

**DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES**

OPEN ACCESS TRANSMISSION TARIFF

October 2001 REV 2

DWP No. BP 01-017

PREFACE

The Department of Water and Power of the City of Los Angeles, referred to as the "Transmission Provider" in the Open Access Transmission Tariff (Tariff), is not subject to the jurisdiction of the Federal Energy Regulatory Commission under Sections 205 and 206 of the Federal Power Act. Any Service Agreement entered into pursuant to the terms and conditions of this Tariff is subject to the acceptance and approval by the Los Angeles City Council (City Council) in accordance with Los Angeles Administrative Code §23.133. Furthermore, terms and conditions provided under this Tariff are subject to the approval of the City Council by ordinance in accordance with Los Angeles Administrative Code §23.134.

While nothing contained in this Tariff should be construed as a binding offer to provide transmission service, the Transmission Provider's Open Access Same-Time Information System is a mechanism in which the Transmission Provider voluntarily offers excess transmission capacity to the market in order to promote overall regional grid efficiencies. This mechanism is intended to solely promote short-term efficiencies by insuring productive grid utilization. For inquiries regarding long-term transmission capacity transactions (a term of longer than one year), please call Power System Planning and Projects Manager of Contracts at (213) 367-0231.

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I. COMMON SERVICE PROVISIONS

1 Definitions

- 1.1 Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.
- 1.2 Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.3 Commission:** The Federal Energy Regulatory Commission
- 1.4 Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required processing fees.
- 1.5 Control Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
 - (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;

- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.6 Curtailment: A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.

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

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

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

1.10 Electrical Emergency: This occurs when the Transmission Provider's Native Load Customers cannot be served due to an emergency as determined by the Transmission Provider in its sole discretion or due to an unforeseen condition that impairs or degrades the reliability of its Transmission System.

- 1.11 Eligible Customer:** (i) Any electric utility (including the Transmission Provider and any power marketer), Federal or State 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, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider. (ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.
- 1.12 Facilities Study:** An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.
- 1.13 Firm Point-To-Point Transmission Service:** Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

- 1.14 Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.
- 1.15 Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.
- 1.16 Long-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of longer than one year.
- 1.17 Native Load Customers:** The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

- 1.18 Network Upgrades:** Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.
- 1.19 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.
- 1.20 Open Access Same-Time Information System (OASIS):** The information system which sets forth the Transmission Provider's terms and conditions for available surplus transmission capacity.
- 1.21 Pacific Time:** Pacific Standard Time for approximately six (6) months of a year and Pacific Advanced Standard Time during the remaining portion of that year.
- 1.22 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 1 through 12.
- 1.23 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.

- 1.24 Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 1.25 Point(s) of Delivery:** Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.
- 1.26 Point(s) of Receipt:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.
- 1.27 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.
- 1.28 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.
- 1.29 Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

- 1.30 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.
- 1.31 Reserved Capacity:** The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.
- 1.32 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.
- 1.33 Service Commencement Date:** The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement.
- 1.34 Short-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of twelve (12) months or less.
- 1.35 System Impact Study:** An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm

Point-To-Point Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

- 1.36 Third-Party Sale:** Any sale for resale in interstate commerce to a Power Purchaser.
- 1.37 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 of this Tariff.
- 1.38 Transmission Provider:** The Department of Water and Power, City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California.
- 1.39 Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.
- 1.40 Transmission Service:** Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.
- 1.41 Transmission System:** The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II of the Tariff.

1.41 Working Day: Monday through Friday excluding holidays recognized by the Transmission Provider as listed on the Transmission Provider's OASIS. All "days" not denoted as Working Days shall be understood to be calendar days.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transmission Capability: For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. 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 more than one-year), have the first reservation priority to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed, for an additional term equal to the original term specified in the Service Agreement subject to the prior approval by the Los Angeles Board of Water and Power Commissioners and the Los Angeles City Council. This transmission reservation priority is independent of whether the existing customer

continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to a competing request by any new Eligible Customer and to pay the current rate for such service as set forth in the Tariff or as amended. 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 one-year. However, any renewal, extension, or rollover of an existing Service Agreement under this provision is subject to the prior approval of the Los Angeles Board of Water and Power Commissioners and the Los Angeles City Council.

3 Ancillary Services

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

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving generation or load within the Transmission Provider'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 the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider.

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

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

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated and approved by the Los Angeles Board of Water and Power Commissioners and the Los Angeles City Council, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.6 below list the six 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 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.

4 Open Access Same-Time Information System (OASIS)

In the event available transmission capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Section 19.

5 Tax-Exempt Financing

Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any of the Transmission Provider's tax-exempt debt.

If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any tax-exempt

debt used to finance its facilities, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates. A Transmission Customer that is a member of a power pool or Regional Transmission Group also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates.

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

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

7 Billing and Payment

- 7.1 Billing Procedure:** Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer so that such payments are received by the Transmission Provider on the twentieth (20) day of the invoicing month or the tenth (10) day after receipt of the bill, which is later. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.
- 7.2 Interest on Unpaid Balances:** Amounts which are not paid when due shall bear interest at a rate equal to one and one-half percent (1 and 1/2%) per month, prorated by the days from the date payment was due until the date payment is received. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.
- 7.3 Customer Default:** In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the

Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may terminate service upon thirty (30) days advanced written notice to the Transmission Customer. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days.

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

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

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

8.2 Study Costs and Revenues: Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Withdrawal Of and Changes To, The Tariff By The Transmission Provider

Notwithstanding any other provisions in the Tariff or in a Service Agreement, the Transmission Provider shall have the right to unilaterally withdraw the Tariff at any time. Such withdrawal shall not affect existing Service Agreements for Firm Point-To-Point Transmission Service, including agreements for associated Ancillary Services procured under this Tariff. Upon such withdrawal of the Tariff, the Transmission Provider shall provide a written termination notice to those Transmission Customers with Service Agreements for Non-Firm Point-To-Point Transmission Service. Such notice of termination shall be effective: (i) thirty (30) days from the date of receipt for those Service Agreements with a remaining term in excess of thirty (30) days, or (ii) on the last day of the current term of the Service Agreement for those Service Agreements with a remaining term of less than thirty (30) days.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make a change in rates, terms and conditions, charges, classification of service, and Service Agreement.

10 Force Majeure and Indemnification

10.1 Force Majeure: An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification: The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising

out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

11 Creditworthiness

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, the Transmission Provider 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 the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Transmission Provider against the risk of non-payment.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures: Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such

other period as the Parties may agree upon) by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures: Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable 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 in accordance with the laws of the State of California and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) may be appealed to a court of competent jurisdiction situated in the County of Los Angeles and in accordance with Section 12.5 below.

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

- (A) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or
- (B) one half the cost of the single arbitrator jointly chosen by the Parties.

12.5 In any action or proceeding that may be brought arising out of, in connection with, or by reason of any Service Agreement, the laws of the State of California shall apply and shall govern to the exclusion of the law of any other forum or jurisdiction in which any action or special proceeding may be instituted. Furthermore, any action arising out of any Service Agreement shall only be filed in the County of Los Angeles.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff utilizing the available transmission capability that is posted on the Transmission Provider's OASIS (Section 4). A description of the Transmission Provider's specific methodology for assessing available transmission capability is contained in Attachment C of the Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission 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.

