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April 30, 2013

Via eTariff

Honorable Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

RE: MATL LLP
Docket No. ER13-____

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act (“FPA”)¹ and Part 35 of the Commission’s regulations,² MATL LLP (“MATL”) hereby submits certain revisions to the MATL LLP Open Access Transmission Tariff (“OATT”). MATL and its affiliate, Montana Alberta Tie Ltd., are nearing the completion of a 214-mile, 230 kV alternating current transmission line extending from Lethbridge, Alberta, Canada to Great Falls, Montana (the “MATL Project”). The MATL Project, which is expected to be completed and in service by July 1, 2013, will provide the first transmission interconnection between Alberta and the U.S. and provide efficient and economic access to existing and new generation sources and improve

¹ 16 U.S.C. § 824d (2006).

² 18 C.F.R. Pt. 35 (2012).

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reliability in both the U.S. and Canada.³ In connection with the impending commercial operation of the MATL Project, MATL hereby proposes certain tariff revisions to its OATT. These revisions generally fall into one of three categories: (1) revisions that are consistent with MATL's operation as a merchant transmission provider that does own generation and is not affiliated with a merchant function that takes transmission service over the line; (2) revisions that are compliant with current Commission policies and requirements; and (3) revisions in the nature of administrative, clean-up changes.

MATL respectfully requests an effective date of July 1, 2013 and waiver of any regulations necessary for the Commission to grant the requested effective date.

I. DOCUMENTS SUBMITTED

This filing includes the following documents in addition to the relevant Tariff Records:

- This Transmittal Letter;
- Chart of the proposed changes (Attachment A);
- Clean version of the modified sections of the MATL OATT (MATL Tariff, Original Volume 0) (Attachment B); and
- Redlined version of the modified sections showing proposed changes to the MATL OATT (Attachment C).

II. COMMUNICATIONS

The names and addresses of the persons authorized to receive notice and communications in respect to this filing are as follows:

³ In the event that the commercial operation date of the MATL Project is delayed beyond July 1, 2013, MATL will post on its Internet Web site and OASIS the actual date on which the MATL Project commences commercial operation.

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III. BACKGROUND

A. Description of MATL and the MATL Project

MATL is a limited liability partnership that was organized under the laws of the State of Montana and is registered to conduct business in the State of Montana and the State of Texas.

MATL is an indirect, wholly-owned subsidiary of Enbridge Transmission Holdings (U.S.) L.L.C., which in turn is an indirect, wholly-owned subsidiary of Enbridge Inc.

MATL, along with its affiliate, Montana Alberta Tie Ltd., are constructing and soon will operate the MATL Project, which is a 214-mile, 230 kV alternating current transmission line extending from Lethbridge, Alberta, Canada to Great Falls, Montana, United States. The MATL Project will have a rated capacity of 300 MW in the northbound direction and 300 MW in the southbound direction. MATL will own and operate the United States portion of the MATL Project, and Montana Alberta Tie Ltd. will own and operate the Canadian portion of the MATL Project.

The Commission authorized the sale of transmission rights on the MATL Project at negotiated rates subject to the terms of service set out under the Commission-accepted OATT.⁴

⁴ *Montana Alberta Tie Ltd.*, 116 FERC ¶ 61,071 (2006). MATL amended its OATT on several prior occasions. *See, e.g., Montana Alberta Tie, Ltd.*, 119 FERC ¶ 61,216 (2007); *MATL LLP*, 121 FERC ¶ 61,094 (2007) (accepting MATL's Order No. 890 compliance filing); *MATL LLP*, 126 FERC ¶ 61,192 (2009) (accepting MATL's Order No. 890 compliance filing, with certain minor modifications); *MATL LLP*, 128 FERC ¶ 61,112 (2009) (accepting a settlement

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On June 13, 2012, the Commission issued an order confirming MATL and Montana Alberta Tie's continued authorization to sell transmission at negotiated rates.⁵

For the sale of transmission rights over the MATL Project, MATL conducted two open seasons: an initial one in April 2005 and a second open season in June 2006.⁶ MATL has entered into transmission service agreements with NaturEner USA LLC ("NaturEner") at negotiated, market-based rates for 300 MW of transmission capacity northbound.

IV. PROPOSED TARIFF REVISIONS

MATL is proposing certain tariff revisions to its OATT that are discussed in detail below. Attachment A is a chart that sets forth the proposed changes as well as the justifications for these changes.

agreement with respect to the creditworthiness provisions of MATL's OATT); MATL LLP, Docket No. ER10-3238, November 17, 2010 letter Order accepting MATL's baseline Tariff OATT. On March 29, 2013, the Commission accepted MATL's filing of a baseline of its OATT and related agreements.

⁵ *MATL LLP and Montana Alberta Tie Ltd.*, 139 FERC ¶ 61,208 (2012). The Commission granted waiver of certain cost-based data requirements, including waiver of section 35.13(a) of the Commission's regulations, the filing requirements of Subparts B and C of Part 35 of the Commission's regulations except for 35.12(a), 35.13(b), 35.15, and 35.16, stating that "we find that the Part 35 regulations requiring the filing of cost-based data are not applicable." June 2012 Order at P 29.

⁶ *Montana Alberta Tie Ltd.*, 112 FERC ¶ 61,018 at P 1 (2005). With respect to the first open season, MATL reported to the Commission that it offered all the available capacity (600 MW) to the Project. MATL further reported that it granted 320 MW to three parties. The Commission accepted MATL's May 16, 2005 open season report by order issued July 5, 2005, finding MATL's open season procedures to be transparent, fair, and nondiscriminatory. The Commission accepted MATL's second open season report in *MATL LLP and Montana Alberta Tie, Ltd.*, 139 FERC ¶ 61,208 (2012).

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A. Schedule 7: Sale of Transmission Service

Schedule 7 of the OATT sets forth the process for the sales of firm and non-firm transmission capacity over the MATL Project. For the sales of long-term transmission capacity, MATL will maintain its current auction process, which previously was approved by the Commission. The current version of Schedule 7 discusses an auction process for short-term transactions, but at this time, MATL is not yet in a position to conduct auctions for short-term firm and non-firm transmission service (monthly, weekly, daily, and hourly products), as the necessary software and back-office logistics have not yet been finalized. Accordingly, MATL proposes, for the short-run, to post the rates for these products on its OASIS, and customers who choose to purchase these products will pay the applicable posted rates rather than bid for these services. Once MATL is able to implement an auction process for these products, it will submit for filing the requisite revisions to Schedule 7.⁷

As a merchant transmission provider authorized to sell transmission at negotiated rates, MATL is authorized to charge non-cost based rates for transmissions service.⁸ And, as a

⁷ MATL proposes to offer firm and non-firm services under a combined service schedule (i.e., Schedule 7) because once MATL implements the full auction capability, it will be much easier and more efficient for customers to have all the auction procedures set out in a single schedule. To the extent necessary, MATL seeks waiver to move the non-firm service provisions into Schedule 7 and not use the Schedule 8 provided in the *pro forma* OATT.

