have been incurred by the affected Transmission Customer to make the lost sales, *i.e.*, the out-of-pocket costs that would have been associated with making the lost sale, including the cost of fuel, start-up costs and variable operation and maintenance expenses of generating the next increment of power or the cost of associated power from third-parties.

If such reduction in economic transfers represents a lost purchase opportunity, the Lost

Opportunity Costs shall be determined by the following:

Lost Opportunity Cost = MC - PP, where:

MC = Marginal Cost (including demand and energy charges) that were incurred by the affected Transmission Customer to generate the power, or purchase the power from an alternate source, instead of purchasing the power from the planned source. Costs include the cost of fuel and variable operation and maintenance expenses, including start-up costs, if any, of generating the next increment of power or the cost of the alternative purchase, including third-party transmission if any; and

PP = Purchase Price (including demand, energy, and third-party transmission charges, if any) that the affected Transmission Customer would have otherwise paid for lost purchases.

For ninety (90) calendar days after the date of the bill in which Lost Opportunity Costs are charged, GTC shall retain sufficient records to verify the reasonableness of such determination including:

- a. a statement of the factual basis for concluding an economic transaction was suspended or curtailed;
- b. the identity of the selling party or the purchasing party with whom the affected Transmission Customer was transacting an economic sale or purchase;
- c. a calculation of the Lost Opportunity Costs including all factors used in such calculation;
- d. evidence that the relevant system limitation was exceeded and the Transmission

- Customer's curtailment would have relieved the situation;
- e. the amount of sales or purchases suspended or curtailed; and
 - f. the sale or purchase price of each transaction.

For ninety (90) calendar days after the date of the bill in which Lost Opportunity Costs are charged, the Transmission Customer shall have the right to verify, at the Transmission Customer's expense, any Lost Opportunity Cost calculations by examining GTC's records pertaining thereto through a third-party auditing entity acceptable to both Parties. Such records, including cost information, that are indicated to be proprietary and confidential shall not be disclosed to the Transmission Customer and shall only be made available to the auditing entity on condition that the records and information are not disclosed, except as required by law, to the Transmission Customer or others without the express written approval of GTC. Such records and cost information shall only be used by the auditing entity to verify Lost Opportunity Cost calculations.

At GTC's sole discretion, the Transmission Customer and the auditing entity may be required to enter into a statement of confidentiality with GTC outlining the scope of the auditing entity's examination before GTC's records are made available to the Transmission Customer.

ATTACHMENT I

Calculation Of Modified Dispatch Costs

Modified Dispatch Costs are incurred when, in order to provide the applicable transmission service, GTC or the provider of Ancillary Services is required to modify the dispatch of any generation facilities or purchased resources under its control to a level other than that determined under GTC's usually applied economic dispatch procedures, revise the maintenance schedule of such generation facilities, or incur increased environmental compliance costs.

During any hour that GTC incurs a Modified Dispatch Cost that would not have been incurred during such hour if GTC had not been engaged in providing transmission services to the Transmission Customer, GTC will bill the Transmission Customer for such costs pursuant to the applicable provisions of the Tariff.

All charges for Modified Dispatch Cost shall be accompanied by a written statement or other documentation showing that the Modified Dispatch Cost was incurred and that it would not have been incurred in the absence of the applicable transmission service.

The increase in dispatch costs shall be determined by identifying all of the following types of costs:

- (a) The additional cost of fuel and variable operations and maintenance expenses, including added start-up costs, if any, for generating the next increment of power.
- (b) Any additional costs to purchase power from an alternate source, instead of obtaining the power from the planned source (including demand, energy, and

third-party transmission charges, if any).

For ninety (90) calendar days after the date of the bill in which Modified Dispatch Costs are charged, GTC shall retain sufficient records to verify the reasonableness of such charges. During this ninety (90) day period, the Transmission Customer shall have the right to verify, at the Transmission Customer's expense, any Modified Dispatch Cost calculations by examining GTC's records pertaining thereto through a third-party auditing entity acceptable to both Parties. Such records, including cost information, that are indicated to be proprietary and confidential shall not be disclosed to the Transmission Customer and shall only be made available to the auditing entity on condition that the records and information are not disclosed, except as required by law, to the Transmission Customer or others without the express written approval of GTC. Such records and cost information shall only be used by the auditing entity to verify Modified Dispatch Cost calculations.

At GTC's sole discretion, the Transmission Customer and the auditing entity may be required to enter into a statement of confidentiality with GTC outlining the scope of the auditing entity's examination before GTC's records are made available.