Notwithstanding any other provision in this Tariff, the Transmission Provider shall have the right to terminate any Service Agreement for Firm Point-To-Point Transmission Service, without penalty, with or without cause, by giving one year written notice to the Transmission Customer. The Transmission Provider does not expect to exercise this termination right unreasonably or in bad faith.

13.2 Reservation Priority: 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 reserved service.

Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transmission 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. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff. Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff.

- 13.3 Use of Firm Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after the date the Los Angeles City Council approves this Tariff. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.
- 13.4 Service Agreements:** The Transmission Provider shall offer a standard form for Long-term Firm Point-To-Point Transmission Service Agreement (Attachment A, pages X-X) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form for Short-term Firm Point-To-Point Transmission Service Agreement (Attachment A, pages X-X) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff.
- 13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:** In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers and other Transmission Customers taking Firm Point-

To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.3. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint more economically by redispatching the Transmission Provider's resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service: In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Transmission Customers taking Firm Point-To-Point Transmission

Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. Except in the case of an Electrical Emergency, 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 the Transmission Provider determines that an Electrical Emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an Electrical Emergency exists. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt or 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 and Delivery on a firm basis pursuant to the terms of Section 22.2.

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

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

- 13.8 Scheduling of Firm Point-To-Point Transmission Service:** Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 1:00 p.m. (Pacific Time) of the Working Day prior to commencement of such service. Schedules submitted after 1:00 p.m. (Pacific Time) will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that are to be delivered must be stated in increments of whole megawatts per hour. A Transmission Customer within the Transmission Provider's service area with multiple requests for Transmission

Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate its service requests at a common point of receipt into units of whole megawatts per hour for scheduling and billing purposes. Scheduling changes will be permitted up to thirty (30) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

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

14.1 Term: Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that

the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority: Non-Firm Point-To-Point Transmission Service shall be available from transmission capability in excess of that needed for reliable service to Native Load Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned to reservations with a longer duration of service. In the event the Transmission System is constrained, competing requests of equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Non-Firm Point-To-Point Transmission Service over

secondary Point(s) of Receipt or Point(s) of Delivery will have the lowest reservation priority under the Tariff.

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

Provider: The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements: The Transmission Provider shall offer a standard form for

Long-term Non-Firm Point-To-Point Transmission Service Agreement (Attachment B, pages X-X) to an Eligible Customer when it first submits a Completed Application for Long-term Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. The Transmission Provider shall offer a standard form for Short-term Non-Firm Point-To-Point Transmission Service Agreement (Attachment B, pages X-X) to an Eligible Customer when it first submits a Completed Application for Short-term Non-Firm Point-To-Point Transmission Service pursuant to the Tariff.

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

Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties

requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service: Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 1:00 p.m. (Pacific Time) of the Working Day prior to commencement of such service. Schedules submitted after 1:00 p.m. (Pacific Time) will be accommodated, if practicable. Hour-to-hour schedules of energy that are to be delivered must be stated in increments of whole megawatts per hour. A Transmission Customer within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate its schedules at a common Point of Receipt into units of whole megawatts per hour. Scheduling changes will

be permitted up to thirty (30) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service: The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an Electrical Emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, or (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price. The

Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require 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). Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15 Service Availability

15.1 General Conditions: The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission

System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transmission Capability: A description of the Transmission Provider's specific methodology for assessing available transmission capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transmission capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System: If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

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

15.5 Other Transmission Service Schedules: Eligible Customers receiving transmission service under other agreements may continue to receive transmission service under those agreements until such time as those agreements may be modified.

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

If a Transmission Customer elects to take Real Power Loss service from the Transmission Provider, this service shall have two Real Power Loss return options, which are (1) the simultaneous Real Power Loss return (a. k. a. net delivery) option or (2) the financial settlement option. The Real Power Loss return option may be elected at the time the reservation is made or any time up to 60 calendar days prior to the time the energy is scheduled. Also, the Transmission Customer shall provide at least 60 calendar days advance written

notice to the Transmission Provider if the Real Power Loss return option is to be changed. In the absence of any notification from the Transmission Customer, by the time energy is first scheduled, as to the manner of loss compensation, the Transmission Customer will be deemed to have procured Real Power Loss service from the Transmission Provider, with financial settlement as the default option.

If the simultaneous loss return option is chosen, the Transmission Customer shall return the Real Power Losses incurred to the Transmission Provider along with the actual energy provided by the Transmission Customer in accordance with the Transmission Provider's scheduling/accounting procedures. In that event, unless otherwise notified, the Transmission Customer is assumed to return the Real Power Losses concurrent with the scheduled energy. The Transmission Customer may need to purchase additional transmission service to cover such Real Power Losses.

If the financial settlement option is chosen, the Transmission Customer shall purchase an amount of energy equal to the total kilowatt-hours of energy provided by the Delivering Party(ies) at the Point(s) of Receipt multiplied by the appropriate Real Power Loss factor shown below. A Transmission Customer electing to purchase Real Power Loss services must do so for all energy scheduled for a particular reservation on a given day. The Transmission Customer will compensate the Transmission Provider for each scheduled hour

based on the prevailing on- or off-peak market price of energy applicable to that hour. In this context, such market price equals half the sum of the simple monthly average, on- or off-peak (all day Sunday is considered off-peak), as-delivered firm energy price at the California-Oregon Border (COB), and the associated price at the ANPP High Voltage Switchyard (Palo Verde Nuclear Generating Station), as Dow Jones, Inc., reports such prices via its news service. In the absence of such energy prices, the Transmission Provider will use an alternate industry-recognized market clearing price, as also recognized by the Transmission Provider. The prevailing market price can be found at Dow Jones' Website, www.dowjonesnews.com, or can be derived from daily prices published in the Wall Street Journal.

The applicable Real Power Loss factors are shown below. If multiple transmission paths are used, then the highest Real Power Loss factor will be used for the entire schedule transacted.

- (a) For service using the 500 kV Pacific Direct Current (DC) Intertie between the Nevada Oregon Border (NOB), and the Sylmar Switching Station (Sylmar), California, and for service using the 500 kV DC Southern Transmission System between the Intermountain Switchyard near Delta, Utah, and the Adelanto Switching Station, California; a system loss factor of 6.2 percent will be applied to adjust for line losses.

- (b) For service using the 500 kV Pacific Alternating Current (AC) Intertie between the California Oregon Border (COB), and Sylmar; a system loss factor of 6.09 percent will be applied to adjust for line losses.
- (c) For the path between the ANPP High Voltage Switchyard (Palo Verde), Arizona, and Sylmar; a system loss factor of 5.89 percent will be applied to adjust for line losses.
- (d) For service using the Transmission Provider's Transmission System, transmission paths other than those listed above, a factor of 4.8 percent will be applied to adjust for line losses.