⁸ The Commission has defined merchant transmission projects as projects “for which the costs of constructing the proposed transmission facilities will be recovered through negotiated rates instead of cost-based rates.” *See, e.g., Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 119 (2011), *order on reh’g*, Order No. 1000-A, 139 FERC ¶ 61,132, *order on reh’g*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012). The Commission also stated that “a merchant transmission developer assumes all financial risk for developing its transmission project and constructing the proposed transmission facilities. . . .” *Id.* at P 163. *See also* MATL LLP and Montana Alberta Tie, Ltd., 139 FERC ¶ 61,208 P 13 (2012) (noting that “the merchant transmission owner has assumed the full market risk for the cost of constructing its proposed transmission project.”)

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merchant transmission provider, MATL has the incentive to set the price for transmission service at a level that would maximize usage of transmission service over the project. The prices that MATL posts will be designed to encourage incremental short-term uses of the MATL Project.

MATL will grant short-term transmission service requests on a first-come, first-served basis with respect to service requests of the same priority and duration. When evaluating requests with different priority or duration, MATL will grant a higher priority first to service requests with a higher priority (firm over non-firm) and second to service requests with a longer duration of service. Related to this revision, in Section 17.4 of the OATT, MATL proposes to delete the last sentence, as MATL will not assign a date and time priority to an Application for short-term transmission service, as the Application is merely intended to qualify the customer to participate in MATL's capacity sales administered via OASIS.

B. Unauthorized Use of Transmission Service.

In revised Schedule 7, MATL also proposes to add Section 3.3, which sets out an unreserved use penalty provision that will apply when a transmission customer's use of the MATL Project during any hour exceeds the amount of the customer's reserved capacity. In that circumstance, MATL will charge a penalty of 200% of the applicable Schedule 7 rate based upon a sliding scale. For example, where the unauthorized use is for a single hour during the day, the penalty will be (for the unreserved portion of the service) 200% of the daily firm point-to-point charge. If there are multiple unauthorized uses during the day, the 200% penalty will apply to the hour with the highest level of unauthorized use. If there are multiple unauthorized uses

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throughout a week, the customer will be assessed a penalty based on 200% of the weekly point-to-point rate assessed to the hour with the highest level of unauthorized use.

In recognition of the intermittent nature of MATL's anticipated resources that will interconnect with the MATL Project, MATL has agreed to allow unreserved use related to hourly non-firm reservations to be charged at the hourly non-firm rate rather than ratcheting up the charge to the weekly non-firm rate. In other words, where the unauthorized use is incurred by a non-firm customer for a single hour during the day, the penalty will be (for the unreserved portion of the service) 200% of the hourly firm point-to-point charge.

MATL's proposed penalty provision for unreserved use is consistent with the Commission's policy and precedent. In Order No. 890, the Commission explained that a transmission customer is subject to an unreserved use penalty if the transmission customer uses transmission service where it does not have a transmission service reservation or if it uses transmission service in excess of its reserved capacity. Order No. 890 at P 835. The Commission explained that charging a transmission customer for only the unreserved transmission service used would not provide a sufficient incentive to procure adequate transmission service even with the threat of possible civil penalties.⁹

Further, the Commission had held that it will not exempt any class of transmission customer from the potential assessment of unreserved use penalties, including wind generators, stating: "unreserved use penalties are based on the transmission capacity reserved rather than the

⁹ *PacifiCorp*, 135 FERC ¶ 61,117 (2011); *Cleco Power LLC*, 123 FERC ¶ 61,212 at P 11 (2008). In accordance with the Commission's requirement, MATL will submit a compliance filing under FPA Section 206 proposing appropriate treatment of revenues from unreserved use penalties. See Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 472 (noting that this "one-time compliance filing can be submitted at any time prior to the first distribution of operational penalties.")

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transmission service scheduled, so an intermittent resource's ability to precisely schedule power in future periods is irrelevant, as long as the resource as reserved sufficient transmission capacity to deliver the resource's full output. *Id.*, P 837. *See also Granite Reliable Power LLC*, 137 FERC ¶ 61,187 (2011) (denying a request for waiver of an unreserved transmission use penalty provision, stating that "while intermittent resources might have limited ability to accurately forecast or control generation levels, they are able to reserve sufficient transmission capacity to deliver their full output in the event it is produced, thereby mitigating potential unreserved use penalties"). MATL's single firm customer is reliant solely on wind powered generation and is susceptible to intermittent output. Furthermore, MATL's unique position between two balancing authorities necessitates a strong deterrence against unreserved use. MATL expects that it would incur significant penalties if its system regularly transmits unreserved power to either balancing authority.

C. Customer Rollover Rights

MATL proposes to revise Section 2.2 relating to customer's rollover rights to be consistent with a merchant transmission model. First, consistent with Order No. 890, MATL proposes to revise Section 2.2 to state that only customers with a contract term of five years or more will have the right to continue to take transmission service when the contract expires, rolls over or is renewed. A customer exercising rollover rights must provide notice of whether or not it will exercise its right of first refusal to renew the contract no less than one year prior to the expiration date of the transmission service agreement. *See* Order No. 890 at P 1231.

Second, MATL's proposed revision reflects MATL's use of a capacity auction process to set the price for the sale of long-term capacity. Under MATL's proposed revision, when MATL

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receives notice from a customer that it will exercise its rollover rights, MATL will follow the capacity auction process set forth under Schedule 7. Specifically, MATL will post the request for a period of 30 days. If there is no other interest from any Eligible Customer or if there is sufficient ATC to accommodate all requests, MATL will grant the existing customer's request at the existing rates, subject to any escalation that may be set out in the transmission service agreement. If there is not adequate ATC to meet all of the requests for service, MATL will hold a capacity auction in accordance with Schedule 7, and provide notice through OASIS that such auction will be subject to the existing customer's right of first refusal. Within two business days after the completion of the capacity auction, MATL will present the existing customer with the auction results showing the highest rate at which the auction cleared, and the customer will have two business days to accept the contract term and rate as agreed to by the Eligible Customer submitting the bid that established that term and rate.