ATTACHMENT J

Service Costs, Rates and Charges

General

The Service Schedules allow for GTC to recover the cost of providing Network Integration Transmission Service, Point-To-Point Transmission Service and Ancillary Services to the Transmission Customer by setting out the rates and charges for each of these services.

Network Integration Transmission Service provides a power delivery function to the Transmission Customer. This service provides transmission capability for delivery of power from OPC's generation and/or Transmission Customer-owned generation or purchased generation to the Transmission Customer's delivery points to serve the native load of the Transmission Customer. Power delivery is broken into two functions. Transmission charges recover the cost of the transmission network, tap lines and transmission substations. Distribution charges recover the cost of distribution substations.

Point-To-Point Transmission Service provides the transmission services required to facilitate any off-system transactions that the Transmission Customer may enter into either to sell power to or to import power from a source outside the Transmission System. The charges for this service are based on GTC's increased investment responsibility in the Transmission System as a result of the transaction and other costs incurred to implement the transaction.

Ancillary Services support the delivery of capacity and energy across the Transmission System. Charges for these services are contained in the Service Schedules.

Rates and Charges

Approved: **November 18, 2008**
Effective: **January 01, 2009**

Service to Transmission Customers pursuant to the Member and Non-Member Transmission Service Agreements shall be billed in accordance with the formulary rate.

The rate must recover all of GTC's costs, including a margin, on an annual basis as described in the Network Integration Transmission Service and Point-to-Point Transmission Service Rate Schedules, Service Schedule 7 and Service Schedule 8, respectively. The margin must be adequate so that GTC is in compliance with the coverage ratio requirements in GTC's Indenture and other financial tests required for financings and must provide for reasonable reserves including any equity development plan adopted by GTC's Board. Rates and charges pursuant to this formulary rate are based upon the budget for the Contract Year. Costs for the Contract Year used to determine rates, charges and billing pursuant to this formulary rate shall be based upon GTC's budget, including revenue credits (*e.g.*, non-GTC Member sales and non-operating margins).

GTC shall update the budget for use in the rate formula at least once each year, and as necessary, to ensure cost recovery. Such budget for the Contract Year shall be approved before the end of November of the immediately preceding Contract Year. The approved budget shall be reviewed from time to time and may be revised to reflect changes in operating conditions with corresponding modifications to the rates, charges and billing pursuant to this formulatory rate.

After review and recommendation by the appropriate committee, if applicable, GTC's Board of Directors must approve rate schedule revisions in order for them to be effective.

A Prior Period Adjustment for the Contract Year, which may be an additional charge or a refund credit, shall be made if Margins For Interest before making such Prior Period Adjustment is less than 1.1 times Indenture Interest or greater than 1.2 times Indenture Interest.

ATTACHMENT J-1

Illustrative Costs of Providing Service

The following items of cost, which are illustrative and not exclusive or limiting, are included in the term costs in the Tariff and are recoverable through the Service Schedules:

- (i) payments of principal, premium (if any), and interest on all debt issued by GTC;
- (ii) amortization of debt discount;
- (iii) amounts which GTC may be required to pay for the prevention or correction of any loss or damage to its facilities or for renewals, replacements, repairs, additions, improvements, betterments and modifications that are necessary to keep any such facilities in good operating condition or to prevent a loss of revenues therefrom;
- (iv) costs of operating and maintaining such facilities to transmit and deliver electric capacity and energy (including, without limitation, administrative and general expenses and working capital, regulatory costs, insurance premiums, rent and taxes or payments in lieu thereof);
- (v) costs of purchases made by GTC for transmission service, Ancillary Services and other services for delivery of electric capacity and energy;
- (vi) all costs incurred or associated with the salvage, discontinuance, decommissioning and disposition or sale of properties;
- (vii) all costs, settlements and expenses relating to claims asserted against GTC;
- (viii) all costs resulting from a GTC Member purchasing transmission service from another transmission provider after the initial term of any Member Transmission Service Agreement;

(ix) any additional cost or expense not specified in the other items of this Attachment J-1 imposed or permitted by any Governmental Authority or that is paid or incurred by GTC relating to such facilities or relating to the provision of transmission service which is not otherwise included in any of the costs specified herein;

(x) amounts required to be paid by GTC under any contract to which it is a party not covered under any other clause of this Attachment J-1, including, without limitation, amounts payable with respect to options to interest rate swaps, option contracts and hedging contracts, including, without limitation, any termination payments thereunder;

(xi) all rentals and other payments required to be paid by GTC as lessee under any lease of real or personal property;

(xii) all costs associated with the amortization of the acquisition adjustment resulting from a Purchase Price Adjustment as described in the Restructuring Agreement dated March 29, 1996; and

(xiii) reserves and margins GTC shall determine to be necessary for the payment of those items of costs and expenses referred to in this Attachment J-1 to the extent not already included in any other clause of this Attachment J-1.