16 Transmission Customer Responsibilities

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

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

- a. The Transmission Customer has pending a Completed Application for service;
- b. The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- c. The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating

source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

- d. The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation; and
- e. The Transmission Customer has executed a Point-To-Point 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 the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or of the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including, without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

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

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

Department of Water and Power

of the City of Los Angeles

Attn: Power System Planning and Projects Manager of Contracts

P.O. Box 51111, Room 1246

Los Angeles, California 90051-0100

Telefax Number: (213) 367-3829

Telephone Number: (213) 367-0231

at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of one year or less shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed

Application may be submitted by providing the information by telephone over the Transmission Provider's time recorded telephone line. Applications provided by telephone shall be submitted to:

Manager of Energy Control Operations

Telephone Number: (818) 771-6575

Each of these methods will provide a time-stamped record for establishing the priority of the Application. If the Application fails to contain the information as set forth in Section 17.2 and the non-refundable processing fee as set forth in Section 17.3, the Application is automatically deemed deficient and shall not be given any priority.

17.2 Completed Application: A Completed Application shall provide all of the information included in 18 Code of Federal Regulations §2.20(b) including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by applicable state, local or municipal laws, rules regulations, procedures or orders requiring such disclosure, for reliability purposes pursuant to Good Utility Practice, pursuant to RTG transmission information sharing agreements or to the extent the Transmission Provider may be required to disclose the terms of any Service Agreement or of the proposed transaction in connection with obtaining any necessary approvals thereof..
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service; and
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement.

17.3 Processing Fee: Except as provided in Section 22.2, an Application for Long-Term Firm Point-To-Point Transmission Service shall include a non-refundable processing fee of \$2500. Such fee shall be applicable to all Transmission

Customers. The fee is intended to cover expenses incurred by the Transmission Provider to process a Completed Application pursuant to Section 17. This fee does not apply to costs to complete System Impact Studies or Facility Studies, or to add new facilities pursuant to Section 19. The processing fee must be received by the Transmission Provider within three (3) business days after the Transmission Customer submits the required information on the Transmission Provider's OASIS. If the processing fee is not received in the time allowed, the Application is invalid.

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

17.5 Response to a Completed Application: Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transmission capability as

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

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

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

- 18.1 Application:** Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by providing the information by telephone over the Transmission Provider's time recorded telephone line.

Manager of Energy Control Operations

Telephone Number: (818) 771-6575

Each of these methods will provide a time-stamped record for establishing the service priority of the Application. If the Application fails to contain the information as set forth in Section 18.2, the Application is automatically deemed deficient and shall not be given any priority.

- 18.2 Completed Application:** A Completed Application shall provide all of the information included in 18 Code of Federal Regulations § 2.20(b) including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;

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

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

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

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by applicable state, local or municipal laws, rules, regulations, procedures or orders requiring such disclosure, for reliability purposes pursuant to Good Utility Practice, pursuant to RTG transmission information sharing agreements, or to the extent the Transmission Provider may be required to disclose the terms of any Service Agreement or of the proposed transaction in connection with obtaining any necessary approvals thereof.

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) Working Days before service is to commence, and requests for hourly service shall be submitted no earlier than two (2) Working Days before service is to commence. Requests for service received later than 2:00 p.m. (Pacific Time) of the Working Day prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transmission Capability: Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transmission 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) Working 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, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn.

19.2 System Impact Study Agreement and Cost Reimbursement:

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

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

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

19.3 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a one hundred twenty (120) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is

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

19.4 Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities

Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such planning and construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial

Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

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

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

19.7 Partial Interim Service: If the Transmission Provider determines that it will not have adequate transmission capability to satisfy the full amount of a Completed

Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Expedited Procedures for New Facilities: In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such

estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

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

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

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

20.3 Refund Obligation for Unfinished Facility Additions: If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate. However, the Transmission Customer shall be responsible for all prudently

incurred costs by the Transmission Provider through the time construction was suspended.

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

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

21.2 Coordination of Third-Party System Additions: In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system

cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before the Transmission Provider will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12.

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis: The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt or 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 or Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.

- (b) The sum of all Firm and Non-Firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt or 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 or Delivery Points.

22.2 Modification On a Firm Basis: Any request by a Transmission Customer to modify Receipt or 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 an additional processing fee if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission

Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23 Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service: Subject to the Transmission Provider's approval, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee) subject to Schedules 7 or 8 of the Tariff, whichever is applicable. The Transmission Customer that sells, assigns or transfers its 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, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion. 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 shall notify and obtain the Transmission Provider's written consent prior to any assignment or transfer of service. Upon Transmission Provider's written consent to an assignment or transfer of service the Assignee will be subject to all terms

and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service: If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, such requested change is subject to the prior approval of the Transmission Provider. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Parties through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service: In accordance with Section 4, Resellers may use the Transmission Provider's OASIS to post transmission capacity available for resale.

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

24.1 Transmission Customer Obligations: Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the

capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

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

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

25 Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26 Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff.

27 Compensation for New Facilities and Redispatch Costs

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs. Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved more economically by redispatching the Transmission Provider's resources than by building new facilities or upgrading existing facilities to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

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

RATE

\$134.39 per Transaction.

A Transaction is defined as each schedule occurring within a single calendar day which utilizes a specific combination of a Delivering Party, Point of Receipt, Point of Delivery, and provider(s) of Ancillary Services. Modifications to the hourly energy component of the schedule will not be considered a separate Transaction. Any modifications to a schedule which change the Point of Receipt, Point of Delivery or provider(s) of Ancillary Services will be considered a separate Transaction.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation Sources Service

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities under the control of the control area operator are operated to produce (or absorb) reactive power. Consequently, Reactive Supply and Voltage Control from Generation Sources Service must be provided for each transaction on the Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation Sources Service that must be supplied with respect to the Transmission Customer's transaction is based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by the Transmission Provider.

Reactive Supply and Voltage Control from Generation Sources Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for such service will be based on the rates set forth below. To the extent the Control Area operator performs this service for the Transmission Provider,

charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Control Area operator.

RATES

POINT-TO-POINT TRANSMISSION SERVICE

For Reactive Supply and Voltage Control from Generation Sources Service, the Transmission Customer shall compensate the Transmission Provider \$0.33 per MW-hour of energy the Transmission Customer schedules.

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) as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service, and the Transmission Customer must purchase this service, only when the transmission service is used to serve generation or load within the Transmission Provider's Control Area. In that event, the Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to

reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for Regulation and Frequency Response Service. The use of any resources owned by parties other than the Transmission Provider shall conform to applicable the Western Systems Coordinating Council (WSCC) and the North American Electric Reliability Council (NERC) criteria.

RATES

POINT-TO-POINT TRANSMISSION SERVICE

- | | |
|--------------------------|--------------------------------------|
| 1. Yearly service rate: | \$20.82 per kW of Reserved Capacity |
| 2. Monthly service rate: | \$1.73 per kW of Reserved Capacity |
| 3. Weekly service rate: | \$0.40 per kW of Reserved Capacity |
| 4. Daily service rate: | \$0.057 per kW of Reserved Capacity |
| 5. Hourly service rate: | \$0.0024 per kW of Reserved Capacity |

Energy Charge

For each kWh delivered, the prevailing on- and off-peak market prices for energy , as defined in Section 15.6.