D. Deletion of References to MATL's Ability to Provide Generation Redispatch Service, Third Party Sales, and Use of Transmission Service on its own behalf

MATL proposes to eliminate certain OATT provisions that are not applicable to a merchant transmission provider that owns no generation and engages in no power marketing. For example, MATL proposes to remove provisions that refer to the transmission provider's ability to relieve system constraint by redispatching generation – a service that MATL cannot provide because it neither owns nor controls generation resources that it can redispatch to alleviate constraints. MATL proposes to make this change with respect to Sections 13.5, 15.4, 19.3, 19.7, and 27 of the OATT.

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MATL also proposes to remove references to third-party sales of electric power. Again, MATL does not own generation assets and neither makes, nor is affiliated with entities that make, power sales over the MATL Project. This change affects OATT Sections 13.3, 13.7, 14.3, 14.5, and 25.

Finally, MATL proposes to eliminate those provisions that prescribe how MATL takes transmission service to serve its customers. MATL, unlike a traditional public utility with a wholesale merchant function to serve native load customers, does not have native load customers and will not take transmission service over the MATL Project. Accordingly, OATT provisions relating to MATL's use of transmission service are not applicable. This revision affects OATT Sections 8, 19.2, and 25.

E. Removal of the Price Cap on Transmission Reassignment

In Section 23.1, MATL proposes to remove the price cap on transmission reassignment, consistent with the ruling in *Promoting a Competitive Market for Capacity Reassignment*, Order No. 739, 132 FERC ¶ 61,238 (2010), *rehearing denied*, 135 FERC ¶ 61,137 (2011).

F. Schedule 10: Transmission Provider System Operations Control Center Services and Energy Transaction Services

MATL is proposing a new Schedule 10 to its OATT to set out the charges for transmission provider system operations control center service and energy transaction service. This service is required for all transmission service reservations arranged to schedule the movement of power over MATL's transmission system in accordance with the OATT and the requirements of the North American Electric Reliability Corporation ("NERC"), the applicable reliability council, and the balancing authorities to which the MATL Project is interconnected. MATL's proposed Schedule 10 is equivalent to Schedule 1 (Scheduling, System Control and

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Dispatch Service) under the Commission's *pro forma* OATT. As a single-asset merchant transmission owner, MATL does not own and operate a control center and does not have employees that provide the typical control center functions associated with arranging transmission service in accordance with NERC and local requirements. In addition, at its southern terminus, the MATL Project is interconnected with Northwestern Corporation, which operates its own balancing authority area. At its northern terminus, the MATL Project is interconnected to AltaLink L.P., an independent transmission company that operates the largest transmission network in Alberta. Accordingly, MATL has entered into contractual arrangements with Northwestern and AltaLink to provide control center services for the Montana and Alberta portions, respectively, of the MATL Project. In addition, MATL has entered into contractual arrangements with Open Access Technology Inc. and TranServ International for OASIS support and OATT administration. None of these companies is affiliated with Enbridge or MATL, and each of the arrangements was freely negotiated at arms' length by sophisticated entities in the electric power industry. Based on MATL's assessment of the most practical and cost efficient approach to obtaining these services for its system, MATL believes that the contract prices are fair and in line with the charges that MATL would incur from other parties, and certainly less than if MATL owned, operated, and staffed its own control center. Indeed, the Commission recently stated that "arm's-length bargaining serves an important role in confirming that the transaction price reflects fair market value."¹⁰ In addition, MATL had a strong incentive to

¹⁰ See, e.g., *PJM Interconnection LLC, et al.*, 142 FERC ¶ 61,214 n. 340 (2013). In the context of bilateral power sales contracts, the Supreme Court has held that "[u]nder *Mobile-Sierra* doctrine, the [Commission] must presume that the rate set out in a freely negotiated...contract meets the 'just and reasonable' requirement imposed by law." *Morgan Stanley Capital Group, Inc. v. Public Utility District No. 1 of Snohomish County*, 128 S. Ct.

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bargain for lowest reasonable cost because MATL's 2011 Commercial Settlement Agreement ("CSA") with NaturEner, approved by the Commission in Docket No. ER12-761-000, limited the amount of OATT Schedule 10 costs that MATL could recover from NaturEner. *See* CSA, Section 1.6. It should also be noted that MATL does not have captive customers and thus has significant motivation to manage its Schedule 10 costs.

The charges under Schedule 10 are based on an annual formula rate calculation that tracks the costs that MATL incurs under each of the contracts.¹¹ The formula is set out in Section I of Schedule 10. Section II provides that each year, the sum of the contract costs will be divided by the total amount of Long-Term transmission service reservations in effect for the current calendar year to derive an annual per-kW year cost. Section III provides that a Monthly Rate (\$/KW-mo.) will be calculated by dividing the Yearly Rate by 12; a Weekly Rate (\$/KW-week) will be calculated by dividing the Yearly Rate by 52; a Daily Rate (\$/KW-day) will be calculated by dividing the Yearly Rate by 365, and an Hourly Rate (\$/KW-hour) will be calculated by dividing the Yearly Rate divided by 8,760. These rates will be posted on the Transmission Provider's OASIS.

Finally, Section I provides that the rates will be adjusted each year to track any changes in the contract costs incurred by MATL and to reflect any incremental Section 10 revenues that MATL earned during the prior year as a result of providing short-term firm or non-firm point to point service during the prior year. Any new long-term firm-point-to-point service agreements

2733, 2734 (2008); *see also* *NRG Power Marketing, LLC v. Maine Public Utilities Commission*, 130 S. Ct. 693 (2010).

¹¹ The Commission has accepted formula rates for the recovery of costs related to Scheduling, System Control, and Dispatch Service. *See, e.g., PacifiCorp*, 136 FERC ¶ 61,092 (2011); *Cleco Power, LLC*, 139 FERC ¶ 61,166 (2012).

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will be reflected in the denominator used to calculate the Schedule 10 rates, and revenues from short-term service will be credited to the numerator (which is the summation of the contract costs incurred by MATL) to derive the current year's Schedule 10 rates.¹²

G. Miscellaneous Revisions

MATL also proposes certain other revisions that are in the nature of ministerial “clean-up” changes:

- Section 1.42A. Definition of system condition is placed in correct alphabetical order.
- Section 1.3A. A new definition of “Capacity Auction” is added.
- Section 4. Deletion of reference to Section 32 given that this section does not exist in the MATL OATT as MATL does not provide network integration transmission service.
- Section 7.4. Change references from Canadian funds to U.S. dollars.¹³
- MATL also proposes to change references to “transmission scheduling rights” to “transmission service rights.” Transmission “service” (rather than transmission “scheduling”) is consistent with the *pro forma* OATT. This change is made in several places in the OATT.