ATTACHMENT J-2

Direct Assignment Methodology

Direct Assignment Facilities costs will be charged to the Transmission Customer based on the specific costs associated with the facilities or allocated costs assigned to the transmission service of that Transmission Customer.

GTC will use specific costs associated with the facilities for Return, Property Taxes, Insurance, and Depreciation and amortization expenses.

Operation and Maintenance (“O&M”) expenses associated with each facility shall be either allocated or assigned, whichever shall be agreed upon by the Transmission Customer and GTC. Allocation of O&M expenses shall be based on a similar class of electric plant.

Return on investment shall be based on a payback period of not more than ten (10) years. GTC may, solely, extend the initial payback period. The Transmission Customer shall be liable for all stranded costs of the investment.

The specific costs of Direct Assignment Facilities shall be determined on an individual transmission service basis, at or before the time transmission service begins. GTC will provide an estimate of Direct Assignment Facilities costs at the time Transmission Service is approved.

Direct Assignment Facilities costs shall be billed on a monthly basis with the transmission service billings in accordance with Section 7 of the Tariff.

ATTACHMENT K

Transmission Planning Process

This Attachment K sets forth the GTC transmission planning processes for voluntary support of the nine principles of FERC Order No. 890. Specifically, the nine planning principles in Order No. 890 are: coordination, openness, transparency, information exchange, comparability, dispute resolution, regional participation, economic planning studies, and cost allocation.

GTC is not a “public utility” as defined in the Federal Power Act, and therefore is not subject to the full jurisdiction of FERC. However, GTC has voluntarily elected to participate in the Southeastern Regional Transmission Planning Process with other transmission providers and owners for the purposes of coordinating planning and providing a framework for stakeholder participation. The other transmission providers and owners that participate in this Southeastern Regional Transmission Planning Process are identified on the Regional Planning Website, a link to which is found on GTC’s OASIS.

The Southeastern Regional Transmission Planning Process provides a coordinated, open and transparent planning process between GTC and its Network and Firm Point-to-Point Transmission Customers and other stakeholders, including the coordination of such planning with interconnected systems within the region, to ensure that the Transmission System is planned to meet the needs of both GTC and its Network and Firm Point-to-Point Transmission Customers on a comparable and not unduly discriminatory basis.

The coordinated, open, and transparent planning process is outlined in this Attachment K, with additional materials provided on GTC’s OASIS and on the Regional Planning Website.

Definitions:

Annual Transmission Planning Meetings: Scheduled meetings conducted and held under the Southeastern Regional Transmission Planning Process for a calendar year, posted on the Regional Planning Website, that are open to all stakeholders.

CEII: Critical energy infrastructure information, as defined by the regulations of the Federal Energy Regulatory Commission (see 18 C.F.R. § 388.113).

Regional Planning Website: A link on the GTC OASIS website to which contains information regarding the Southeastern Regional Transmission Planning Process.

Sponsors: GTC and other transmission providers and owners, identified on the Regional Planning Website, that participate in the Southeastern Regional Transmission Planning Process.

Principle 1. Coordination

The Southeastern Regional Transmission Planning Process is designed to eliminate the potential for undue discrimination in planning by establishing appropriate lines of communication between GTC, its transmission-providing neighbors, affected state authorities, Transmission Customers, and other stakeholders regarding transmission planning issues.

Principle 2. Openness

2.1 General: Annual Transmission Planning Meetings sponsored under the Southeastern Regional Transmission Planning Process, whether consisting of in-person meetings, conference calls, or other communicative mediums, will be open to all stakeholders. The Regional Planning Website will provide announcements of upcoming events,

with stakeholders being notified regarding the Annual Transmission Planning Meetings by such postings.

2.2 Links to OASIS: In addition to open meetings, the publicly available information and CEII-secured information (the latter of which is available to any stakeholder certified to receive CEII) shall be made available on the Regional Planning Website, a linked to which is found on the GTC's OASIS website, so as to further facilitate the availability of this transmission planning information on an open and comparable basis.