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. The Transmission Provider must offer this service, and the Transmission Customer must purchase this service, only when the transmission service is used to serve generation or load within the Transmission Provider's Control Area. In that event, the Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Provider shall apply an hourly deviation band of +/- 1.5 percent (with a minimum of 2 MWh) to the Transmission Customer's scheduled transaction.

A Positive Energy Deviation occurs in any hour when more energy is delivered to the Transmission Provider by the Delivering Party(ies) than to the Receiving Party by the Transmission Provider, including applicable losses. Thus the Receiving Party receives less energy than scheduled.

A Negative Energy Deviation occurs when more energy is delivered to the Receiving Party by the Transmission Provider, including applicable losses, than to the Transmission Provider by the Delivering Party(ies). Thus, the Receiving Party receives more energy than scheduled.

The Transmission Customer shall compensate for net accumulated energy imbalances within the above mentioned deviation band by the end of the calendar month following the calendar month in which such deviation occurred. Energy imbalances are to be eliminated by returning or collecting energy in kind during periods in which conditions are similar to those when the imbalance occurred (e. g., weekday, on-peak hours). If a net negative energy deviation within the deviation band is not corrected by the end of such period, and for all net negative energy deviations outside the deviation band, the Transmission Customer shall be billed at the prevailing on- and off-peak market prices for energy, as defined in Section 15.6. If a net positive energy deviation within the deviation band is not corrected by the end of such period, and for all net positive energy deviations outside the deviation band, the Transmission Customer shall have forfeited all rights to collect such energy or to be compensated for it in any other way.

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. The Transmission Provider must offer this service, and the Transmission Customer must purchase this service, only when the transmission service is used to serve generation or load within the Transmission Provider's Control Area. In that event, the Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The operating reserve requirement (Spinning Reserve Service and Supplemental Reserve Service) of a Transmission Customer, required to meet WSCC and NERC reliability requirements, shall be no less than one hundred and seven percent (107%) of the Transmission Customer's hourly firm load, minus the maximum output of the Transmission Customer's uncommitted firm resources that can be achieved in ten (10) minutes. The Transmission

Customer shall provide for spinning reserve requirements equal to at least three and one-half percent (3.5%) of the Transmission Customer's hourly firm load.

If reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of reserves under any credible single contingency. Reserves shall not be provided by the same generation resource supplying load, since loss of this resource represents a credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for spinning reserve. The use of any resources owned by parties other than the Transmission Provider as spinning reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WSCC and NERC criteria for spinning reserve.

Energy delivered from the Transmission Provider's spinning reserve will be collected at the prevailing on- and off-peak market prices for energy, as defined in Section 15.6.

RATES

POINT-TO-POINT TRANSMISSION SERVICE

- | | | |
|----|----------------------|--|
| 1. | Yearly service rate | \$59.93 per kW of spinning reserve capacity |
| 2. | Monthly service rate | \$4.99 per kW of spinning reserve capacity |
| 3. | Weekly service rate | \$1.15 per kW of spinning reserve capacity |
| 4. | Daily service rate | \$0.165 per kW of spinning reserve capacity |
| 5. | Hourly service rate | \$0.0069 per kW of spinning reserve capacity |

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 ten (10) minutes. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load. The Transmission Provider must offer this service, and the Transmission Customer must purchase this service, only when the transmission service is used to serve generation or load within the Transmission Provider's Control Area. In that event, the Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The operating reserve requirement (Spinning Reserve Service and Supplemental Reserve Service) of a Transmission Customer, required to meet WSCC and NERC reliability requirements, shall be no less than one hundred and seven percent (107%) of the Transmission Customer's hourly firm load, minus the maximum output of the Transmission Customer's

uncommitted firm resources that can be achieved in ten (10) minutes. Of the remaining operating reserve requirements, the Transmission Customer shall provide for supplemental reserve to the extent that it has not already been covered by Spinning Reserve as per Schedule 5 of this Tariff.

If reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of reserves under any credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for supplemental reserve. The use of any resources owned by parties other than the Transmission Provider as supplemental reserve resources shall be subject to verification by the Transmission Provider and such resources shall conform to applicable WSCC and NERC criteria for supplemental reserve.

Energy delivered from the Transmission Provider's Supplemental Reserve will be collected at the prevailing on- and off-peak market prices for energy, as defined in Section 15.6.

RATES

POINT-TO-POINT TRANSMISSION SERVICE

- | | | |
|----|----------------------|---|
| 1. | Yearly service rate | \$66.33 per kW of supplemental reserve capacity |
| 2. | Monthly service rate | \$5.53 per kW of supplemental reserve capacity |
| 3. | Weekly service rate | \$1.28 per kW of supplemental reserve capacity |
| 4. | Daily service rate | \$0.182 per kW of supplemental reserve capacity |
| 5. | Hourly service rate | \$0.008 per kW of supplemental reserve capacity |

SCHEDULE 7

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

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

- 1) **Yearly delivery:** \$46.68 per kW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$3.89 per kW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$0.90 per kW of Reserved Capacity per week.
- 4) **Daily delivery:** \$0.15 per kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

The corresponding monthly, weekly, and daily rates are calculated using 12 months a year, 52 weeks per year and, 6 peak days per week, respectively.

- 5) **Discounts:** Four principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for

discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, (3) once a discount is negotiated, details must be immediately posted on the OASIS, and (4) the Transmission Customer is prohibited from selling the discounted transmission capacity obtained pursuant to this Tariff, either in whole or in part, to any Third-Party. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on the same path.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) **Monthly delivery:** \$3.89 per kW of Reserved Capacity per month.
- 2) **Weekly delivery:** \$0.90 per kW of Reserved Capacity per week.
- 3) **Daily delivery** \$0.15 per kW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

4) **Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$9.00/MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

The corresponding monthly, weekly, daily, and hourly rates are calculated using 12 months per year, 52 weeks per year, 6 peak days per week, and 16 peak hours per day, respectively.

5) **Discounts:** Four principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, (3) once a discount is negotiated, details must be immediately posted on the OASIS, and (4) the Transmission Customer is prohibited from selling the discounted transmission capacity obtained pursuant to the Tariff, either in whole or in part, to any Third-Party. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on the same path.