V. EFFECTIVE DATE AND REQUEST FOR WAIVER

MATL respectfully requests an effective date of July 1, 2013. MATL respectfully requests waiver by the Commission of any requirements of the Commission's rules and regulations to permit the rate schedule change to be accepted and made effective in the manner proposed herein.

¹² Any new long term firm point-to-point service agreement that becomes effective after the annual adjustment will be reflected as an adjustment to the denominator to account for the additional contract demands in the first full calendar year of service of such agreement.

¹³ MATL nevertheless will honor the terms of NaturEner's transmission service agreements, which express the charges owed to MATL in Canadian dollars.

ATTACHMENT A

CHART OF PROPOSED TARIFF REVISIONS TO MATL OATT

Section	Change	Explanation
Section 1.3A	Added new definition of Capacity Auction	A definition for “Capacity Auction” is added because this term is used in the OATT.
Section 1.27A	Corrected typo	Corrected term “Corporation,” which was incorrectly capitalized.
Section 1.42A (Definitions)	Definition is moved.	Definition of “System Condition” is placed in the correct alphabetical order.
Section 2.2 (Rollover Provision)	<p>Changed one year to five years.</p> <p>Revised the process for customers to exercise rollover provision, including pricing provision</p> <p>Corrected capitalization of term.</p>	<p>The change from one year to five years reflects Order No. 890 <i>pro forma</i> tariff under which only customers with a contract term of five years or more have the right to rollover at the expiration of their contract.</p> <p>The revisions to Section 2.2 reflect the fact that MATL will use a capacity auction process for the sale of long-term capacity. Under this process, upon receiving notice from the customer expressing an interest in exercising the rollover rights, MATL will follow the process set forth under Schedule 7. MATL will post the request for 30 days.</p> <p>If there is no other interest from any party, MATL will grant the existing customer’s request at the existing rates, subject to any escalation.</p> <p>If there are other requests, MATL will conduct an auction process and will present the customer with the highest bid received, and the customer will have two business days to accept the bid.</p> <p>Capitalized the term “Capacity Auction” to reflect that it is now a defined term per the new Section 1.3A.</p>

Section	Change	Explanation
Section 4 (OASIS)	Deleted reference to Section 32.	Section 32 does not exist in the MATL OATT. In the <i>pro forma</i> OATT, Section 32 refers to “Additional Study Procedures for Network Integration Transmission Service Requests;” MATL does not provide network service.
Section 7.4 (Currency)	Changed Canadian funds to U.S. dollars	As a tariff subject to FERC jurisdiction, it is appropriate that the currency be expressed in U.S. dollars.
Section 8 (Transmission Provider’s Use of OATT)	Deleted and marked reserved.	Unlike a traditional public utility with a wholesale merchant function that serves native load customers, MATL is a merchant transmission provider with no native load customers. MATL will not take transmission service over the MATL Project and thus provisions regarding the transmission provider’s use of the OATT for its own sales are not applicable.
Section 12.2		Removal of brackets in the last sentence
Section 13.3 (Transmission Provider’s Use of Transmission Service)	Deleted and marked reserved.	<p>The <i>pro forma</i> OATT defines “Third Party Sale” as “Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.”</p> <p>This definition is not applicable to MATL because MATL does not own generation assets and will not be making any Third Party Sales.</p>
Section 13.5 (Relieving constraints)	Deleted reference to generation dispatch	Removal of references to the transmission provider’s ability to relieve system constraint by redispatching of generation. MATL does not own or control generation resources that it can redispatch to alleviate constraints.
Section 13.7 (Firm Transmission)	Deleted reference to Third Party Sales.	<p>MATL will not use firm transmission service to make any Third Party Sales.</p> <p>Replaced reference to “firm reserved capacity” to the correct defined term, “Reserved Capacity.”</p>

Section	Change	Explanation
Section 13.8 (Scheduling of Firm Point-to-Point Transmission Service)	Modified scheduling timing requirements	Transmission Provider will accommodate late scheduling and scheduling changes for firm service consistent with the times generally accepted in the region and adhered to by the balancing authority.
Section 14.3 (Transmission Provider's use of non-firm service)	Deleted and marked reserved	MATL will not use non-firm transmission service to make any Third Party Sales.
Section 14.5 (Non-firm service)	Deleted reference to Third Party Sales	MATL will not make any Third Party Sales
Section 14.6 (Scheduling of non-Firm Point-to-Point Transmission Service)	Modified scheduling timing requirements	MATL will accommodate late scheduling and scheduling changes for non-firm service consistent with the times generally accepted in the region and adhered to by the balancing authority.
Section 15.4 (Transmission Provider's Obligation)	Deleted reference to and 15.4(b) regarding generation dispatch	Remove references to MATL's ability to redispatch its generation resources.
Section 17.1 (Application for service)	Deleted sentence regarding application process before implementation of OASIS	MATL already has implemented its OASIS.
Section 17.4 (Deficient Application)	Deleted last sentence regarding new priority.	Under MATL's process for selling transmission, an application for transmission service is not given a time priority. For long-term transmission, there is a capacity auction process. For short-term firm and non-firm, customers pay the posted rates.

Section	Change	Explanation
Section 18.1 (Procedures for Non-Service)	Delete last sentence in Section 18.1	MATL already has implemented its OASIS.
Section 18.3 (Reservation of Non-Firm Point to Point Transmission Service)	Modified reservation timing requirements	Transmission Provider will accommodate requests for non-firm hourly service no earlier than after prescheduled checkout, as defined by generally accepted regional practice and the applicable balancing authority.
Section 19.2 (System Impact Agreement)	Deleted section 19.2 (iii)	Subparagraph (iii) is inapplicable because MATL will not take transmission service over the MATL Project, and MATL will not conduct a System Impact Study on its own behalf.
Section 19.3 (System Impact Study)	Deleted references to generation dispatch.	<p>MATL does not own or control generation resources that it can redispatch to alleviate constraints.</p> <p>Deleted sentence regarding MATL using the same due diligence required when conducting a System Impact Study for an Eligible Customer as it uses when completing studies for itself because MATL will not conduct System Impact Studies for itself.</p>
Section 19.7 (Partial Interim Service)	Deleted reference to generation redispatch	MATL does not own or control generation resources that it can redispatch to alleviate constraints
Section 23.1 (Reassignment)	<p>Deleted reference to price cap on transmission reassignment</p> <p>Deleted last sentence of Section 23.1</p>	<p>The deletion in the first paragraph reflects FERC's decision to eliminate the price cap on the reassignment of transmission rights.</p> <p>The deletion in the second paragraph reflects the fact that there is no longer a Section 13.2. Note that Section 13.2 of the <i>pro forma</i> OATT refers to a "first-come, first-served" priority regime for granting of long-term firm point-to-point transmission service</p>