Principle 3. Transparency

Through the Annual Transmission Planning Meetings and postings made on the Regional Planning Website, GTC will disclose to its Transmission Customers and other stakeholders the basic criteria, assumptions, and data that underlie its transmission system plans, as well as information regarding the status of upgrades identified in the transmission plan. The process for notifying stakeholders of changes or updates in the data bases used for transmission planning shall be through the Annual Transmission Planning Meetings and/or by postings on the Regional Planning Website.

Principle 4. Information Exchange

Transmission Customers having Service Agreements for Network Integration Transmission Service are required to submit information on their projected loads and resources per Section 29.2. Transmission Customers having Service Agreements for Point-To-Point Transmission Service are required to submit any projections for service over the planning horizon and at what Points of Receipt and Points of Delivery.

Interconnection customers having interconnection agreements with GTC are required to submit projected changes to their generating facility that could impact GTC's performance of transmission planning studies. The purpose of this information that is provided by each class of customers is to facilitate GTC's transmission planning process, with the September 1 due date of these data submissions by customers being timed to facilitate GTC's development of its databases and model building for the following year's 10-year transmission expansion plan.

Principle 5. Comparability.

GTC's transmission planning is an objective planning process that evaluates the use of the Transmission System on a comparable basis for similarly situated customers. Customer demand resources are considered on a comparable basis with generation resources.

Principle 6. Dispute Resolution

Any substantive or procedural dispute between the GTC and one or more stakeholders (collectively, the "Parties") that arises from this Southeastern Regional Transmission Planning Process under the Tariff shall be referred to a designated senior representative of GTC and a senior representative of the pertinent stakeholder(s) for resolution on an informal basis as promptly as practicable. Should the dispute also involve one or more other Sponsors of this Southeastern Regional Transmission Planning Process, then such Sponsor(s) shall have the right to be included in "Parties" for purposes of this section and for purposes of that dispute, and any such Sponsor shall also have the right to include a designated senior representative in the above discussed negotiations in an effort to

resolve the dispute on an informal basis as promptly as practicable. In the event that the designated representatives are unable to resolve the dispute within thirty (30) days, or such other period as the Parties may unanimously agree upon, by unanimous agreement among the Parties, such dispute may be voluntarily submitted to any other dispute resolution process that the Parties may unanimously agree to utilize.

Principle 7. Regional Participation

7.1 General: GTC coordinates with the other Sponsors and interconnected systems to (1) share system plans to ensure that they are simultaneously feasible and otherwise use consistent assumptions and data and (2) identify system enhancements that could relieve congestion or integrate new resources.

7.2 Coordination with the other Sponsors: GTC coordinates with the other Sponsors through this Southeastern Regional Transmission Planning Process to annually prepare this region's ten (10) year transmission expansion plan and to prepare various economic planning studies as addressed in Section 8 below.

7.3 Coordination with the Other Participating Transmission Owners in the Southeast Inter-Regional Participation Process: On an inter-regional basis, GTC coordinates with the transmission systems with which the GTC is interconnected, with the exception of the utilities in the Florida Reliability Coordination Council ("FRCC"), through the Southeast Inter-Regional Participation Process ("SIRPP"). In that regard, a link to the SIRPP website is found on GTC's OASIS.

Principle 8. Economic Planning Studies

8.1 General – Economic Planning Study Requests: Stakeholders will be allowed to request within the Southeastern Regional Transmission Planning Process that the participating Transmission Providers perform up to five (5) stakeholder-requested economic planning studies (“Economic Planning Studies”) on an annual basis.

8.2 Other Tariff Studies: The Economic Planning Studies are not intended to replace System Impact Studies, Facility Studies, or any of the studies that are performed for transmission delivery service under the Tariff or interconnection service studies.

Principle 9. Cost Allocation for New Projects

Costs of Transmission System upgrades are recovered in accordance with Section 27 of GTC’s Tariff. In the case of projects involving several transmission owners or projects identified through economic planning studies, the costs will be allocated to the beneficiaries of the identified improvements or to the Transmission Customer(s) requesting the transmission service(s).

ATTACHMENT L

Creditworthiness Procedures

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, GTC may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices and must specify quantitative and qualitative criteria to determine the level of secured and unsecured credit.

GTC may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to GTC and consistent with commercial practices established by the Uniform Commercial Code that protects GTC against the risk of non-payment.

ATTACHMENT M

Open Access Same-Time Information System

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are detailed on GTC's OASIS.

Approved: November 18, 2008
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