ATTACHMENT A

Form of Service Agreement For Long-term Firm Point-To-Point Transmission Service

- 1.0 **PARTIES:** The Parties to this Service Agreement for Long-term Firm Point-to-Point Transmission Service, DWP No. _____ (“Service Agreement”), are _____ (“Transmission Customer”), and The City of Los Angeles by and through the Department of Water and Power (“Transmission Provider”), a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California, hereinafter referred to individually as “Party” and collectively as “Parties”.
- 2.0 **AGREEMENT:** In consideration of the mutual covenants and agreements contained herein, the Parties hereby agree as follows.
- 3.0 **EFFECTIVE DATE and TERM:**
- 3.1 **Effective Date:** This Service Agreement shall become effective when duly executed by the Parties.
- 3.2 **Termination Date:** This Service Agreement shall continue in full force and effect until the earlier of: (i) termination by mutual agreement of the Parties; (ii) termination by Transmission Provider under Section 13.1 of the Tariff; or (iii) 23:59 hours (Pacific Prevailing Time) on the Termination Date shown in Section 1.0 of the Specifications, which is attached herewith and made a part hereof.
- 4.0 **TARIFF:** The Transmission Provider’s Open Access Transmission Tariff (“Tariff”) is incorporated herein as located at http://www.oatioasis.com/LDWP/LDWPdocs/OATT_October_2001_REV_2.doc and made a part hereof.
- 5.0 **TRANSMISSION SERVICE:**
- 5.1 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

- 5.2 The Transmission Customer has provided to the Transmission Provider an Application processing fee in accordance with the provisions of Section 17.3 of the Tariff.
- 5.3 Service under this Service Agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this Service Agreement shall terminate pursuant to Section 3.2 of this Service Agreement.
- 5.4 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 EFFECT OF SECTION HEADINGS: Section headings appearing in this Service Agreement are inserted for convenience only and shall not be construed as interpretations of text.
- 7.0 NO DEDICATION OF FACILITIES: Any undertaking by one Party to the other Party under any provisions of this Service Agreement shall not constitute the dedication of the system or any portion thereof of either Party to the public or to the other Party or any other person or entity, and it is understood and agreed that any such undertaking by either Party shall cease upon the termination of such Party's obligations under this Service Agreement.
- 8.0 WAIVERS: Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.
- 9.0 RELATIONSHIP OF PARTIES: The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective, and nothing contained in this Agreement shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation, or liability, on or with regard to either Party. Each Party shall be individually responsible for its own covenants, obligations, and liabilities as provided in this Service Agreement. Neither Party shall be under the control of or shall deem to control the other Party. Neither Party

shall be the agent of or have a right or power to bind the other Party without such other Party's written consent.

- 10.0 NO THIRD-PARTY RIGHTS: The Parties do not intend to create rights in, or to grant remedies to, any Third Party as a beneficiary of this Service Agreement or of any duty, covenant, obligation, or undertaking established herein.
- 11.0 GOVERNING LAW: This Service Agreement shall be interpreted, governed by, and construed under the laws of the State of California with venue in the City of Los Angeles.
- 12.0 ENTIRE AGREEMENT: This Service Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Service Agreement. This Service Agreement may be amended only by a written document signed by the Parties. It is understood by the Parties that the terms and conditions of this Service Agreement are unique to the transactions described herein and shall not, therefore, be considered as precedent for any future transactions between the Parties or between any of the Parties and a Third Party. Each Party acknowledges that each Party was represented by counsel in the negotiation and that it has been authorized to execute this Service Agreement. The Transmission Customer represents and warrants that it is free to enter into this Service Agreement and to perform each of the terms and covenants of it. The Transmission Customer represents and warrants that it is not restricted or prohibited, contractually or otherwise, from entering into and performing this Service Agreement, and that the execution and performance of this Service Agreement by the Transmission Customer will not constitute a violation or breach of any other Agreement between it and any other person or entity.
- 13.0 ATTORNEY FEES AND COSTS: Both Parties agree that in any action to enforce the terms of this Service Agreement that each Party shall be responsible for its own attorney fees and costs.
- 14.0 SEVERABILITY: If any part, term or provision of this Service Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Service Agreement, the validity of the remaining portions or provisions shall not be affected thereby.
- 15.0 AUTHORIZED REPRESENTATIVE:
- 15.1 Each Party, within thirty (30) calendar days after the effective date of this Service Agreement, shall appoint and designate a person to be its Authorized

Representative. Such appointment and designation shall be in writing and shall be forwarded by each Party to the other.

15.2 Each Authorized Representative shall be authorized and empowered by the appointing Party to carry out the provisions of this Service Agreement on behalf of and for the benefit of such Party, and to provide liaison between the Parties.

15.3 The Authorized Representatives shall have no authority to alter, modify or delete any of the provisions of this Service Agreement.

16.0 NOTICES: Notifications under this Service Agreement, except written notices required or authorized herein, shall be made by telephone or such other means as mutually agreed to between the Parties' Dispatchers or Schedulers. Any written notices required or authorized under this Agreement shall be delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

If to Los Angeles, the notice shall be sent to:

City of Los Angeles by and through
The Department of Water and Power
c/o Assistant Director of Power System Planning and Projects, (or any successor thereto)
P.O. Box 51111, Room 1255
Los Angeles, California 90051-0100

If to the Transmission Customer:

Either Party may, from time to time, by written notice to the other Party, change the designation or address of the person so specified as to the one to receive notices pursuant to this Service Agreement.

17.0 The Transmission Customer declares under penalty of perjury that the terms and conditions contained in this executed Service Agreement are exactly the same as the terms and conditions contained in the standard form service agreement attached as Attachment A ("Form of Service Agreement For Long-term Firm Point-To-Point

Department of Water and Power
of the City of Los Angeles

Open Access Transmission Tariff
Original Sheet No. 92

Transmission Service”) to the Transmission Provider’s Tariff, which is located at
http://www.oatioasis.com/LDWP/LDWPdocs/OATT_October_2001_REV_2.doc

18.0 SIGNATURE CLAUSE: The signatories hereto represent that they have been appropriately authorized to enter in this Service Agreement for Long-term Firm Point-to-Point Transmission Service (DWP No. _____) on behalf of the Party for whom each signs. This Service Agreement is hereby executed as of the _____ day of _____, _____.

CITY OF LOS ANGELES BY AND THROUGH THE
DEPARTMENT OF WATER AND POWER

By

BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

Date: _____

By: _____

And: _____

Secretary

Transmission Customer

By: _____

Typed name: _____

Title: _____

Date signed: _____

Specifications For Long-Term Firm Point-To-Point
Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): _____

6.0 Designation of party(ies) subject to reciprocal service obligation: _____

7.0 Name(s) of any Intervening Systems providing transmission service: _____

8.0 Service under this Service Agreement may be subject to some combination of the charges detailed below. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

ATTACHMENT A

Form of Service Agreement For Short-term Firm Point-To-Point Transmission Service

- 1.0 **PARTIES:** The Parties to this Service Agreement for Short-term Firm Point-to-Point Transmission Service, DWP No. _____ (“Service Agreement”), are _____ (“Transmission Customer”), and The City of Los Angeles by and through the Department of Water and Power (“Transmission Provider”), a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California, hereinafter referred to individually as “Party” and collectively as “Parties”.
- 2.0 **AGREEMENT:** In consideration of the mutual covenants and agreements contained herein, the Parties hereby agree as follows.
- 3.0 **EFFECTIVE DATE and TERM:**
- 3.1 Effective Date: This Service Agreement shall become effective when duly executed by the Parties.
- 3.2 Termination Date: This Service Agreement shall continue in full force and effect until the earlier of: (i) termination by mutual agreement of the Parties; (ii) termination by Transmission Provider under Section 13.1 of the Tariff; or (iii) one year after the effective date.
- 4.0 **TARIFF:** The Transmission Provider’s Open Access Transmission Tariff (“Tariff”) is incorporated herein as located at http://www.oatioasis.com/LDWP/LDWPdocs/OATT_October_2001_REV_2.doc and made a part hereof.
- 5.0 **TRANSMISSION SERVICE:**
- 5.1 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 5.2 Service under this Service Agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct

Assignment Facilities and/or Network Upgrades are completed. Service under this Service Agreement shall terminate pursuant to Section 3.2 of this Service Agreement.