Section	Change	Explanation
Section 25 (Compensation)	Changed title of Schedule 7	<p>Schedule 7 (long-term firm) and Schedule 8 (short-term firm and non-firm) are being combined into Schedule 7.</p> <p>The reference to “Third Party Sale” is eliminated because MATL will not be making any Third Party Sales.</p> <p>The last sentence is deleted because MATL will not be using the transmission system.</p>
Section 26	Changed title of Section 26	<p>The revision reflects the new name of Schedule 10 – “Transmission Provider System Operations Control Center Services and Energy Transaction Services.”</p> <p>Inserted “The Transmission Customer is required to purchase Schedule 10 from the Transmission Provider.”</p>
Section 27	Deleted reference of generation redispatch	Eliminates references to generation redispatch.
Schedule 7		
Title	Added non-firm to title of Schedule 7	Firm long-term and short-term services under Schedule 7 and non-firm transmission service of Schedule 8 are combined into a single Schedule 7.
Section 1		<p>Change reference from “transmission scheduling rights” to “transmission service rights.” “Transmission service” (rather than transmission scheduling) is consistent with the <i>pro forma</i> OATT.</p> <p>Transmission Customer shall remain liable for charges regardless of whether the TSRs are forfeited, assigned or sold pursuant to Section 23 of the Tariff.</p>

Section	Change	Explanation
Section 3.1.5		<p>For short-term firm and non-firm transmission service, MATL will sell monthly, weekly, daily and hourly products.</p> <p>MATL initially will not conduct an auction process to sell short-term firm and non-firm transmission service. Instead, MATL will post on OASIS the rates for these services.</p> <p>MATL will grant transmission service request on a first-come, first-served basis with respect to requests for service of the same priority and duration. When evaluating requests with different priority or duration, MATL will grant service first on the basis of priority and second on the basis of duration of service.</p>
Section 3.1.7	Replaced existing Section 3.1.7 with new Section 3.1.7.	<p>Section 3.1.7 is deleted because (1) given that the customer will have the right to schedule up to 20 minutes before the hour in accordance with regional practices, it is unlikely that MATL will be able to resell the transmission capacity during this short window; and (2) there is no hourly capacity auction process.</p> <p>The new language clarifies that the minimum bid requirement is based upon the rates established from the initial Open Season approved by the Commission in 2005 with respect to TSRs with a term equal to or longer than the term of the TSRs that were executed in connection with the initial Open Season Process.</p>
Section 3.3	Added a new Section 3.3 regarding Unauthorized Use of Transmission Service	The 200% penalty provision is based upon Commission's policy. This provision is similar to provisions approved by FERC in <i>PacifiCorp</i> , Docket No. ER11-3841, 135 FERC ¶ 61,117 (2011), and <i>Cleco Power LLC</i> , OA07-35, 123 FERC ¶ 61,212 P 11 (2008).
Schedule 8	Deleted Schedule 8	Schedule 8 is combined into Schedule 7.

Section	Change	Explanation
Schedule 10	Added a new Schedule 10 regarding Transmission Provider System Operation and Control Center Service and Energy Transaction Service	This Schedule 10 is a new formula rate to recover MATL's costs of providing System Operations Control Center Services and Energy Transaction Services.
Schedule 11		MATL's receiving Control Area will be located in Great Falls, Montana.
Attachment A	<p>Changed "Scheduling" to "Service"</p> <p>Modified Section 7 (Notices)</p>	<p>The term "transmission scheduling rights" is changed to "transmission service rights" to be consistent with the pro forma OATT.</p> <p>MATL's address and contact information have been updated.</p>
	<p>Changed "Scheduling" to "Service"</p> <p>Modified Section 2 (Award of Transmission Service Rights)</p> <p>Modified Section 4 (Monthly Payments)</p> <p>Modified Section 7 (Notices)</p>	<p>The term "transmission scheduling rights" is changed to "transmission service rights" to be consistent with the pro forma OATT.</p> <p>MATL initially will not conduct an auction process to sell short-term firm and non-firm transmission service. Instead, MATL will post on OASIS the rates for these services.</p> <p>MATL will require documentation verifying that the Transmission Customer has the necessary import and/or export permits to qualify as an Eligible Customer.</p> <p>Removed reference to auction process.</p> <p>MATL's address and contact information have been updated.</p>
Attachment J	Changed "Procedures for Addressing Parallel Flows" to "Transmission Loading Relief Procedures"	This change corrects a typographical error with respect to the title of Attachment J.

1. Definitions

1.1 Affiliate:

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

1.2 [Reserved]

1.3 Application

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

1.3A Capacity Auction

The process by which the Transmission Provider awards Long Term Transmission Service rights pursuant to Schedule 7.

1.4 Commission

The Federal Energy Regulatory Commission.

1.5 Completed Application

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

1.6 Control Area

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

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

1.7 Curtailment

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

1.8 Delivering Party

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

1.9 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.

1.10 Direct Assignment Facilities

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

1.11 Eligible Customer

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

1.12 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, including those practices required by Federal Power Act section 215(a)(4).

1.15 Interruption

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

1.16 [Reserved]

1.17 [Reserved]

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

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

1.19 [Reserved]

1.20 [Reserved]

1.21 [Reserved]

1.22 [Reserved]

1.23 [Reserved]

1.24 [Reserved]

1.25 [Reserved]

1.26 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.

1.27 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.

1.27A NWE

NorthWestern Energy, a division of NorthWestern Corporation, a Delaware ~~Corporation~~corporation, providing energy services in the State of Montana, including its successors and assigns.

1.28 Open Access Same-Time Information System (OASIS)

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

1.29 Part I

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

1.30 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.

1.31 [Reserved]

1.32 Parties

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

1.33 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.

1.34 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.

1.35 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.

1.36 Power Purchaser

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

1.37 Receiving Party

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

1.38 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.

1.39 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.

1.40 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.

1.41 Service Commencement Date

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service under the Tariff.

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

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

1.42A System Condition

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

1.43 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.

1.44 [Reserved]

1.45 Transmission Customer

Any Eligible Customer (or its Designated Agent) that (i) has been awarded transmission capacity by the Transmission Provider or purchased transmission capacity directly from another Transmission Customer; and (ii) 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.

~~1.45A System Condition~~

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

1.46 Transmission Provider

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

1.47 Transmission Provider's Monthly Transmission System Peak

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

1.48 Transmission Service

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

1.49 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.

2. Initial Allocation and Renewal Procedures

2.1 [Reserved]

2.2 Reservation Priority for Existing Firm Service Customers

Existing firm service customers ~~(wholesale requirements and transmission only,~~ with a contract term of one year~~five years~~ or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. ~~This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier.~~ If at the end of the contract term, ~~the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the existing Transmission Customer~~ wishes to renew the contract, the customer must provide written notice to the Transmission Provider of the amount of capacity and the contract term that it wishes to purchase for the renewal period. Upon receipt of such written notice, the Transmission Provider will treat the rollover request as a new request for transmission service and initiate the procedures in Schedule 7. In accordance with Schedule 7, the Transmission Provider will post the request for the duration of the Public Notice Period (a 30-day period). If at the end of the Public Notice Period, no additional requests for long-term service are received, the customer is awarded the requested capacity at the customer's existing rate subject to any escalator. If there are other requests for transmission service and the available ATC is greater than the sum of all transmission service requests received, the transmission service will be awarded to the parties, subject to any minimum bid price, as determined by the Transmission Provider in Schedule 7, which shall be no higher than existing customer's rate subject to the escalator. If there is not adequate ATC to meet all of the requests for service, the Transmission Provider will hold a Capacity Auction in accordance with Schedule 7. In any such auction, the Transmission Provider will provide notice that the result of any such auction will be subject to the existing Transmission Customer's right of first refusal. Pursuant to this Section 2.2, within two (2) business days after the completion of the Capacity Auction, the Transmission Provider will present the existing firm service customer with the auction results showing the highest rate at which the Capacity Auction cleared. The existing Transmission Customer will have two (2) business days to accept the contract term and rate as agreed to by the Eligible Customer, subject to any bid requirement as determined by the Transmission Provider in Schedule 7.~~the price that the new Eligible Customer is willing to pay, for such service.~~ This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. Service agreements subject to a

right of first refusal entered into prior to [the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890] or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one-year requirement on the first rollover date after [the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890]; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as the [date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890].~~or longer.~~

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

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

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

7. Billing and Payment

7.1 Billing Procedure

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances

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

7.3 Customer Default

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

7.4 Currency

All dollar amounts referenced in the Tariff are expressed ~~as~~ Canadian funds in U.S. dollars.

8. ~~[Reserved] 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.~~

12. Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution), and any dispute between the Transmission Provider and a stakeholder involving the Transmission Planning Process pursuant to Attachment K, shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer or stakeholder 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 ~~for~~ such other period as the Parties may agree upon~~+~~ by mutual agreement, such dispute may be submitted to mediation and resolved in accordance with the mediation procedures set forth below.

12.2 External Mediation Procedures

Any mediation initiated under the Tariff shall be conducted before a single neutral mediator appointed by the Parties. The mediator 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 mediation (except prior mediation or arbitration). The mediator shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the mediation in accordance with the Commercial Mediation Procedures of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules. In the event the designated representatives are unable to resolve the dispute within thirty (30) days ~~for~~ 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.

12.3 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 mediation or arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in

accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.4 Arbitration Decisions

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

12.5 Costs

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

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

12.6 Rights Under The Federal Power Act

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

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 hour and the maximum term shall be specified in the Service Agreement.

13.2 [Reserved]

13.3 ~~[Reserved] Use of Firm Transmission Service by the Transmission Provider~~

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

13.4 Service Agreements

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment B-1) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions ~~or Redispatch Costs~~

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the

reliability of service to Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Schedule 7. ~~To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 15.4.~~ Any ~~redispatch,~~ Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service

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

modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties 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~~Reserved Capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

13.8 Scheduling of Firm Point-To-Point Transmission Service

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. of the day prior to commencement of such service, or a reasonable time that is generally accepted in the region and is consistently adhered to by the applicable balancing authority. ~~Schedules submitted after 10:00 a.m. will be accommodated, if practicable.~~ Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with

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

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

14.1 Term

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

14.2 Reservation Priority

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to 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 and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 ~~[Reserved] Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider~~

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

14.4 Service Agreements

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B-2) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

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

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. 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 ~~87~~.

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

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

14.7 Curtailment or Interruption of Service

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's

Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or (4) transmission service for Firm Point-to-Point Transmission Service during conditional curtailments periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. 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 Transfer Capability

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

15.3 [Reserved]

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, **Redispatch** or Conditional Curtailment

(a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Schedule 7. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

~~(b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long Term Firm Point To Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.~~

(eb) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the

condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service

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

15.6 Other Transmission Service Schedules

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses

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

Southbound Losses: Estimated as less than 10% at 300 MW
Northbound Losses: Estimated as 10% at 300 MW

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

17.1 Application

In order for an Eligible Customer to request Transmission Service, it must first submit a completed Application for Long Term Transmission Service Form (Attachment 1 to the Long Term TSR Purchase and Service Agreement (Attachment A)) or a completed Application for Short Term Transmission Service Form (Attachment 1 to the Short Term TSR Purchase and Service Agreement (Attachment B-1)) to the Transmission Provider. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. ~~Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.~~

17.2 Completed Application

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

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

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

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

17.3 Deposit

A long-term Service Agreement shall include a deposit equal to one month's worth of charges. The deposit, with interest, will be returned to the Transmission Customer upon commencement of service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application

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

17.5 Response to a Completed Application

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

17.6 Execution of Service Agreement

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit

submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 [Reserved]

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

18.1 Application

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

18.2 Completed Application

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

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

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

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

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

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

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than after prescheduled checkout, as defined by

generally accepted regional practice and the applicable balancing authoritynoon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transfer Capability

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

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

19.1 Notice of Need for System Impact Study

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

19.2 System Impact Study Agreement and Cost Reimbursement

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

~~(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 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 sixty (60) day period. The System Impact Study shall identify (1) any system constraints identified with specificity by transmission element or flowgate, (2) ~~redispatch options (when requested by an Eligible Customer) including an estimate of the cost of redispatch,~~ (3) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. ~~For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint.~~ If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. ~~The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself.~~ The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use

due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications

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

19.6 Due Diligence in Completing New Facilities

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

19.7 Partial Interim Service

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

the Transmission System until such facilities or upgrades have been placed in service.