- 5.3 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 EFFECT OF SECTION HEADINGS: Section headings appearing in this Service Agreement are inserted for convenience only and shall not be construed as interpretations of text.
- 7.0 NO DEDICATION OF FACILITIES: Any undertaking by one Party to the other Party under any provisions of this Service Agreement shall not constitute the dedication of the system or any portion thereof of either Party to the public or to the other Party or any other person or entity, and it is understood and agreed that any such undertaking by either Party shall cease upon the termination of such Party's obligations under this Service Agreement.
- 8.0 WAIVERS: Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.
- 9.0 RELATIONSHIP OF PARTIES: The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective, and nothing contained in this Agreement shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation, or liability, on or with regard to either Party. Each Party shall be individually responsible for its own covenants, obligations, and liabilities as provided in this Service Agreement. Neither Party shall be under the control of or shall deem to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's written consent.
- 10.0 NO THIRD-PARTY RIGHTS: The Parties do not intend to create rights in, or to grant remedies to, any Third Party as a beneficiary of this Service Agreement or of any duty, covenant, obligation, or undertaking established herein.
- 11.0 GOVERNING LAW: This Service Agreement shall be interpreted, governed by, and construed under the laws of the State of California with venue in the City of Los Angeles.
- 12.0 ENTIRE AGREEMENT: This Service Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this

Service Agreement. This Service Agreement may be amended only by a written document signed by the Parties. It is understood by the Parties that the terms and conditions of this Service Agreement are unique to the transactions described herein and shall not, therefore, be considered as precedent for any future transactions between the Parties or between any of the Parties and a Third Party. Each Party acknowledges that each Party was represented by counsel in the negotiation and that it has been authorized to execute this Service Agreement. The Transmission Customer represents and warrants that it is free to enter into this Service Agreement and to perform each of the terms and covenants of it. The Transmission Customer represents and warrants that it is not restricted or prohibited, contractually or otherwise, from entering into and performing this Service Agreement, and that the execution and performance of this Service Agreement by the Transmission Customer will not constitute a violation or breach of any other Agreement between it and any other person or entity.

- 13.0 ATTORNEY FEES AND COSTS: Both Parties agree that in any action to enforce the terms of this Service Agreement that each Party shall be responsible for its own attorney fees and costs.
- 14.0 SEVERABILITY: If any part, term or provision of this Service Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Service Agreement, the validity of the remaining portions or provisions shall not be affected thereby.
- 15.0 AUTHORIZED REPRESENTATIVE:
- 15.1 Each Party, within thirty (30) calendar days after the effective date of this Service Agreement, shall appoint and designate a person to be its Authorized Representative. Such appointment and designation shall be in writing and shall be forwarded by each Party to the other.
- 15.2 Each Authorized Representative shall be authorized and empowered by the appointing Party to carry out the provisions of this Service Agreement on behalf of and for the benefit of such Party, and to provide liaison between the Parties.
- 15.3 The Authorized Representatives shall have no authority to alter, modify or delete any of the provisions of this Service Agreement.
- 16.0 NOTICES: Notifications under this Service Agreement, except written notices required or authorized herein, shall be made by telephone or such other means as mutually agreed to between the Parties' Dispatchers or Schedulers. Any written notices required or authorized

under this Agreement shall be delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

If to Los Angeles, the notice shall be sent to:

City of Los Angeles by and through
The Department of Water and Power
c/o Assistant Director of Power System Planning and Projects, (or any successor thereto)
P.O. Box 51111, Room 1255
Los Angeles, California 90051-0100

If to the Transmission Customer:

Either Party may, from time to time, by written notice to the other Party, change the designation or address of the person so specified as to the one to receive notices pursuant to this Service Agreement.

- 17.0 The Transmission Customer declares under penalty of perjury that the terms and conditions contained in this executed Service Agreement are exactly the same as the terms and conditions contained in the standard form service agreement attached as Attachment A (“Form of Service Agreement For Short-term Firm Point-To-Point Transmission Service”) to the Transmission Provider’s Tariff, which is located at http://www.oatiaoasis.com/LDWP/LDWPdocs/OATT_October_2001_REV_2.doc.

18.0 SIGNATURE CLAUSE: The signatories hereto represent that they have been appropriately authorized to enter in this Service Agreement for Short-term Firm Point-to-Point Transmission Service (DWP No. _____) on behalf of the Party for whom each signs. This Service Agreement is hereby executed as of the _____ day of _____, _____.

CITY OF LOS ANGELES BY AND THROUGH THE
DEPARTMENT OF WATER AND POWER

Date: _____ By: _____

Typed name: _____

Title: _____

And

Transmission Customer

By: _____

Typed name: _____

Title: _____

Date signed: _____

ATTACHMENT B

Form of Service Agreement For Long-term Non-Firm Point-To-Point Transmission Service

- 1.0 **PARTIES:** The Parties to this Service Agreement for Long-term Non-Firm Point-to-Point Transmission Service, DWP No. _____ (“Service Agreement”), are _____ (“Transmission Customer”), and The City of Los Angeles by and through the Department of Water and Power (“Transmission Provider”), a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California, hereinafter referred to individually as “Party” and collectively as “Parties”.
- 2.0 **AGREEMENT:** In consideration of the mutual covenants and agreements contained herein, the Parties hereby agree as follows.
- 3.0 **EFFECTIVE DATE and TERM:**
- 3.1 Effective Date: This Service Agreement shall become effective when duly executed by the Parties.
- 3.2 Termination Date: This Service Agreement shall continue in full force and effect until the earlier of: (i) termination by mutual agreement of the Parties; (ii) termination by Transmission Provider under Section 14.1 of the Tariff; or (iii) one year after the Effective Date.
- 4.0 **TARIFF:** The Transmission Provider’s Open Access Transmission Tariff (“Tariff”) is incorporated herein as located at http://www.oatioasis.com/LDWP/LDWPdocs/OATT_October_2001_REV_2.doc and made a part hereof.
- 5.0 **TRANSMISSION SERVICE:**
- 5.1 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Long-term Non-Firm Point-To-Point Transmission Service under the Tariff.
- 5.2 The Transmission Customer has filed a Completed Application for Non-Firm Point-to-Point Transmission Service in accordance with Section 18.2 of the Tariff.