19.8 [Reserved]

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.
- (iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.
- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

19.10 Clustering of Studies:

The Transmission Provider may cluster System Impact Studies and Facilities Studies if: (i) Eligible Customers request in writing

that the studies in connection with their service requests be clustered, and (ii) the Transmission Provider determines that it can reasonably accommodate such clustering request and that clustering will facilitate the performance of studies and the design of upgrades or additions to the Transmission System necessary to accommodate the Eligible Customers' requests for service.

If studies are clustered: (i) for purposes of deadlines for performance of studies and responses to the Eligible Customers, all of the service requests for which the studies are clustered shall be deemed to have been submitted when the last of such requests has been submitted; and (ii) if any of the service requests for which studies are clustered is deemed terminated or withdrawn or is no longer complete, then all such service requests shall be deemed terminated or withdrawn or no longer complete.

System Impact Studies that are clustered shall be treated as a single System Impact Study for all purposes, and shall be performed pursuant to a single System Impact Study Agreement entered into among the Transmission Provider and the Eligible Customers that have submitted service requests that have been clustered. Unless otherwise agreed in such agreement, the cost for the completion of the System Impact Study shall be allocated among the Eligible Customers in equal shares. Facilities Studies that are clustered shall be treated as a single Facilities Study for all purposes, and shall be performed pursuant to a single Facilities Study Agreement entered into among the Transmission Provider and the Eligible Customers that have submitted service requests that have been clustered. Unless otherwise agreed in such agreement, the cost for the completion of the Facilities Study shall be allocated among the Eligible Customers in equal shares.

An Eligible Customer can opt out of a cluster only during the period of time after the completion of the applicable System Impact Study and before the applicable Facilities Study. In the event that an Eligible Customer opts out of a cluster, the costs of the System Impact Study shall be allocated pro rata among the original Eligible Customers in the cluster, and the costs associated with the Facilities Study will be allocated pro rata among the remaining Eligible Customers. The Eligible Customer that opted out of the cluster can elect to enter the study queue by requesting a new individual study or as part of a new cluster.

Unless otherwise agreed, the Transmission Provider shall not be required to undertake any Transmission System upgrades or additions identified by a clustered Facilities Study unless all of the Eligible Customers for which the studies have been clustered execute Service Agreements, under which they are obligated to pay the costs of such upgrades or additions, and provide the required security.

23. Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall ~~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; provided that, for service prior to October 1, 2010, compensation to Resellers shall~~ be at rates established by agreement between the Reseller and the Assignee.

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

23.2 Limitations on Assignment or Transfer of Service

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

Transmission Provider and the Reseller through an amendment to the Service Agreement in the form of Attachment A-1.

23.3 Information on Assignment or Transfer of Service

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

23.4 Additional Procedures

- (a) A Reseller may resell its transmission capacity outside of the OASIS but if the Reseller does not utilize the OASIS then it must provide the following information to the Transmission Provider within two business days of the sale: (i) identity of purchaser; (ii) date of sale; (iii) price; (iv) term of sale; and (v) amount of transmission capacity sold. Transmission Provider will post such sales on its OASIS.
- (b) If a Transmission Customer chooses to use the Transmission Provider's OASIS to resell, assign or transfer its transmission capacity, the Transmission Customer's sale, assignment, or transfer of all or a portion of its transmission capacity shall be subject to a two and one-half percent (2.5%) marketing fee. The marketing fee shall be calculated using the full value of the transaction.

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: Long-Term Firm and Short-Term Firm and Non-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. **Transmission Provider Scheduling Operations System Control Center Service and Energy Transaction Service and ~~Dispatch Service~~ and Reliability Requirements for Intermittent and Non-Intermittent Resources**

Rates for Transmission Provider Scheduling Operations Control Center Service and Energy Transaction Service ~~System Control and Dispatch Service~~ are provided in Schedule 10. The Transmission Customer is required to purchase Schedule 10 from the Transmission Provider. Reliability Requirements for intermittent and non-intermittent resources connected to the Transmission Provider's Transmission System are self-supplied as provided in Schedule 11.

27. **Compensation for New Facilities ~~and Redispatch Costs~~**

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy. ~~Whenever a System Impact Study performed by the Transmission Provider identifies capacity constraints that may be relieved by redispatching the Transmission Provider's resources to eliminate such constraints, the Transmission Customer shall be responsible for the redispatch costs to the extent consistent with Commission policy.~~

SCHEDULE 7**Long-Term Firm and Short-Term Firm and Non-Firm Point-To-Point
Transmission Service**

1. Charges for Transmission Service.

There are no charges for transmission ~~scheduling-service~~ rights ("TSRs") and corresponding Transmission Service other than those charges set out in a TSR Purchase and Service Agreement. Subject to Section 7 of the Tariff, the Transmission Customer shall be and remain liable to pay to the Transmission Provider all charges set out in a TSR Purchase and Service Agreement, regardless of whether all or any portion of the applicable TSRs are forfeited or assigned or sold ~~in the Secondary Market~~ pursuant to Section 23 of the Tariff. Payment to interconnected systems and other transmission providers for transmission services, scheduling services, Ancillary Services and all other services will be pursuant to the provisions of their respective tariffs and shall be the sole responsibility of the Transmission Customer.

2. Additional Charges.

The Transmission Provider shall have the right to unilaterally make application under Section 205 of the FPA to the Commission to increase each Transmission Customer's Charges in an amount per unit so that the aggregate amount recovered from all Transmission Customers is equal to the increase in expenses that arise as the result of changes in law, increases in taxes, or increases in fees imposed or charged by taxing authorities, interconnected systems, and government and municipal agencies.

3. Open Seasons and Capacity Auctions for TSRs.

3.1 Initial Open Season and Capacity Auctions for TSRs

3.1.1 Overview: TSRs shall be awarded by the Transmission Provider to Eligible Customers with Completed Applications and by means of TSR Purchase and Service Agreements through the Initial Open Season or Capacity Auctions conducted through the OASIS. The FERC has determined that the Initial Open Season was an open, non-discriminatory bidding process. *Montana Alberta Tie Ltd.*, 112 FERC ¶ 61,018 (2005).

3.1.2 Posting of Results of Initial Long-Term Open Season and Capacity Auctions: The following information regarding each winning bidder will be posted on the Transmission Provider's website or OASIS: (1) the name of the winning bidder; (2) the quantity of TSRs awarded, identified by Point of Receipt and Point of Delivery; (3) the expiration date of the TSRs awarded; and (4) the name, address, phone

number and e-mail address of a contact person for the winning bidder for purposes of taking inquiries regarding trades of the TSRs in the Secondary Market.