- 5.3 Service under this Service Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 5.4 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good utility Practice in order for it to provide the requested service.
- 5.5 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 EFFECT OF SECTION HEADINGS: Section headings appearing in this Service Agreement are inserted for convenience only and shall not be construed as interpretations of text.
- 7.0 NO DEDICATION OF FACILITIES: Any undertaking by one Party to the other Party under any provisions of this Service Agreement shall not constitute the dedication of the system or any portion thereof of either Party to the public or to the other Party or any other person or entity, and it is understood and agreed that any such undertaking by either Party shall cease upon the termination of such Party's obligations under this Service Agreement.
- 8.0 WAIVERS: Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.
- 9.0 RELATIONSHIP OF PARTIES: The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective, and nothing contained in this Agreement shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation, or liability, on or with regard to either Party. Each Party shall be individually responsible for its own covenants, obligations, and liabilities as provided in this Service Agreement. Neither Party shall be under the control of or shall deem to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's written consent.
- 10.0 NO THIRD-PARTY RIGHTS: The Parties do not intend to create rights in, or to grant remedies to, any Third Party as a beneficiary of this Service Agreement or of any duty, covenant, obligation, or undertaking established herein.

- 11.0 GOVERNING LAW: This Service Agreement shall be interpreted, governed by, and construed under the laws of the State of California with venue in the City of Los Angeles.
- 12.0 ENTIRE AGREEMENT: This Service Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Service Agreement. This Service Agreement may be amended only by a written document signed by the Parties. It is understood by the Parties that the terms and conditions of this Service Agreement are unique to the transactions described herein and shall not, therefore, be considered as precedent for any future transactions between the Parties or between any of the Parties and a Third Party. Each Party acknowledges that each Party was represented by counsel in the negotiation and that it has been authorized to execute this Service Agreement. The Transmission Customer represents and warrants that it is free to enter into this Service Agreement and to perform each of the terms and covenants of it. The Transmission Customer represents and warrants that it is not restricted or prohibited, contractually or otherwise, from entering into and performing this Service Agreement, and that the execution and performance of this Service Agreement by the Transmission Customer will not constitute a violation or breach of any other Agreement between it and any other person or entity.
- 13.0 ATTORNEY FEES AND COSTS: Both Parties agree that in any action to enforce the terms of this Service Agreement that each Party shall be responsible for its own attorney fees and costs.
- 14.0 SEVERABILITY: If any part, term or provision of this Service Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Service Agreement, the validity of the remaining portions or provisions shall not be affected thereby.
- 15.0 AUTHORIZED REPRESENTATIVE:
- 15.1 Each Party, within thirty (30) calendar days after the effective date of this Service Agreement, shall appoint and designate a person to be its Authorized Representative. Such appointment and designation shall be in writing and shall be forwarded by each Party to the other.
- 15.2 Each Authorized Representative shall be authorized and empowered by the appointing Party to carry out the provisions of this Service Agreement on behalf of and for the benefit of such Party, and to provide liaison between the Parties.
- 15.3 The Authorized Representatives shall have no authority to alter, modify or delete any of the provisions of this Service Agreement.

- 16.0 **NOTICES:** Notifications under this Service Agreement, except written notices required or authorized herein, shall be made by telephone or such other means as mutually agreed to between the Parties' Dispatchers or Schedulers. Any written notices required or authorized under this Agreement shall be delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

If to Los Angeles, the notice shall be sent to:

City of Los Angeles by and through
The Department of Water and Power
c/o Assistant Director of Power System Planning and Projects, (or any successor thereto)
P.O. Box 51111, Room 1255
Los Angeles, California 90051-0100

If to the Transmission Customer:

Either Party may, from time to time, by written notice to the other Party, change the designation or address of the person so specified as to the one to receive notices pursuant to this Service Agreement.

- 17.0 The Transmission Customer declares under penalty of perjury that the terms and conditions contained in this executed Service Agreement are exactly the same as the terms and conditions contained in the standard form service agreement attached as Attachment B ("Form of Service Agreement For Long-term Non-Firm Point-To-Point Transmission Service") to the Transmission Provider's Tariff, which is located at http://www.oatioasis.com/LDWP/LDWPdocs/OATT_October_2001_REV_2.doc

18.0 SIGNATURE CLAUSE: The signatories hereto represent that they have been appropriately authorized to enter in this Service Agreement for Long-term Non-Firm Point-to-Point Transmission Service (DWP No. _____) on behalf of the Party for whom each signs. This Service Agreement is hereby executed as of the _____ day of _____, _____.

CITY OF LOS ANGELES BY AND THROUGH THE
DEPARTMENT OF WATER AND POWER

By

BOARD OF WATER AND POWER COMMISSIONERS
OF THE CITY OF LOS ANGELES

Date: _____

By: _____

And: _____

Secretary

Transmission Customer

By: _____

Typed name: _____

Title: _____

Date signed: _____

ATTACHMENT B

Form of Service Agreement For Short-term Non-Firm Point-To-Point Transmission Service

- 1.0 PARTIES: The Parties to this Service Agreement for Non-Firm Point-to-Point Transmission Service, DWP No. _____ (“Service Agreement”), are _____ (“Transmission Customer”), and The City of Los Angeles by and through the Department of Water and Power (“Transmission Provider”), a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California, hereinafter referred to individually as “Party” and collectively as “Parties”.
- 2.0 AGREEMENT: In consideration of the mutual covenants and agreements contained herein, the Parties hereby agree as follows.
- 3.0 EFFECTIVE DATE and TERM:
- 3.1 Effective Date: This Service Agreement shall become effective when duly executed by the Parties.
- 3.2 Termination Date: This Service Agreement shall continue in full force and effect until the earlier of: (i) termination by mutual agreement of the Parties; (ii) termination by Transmission Provider under Section 14.1 of the Tariff; or (iii) one year after the Effective Date.
- 4.0 TARIFF: The Transmission Provider’s Open Access Transmission Tariff (“Tariff”) is incorporated herein as located at http://www.oatioasis.com/LDWP/LDWPdocs/OATT_October_2001_REV_2.doc and made a part hereof.
- 5.0 TRANSMISSION SERVICE:
- 5.1 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Non-Firm Point-To-Point Transmission Service under the Tariff.
- 5.2 The Transmission Customer has filed a Completed Application for Non-Firm Point-to-Point Transmission Service in accordance with Section 18.2 of the Tariff.

- 5.3 Service under this Service Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 5.4 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good utility Practice in order for it to provide the requested service.
- 5.5 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 EFFECT OF SECTION HEADINGS: Section headings appearing in this Service Agreement are inserted for convenience only and shall not be construed as interpretations of text.
- 7.0 NO DEDICATION OF FACILITIES: Any undertaking by one Party to the other Party under any provisions of this Service Agreement shall not constitute the dedication of the system or any portion thereof of either Party to the public or to the other Party or any other person or entity, and it is understood and agreed that any such undertaking by either Party shall cease upon the termination of such Party's obligations under this Service Agreement.
- 8.0 WAIVERS: Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.
- 9.0 RELATIONSHIP OF PARTIES: The covenants, obligations, and liabilities of the Parties are intended to be several and not joint or collective, and nothing contained in this Agreement shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation, or liability, on or with regard to either Party. Each Party shall be individually responsible for its own covenants, obligations, and liabilities as provided in this Service Agreement. Neither Party shall be under the control of or shall deem to control the other Party. Neither Party shall be the agent of or have a right or power to bind the other Party without such other Party's written consent.
- 10.0 NO THIRD-PARTY RIGHTS: The Parties do not intend to create rights in, or to grant remedies to, any Third Party as a beneficiary of this Service Agreement or of any duty, covenant, obligation, or undertaking established herein.

- 11.0 GOVERNING LAW: This Service Agreement shall be interpreted, governed by, and construed under the laws of the State of California with venue in the City of Los Angeles.
- 12.0 ENTIRE AGREEMENT: This Service Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter of this Service Agreement. This Service Agreement may be amended only by a written document signed by the Parties. It is understood by the Parties that the terms and conditions of this Service Agreement are unique to the transactions described herein and shall not, therefore, be considered as precedent for any future transactions between the Parties or between any of the Parties and a Third Party. Each Party acknowledges that each Party was represented by counsel in the negotiation and that it has been authorized to execute this Service Agreement. The Transmission Customer represents and warrants that it is free to enter into this Service Agreement and to perform each of the terms and covenants of it. The Transmission Customer represents and warrants that it is not restricted or prohibited, contractually or otherwise, from entering into and performing this Service Agreement, and that the execution and performance of this Service Agreement by the Transmission Customer will not constitute a violation or breach of any other Agreement between it and any other person or entity.
- 13.0 ATTORNEY FEES AND COSTS: Both Parties agree that in any action to enforce the terms of this Service Agreement that each Party shall be responsible for its own attorney fees and costs.
- 14.0 SEVERABILITY: If any part, term or provision of this Service Agreement shall be held void, illegal, unenforceable, or in conflict with any law of a Federal, State or Local Government having jurisdiction over this Service Agreement, the validity of the remaining portions or provisions shall not be affected thereby.
- 15.0 AUTHORIZED REPRESENTATIVE:
- 15.1 Each Party, within thirty (30) calendar days after the effective date of this Service Agreement, shall appoint and designate a person to be its Authorized Representative. Such appointment and designation shall be in writing and shall be forwarded by each Party to the other.
- 15.2 Each Authorized Representative shall be authorized and empowered by the appointing Party to carry out the provisions of this Service Agreement on behalf of and for the benefit of such Party, and to provide liaison between the Parties.
- 15.3 The Authorized Representatives shall have no authority to alter, modify or delete any of the provisions of this Service Agreement.

- 16.0 NOTICES: Notifications under this Service Agreement, except written notices required or authorized herein, shall be made by telephone or such other means as mutually agreed to between the Parties' Dispatchers or Schedulers. Any written notices required or authorized under this Agreement shall be delivered in person or sent by registered or certified mail, postage prepaid, to the persons specified below:

If to Los Angeles, the notice shall be sent to:

City of Los Angeles by and through
The Department of Water and Power
c/o Assistant Director of Power System Planning and Projects, (or any successor thereto)
P.O. Box 51111, Room 1255
Los Angeles, California 90051-0100

If to the Transmission Customer:

Either Party may, from time to time, by written notice to the other Party, change the designation or address of the person so specified as to the one to receive notices pursuant to this Service Agreement.

- 17.0 The Transmission Customer declares under penalty of perjury that the terms and conditions contained in this executed Service Agreement are exactly the same as the terms and conditions contained in the standard form service agreement attached as Attachment B ("Form of Service Agreement For Short-term Non-Firm Point-To-Point Transmission Service") to the Transmission Provider's Tariff, which is located at http://www.oatioasis.com/LDWP/LDWPdocs/OATT_October_2001_REV_2.doc

18.0 SIGNATURE CLAUSE: The signatories hereto represent that they have been appropriately authorized to enter in this Service Agreement for Non-Firm Point-to-Point Transmission Service (DWP No. _____) on behalf of the Party for whom each signs. This Service Agreement is hereby executed as of the _____ day of _____, ____.

CITY OF LOS ANGELES BY AND THROUGH THE
DEPARTMENT OF WATER AND POWER

Date: _____ By: _____

Typed name: _____

Title: _____

And

Transmission Customer

By: _____

Typed name: _____

Title: _____

Date signed: _____

ATTACHMENT C

Methodology To Assess Available Transmission Capability

The Transmission Provider will assess the capability of the Transmission Provider's Transmission System to provide the service requested using Good Utility Practice. The Transmission Provider will also assess the capability of the Transmission Provider's Transmission System to provide the service requested using the criteria and process for this assessment as described in the WSCC document "Determination of Available Transfer Capability within the Western Interconnection". In determining the level of capability available for new transmission service requests, the Transmission Provider may exclude, from the capability to be made available for new transmission service requests, the capability needed to meet (i) current and reasonably forecasted load of Native Load Customers, (ii) the Transmission Provider's obligations to Point-To-Point Transmission Service Customers under existing Tariff agreements, (iii) previously received pending applications for Firm Point-To-Point Transmission Service, and (iv) the Transmission Provider's other firm contractual obligations, if any.

ATTACHMENT D

Methodology for Completing a System Impact Study

Requests for firm transmission service will be evaluated by the Transmission Provider using its computer-based power system simulator. Modeling of the requested transmission service will be contingent on the character and nature of the service requested. The degree of firmness of the service will also be considered in concluding its availability.

For the time frame of the requested service, both the Transmission Provider's planned native load use and the existing and pending contractual obligations for firm use of the Transmission Provider's Transmission System will be the assumed starting point above which the requested service will be tested for its effects on Transmission System performance.

Power flow studies will be conducted to determine if the requested service will cause system performance in the steady state to violate the Transmission Provider's system reliability criteria and/or the WSCC reliability criteria and transmission path ratings. Such criteria are designed to assure that load will not be interrupted, equipment ratings will not be exceeded and voltages remain in an acceptable range. This modeling will be under both normal conditions (all elements in service) and single contingency Electrical Emergency

conditions (loss of any single element with no prior overloading) under credible, stressed loading assumptions.

Studies to determine acceptable transient stability performance, as measured using the Transmission Provider's and WSCC criteria, following single-contingency losses will be conducted when appropriate, considering the character and nature of the requested service. Consistent with WSCC reliability criteria, testing of less probable, multi-contingency events may be performed.

Again depending on the character and nature of the requested service, short-circuit studies may be required to test the impact of the request on the adequacy of the power circuit breakers on the Transmission Provider's Transmission System to interrupt fault currents.

ATTACHMENT E

Index Of Point-To-Point Transmission Service Customers

| <u>Customer</u> | <u>Date of Service Agreement</u> |
|-----------------|--------------------------------------|
|-----------------|--------------------------------------|

Department of Water and Power
of the City of Los Angeles

Open Access Transmission Tariff
Original Sheet No. 115