3.1.3 Subsequent Long-Term Capacity Auctions: All Long-Term Capacity Auctions occurring following the Initial Long-Term Open Season will be administered through the OASIS.

3.1.4 Notice: Notice of all Long-Term Capacity Auctions will be posted on the OASIS, except notice of the Initial Long-Term Open Season. The Transmission Provider will determine the contents of the notices for all Capacity Auctions. Subsequent Long-Term Capacity Auctions will be conducted periodically upon receipt of a request or requests for long-term capacity from an Eligible Customer pursuant to Section 23.3. Upon receipt of a request for long-term capacity by an Eligible Customer, the Transmission Provider will post such request on its OASIS site for a period of thirty (30) calendar days ("Public Notice Period"). In addition, the Transmission Provider will announce the request by publication in widely circulated newspapers. If no additional requests for Long-Term Transmission Service are received during the Public Notice Period, then the capacity will be awarded to the original requesting party. If additional requests for Long-~~term~~-Term Transmission Service are received and ATC is greater than the sum of all Long-Term Transmission Service requests received during the Public Notice period, then ATC will be awarded to the parties requesting the service before and during the Public Notice Period. If additional requests for Long-Term Transmission Service are received and ATC is less than all of the Long-Term Transmission Service requests received before and during the Public Notice Period, then a Capacity Auction shall be held. The Capacity Auction period must be declared by the Transmission Provider within five business days of the close of the Public Notice Period. During the Capacity Auction period, all of the requesting parties shall be given the opportunity to submit competing bids for the Long-Term Transmission Service ATC via the OASIS site. Bids must be submitted to the OASIS site no later than 4:00 P.M. Mountain Standard or Mountain Daylight time (depending on the time of the year) fourteen calendar days immediately following the declaration of the Capacity Auction period. The OASIS system will clear the Capacity Auction by awarding Long-Term Transmission Service ATC to Eligible Customers submitting the bids having the highest Gross Revenue Present Value until the Long-Term Transmission Service ATC is equal to zero. The results of the Long-Term Capacity Auction shall be posted on the OASIS

site within five (5) business days following the close of the Capacity Auction. Long-Term Transmission Service ATC for any calendar year shall not be available less than one-hundred and twenty (120) days prior to the commencement of the calendar year.

3.1.1.5 Sale of Available Short-Term Firm and Non-Firm TSRs:

~~Through the OASIS, an open non-discriminatory Short Term Capacity Auction will be held on an ongoing basis for the sale of Short Term TSRs. The Transmission Provider shall post on its OASIS each day the amount of Short Term Transmission Service ATC that its projects will be available in each hour of each of the next 365 days. Short Term Transmission Service ATC is Total Transmission Capacity minus the capacity committed and sold via the Initial Long-Term Open Season and in subsequent Long Term Capacity Auctions. Eligible Customers will be allowed to bid on Short Term Transmission Service ATC for up to twelve months in a calendar year, up to fifty-two (52) weeks in a calendar year, up to three hundred and sixty-five (365) days, or three hundred and sixty-six (366) days in a leap year and up to eight thousand seven hundred and sixty-four (8760) hours, or eight thousand seven hundred and eighty-four (8784) hours in a leap year in any calendar year. The first Short Term Capacity Auction will open one hundred and twenty days (120) prior to the commencement of the calendar year 2007 for monthly service commencing the later of January 1, 2007 or the date the Montana Alberta Tie Line is commissioned and in service and extending to January 1, 2008. Clearing of the first Short Term Capacity Auction will occur sixty (60) days prior to the later of January 1, 2007 or the date the Montana Alberta Tie Line is commissioned and in service. Following the initial Short-Term Capacity Auction, the Short-Term Capacity Auction will be cleared every day via the OASIS. The specific durations of service that are cleared on any given day will depend on the duration of service. The auction clearing process will be performed on the largest duration of service to be cleared that day and proceeding to each subsequent shorter duration of service. Service durations shall be cleared in the auction as follows:~~

- ~~(A) Monthly — 30 days prior to the start of the month, clear all monthly bids for and offers of service for that subsequent month and any subsequent month up to the start of the current Long Term ATC.~~
- ~~(B) Weekly — seven (7) days prior to the start of the week clear all weekly bids for and offers of service~~

~~for that subsequent week and any subsequent complete weeks within the current and next calendar month.~~

~~(C) Daily — one (1) day prior to the start of any day, clear all bids for and offers of daily service for that subsequent day and for any complete subsequent days with in the current and next calendar week.~~

~~(D) Hourly — one (1) hour prior to the start of any complete day clear all bids for and offers of hourly service for that day and continue to clear hourly service available throughout any complete calendar day one hour prior to the start of the hour in which service is being offered.~~

3.1.5.1 The Transmission Provider shall post on its OASIS the amount of Short-Term Firm and Non-Firm Point-to-Point Transmission Service ATC that it projects will be available. Short-Term Firm and Non-Firm Point-to-Point Transmission Service ATC is Total Transmission Capacity minus the capacity committed and sold via the initial open season and in subsequent long-term firm capacity auctions and sales of Short-Term Firm and Non-Firm Point-to-Point Transmission Service ATC. The Transmission Provider shall post the rates for Short-Term Firm and Non-Firm Point-to-Point Transmission Service, and the Transmission Customer shall compensate the Transmission Provider the posted rates for the applicable transmission products. The Transmission Provider shall offer the following Short-Term Firm and Non-Firm Point-to-Point Transmission products: Monthly, Weekly, Daily, and Hourly.

3.1.5.2 Eligible Customers may request Short-Term Firm and Non-Firm Point-to-Point Transmission Service through OASIS. The Transmission Provider will grant service on a first-come first-served basis with respect to requests for service of the same priority and duration. However, when evaluating requests with different priority or duration, the Transmission Provider will grant service first on the basis of priority and second on the basis of duration.

3.1.6 Submissions of Bids to Purchase TSRs: Bids to purchase Long-Term TSRs shall be submitted by completing a Request for Long-Term Transmission Service Form, except for bids in response to the initial Long-Term Open Seasons conducted prior to the commencement of commercial operations of the Montana Alberta Tie Line. Bids to purchase Short-Term TSRs shall be submitted through the OASIS. Each bid shall include all of the information as specified on the OASIS.

~~3.1.7 Resale of Transmission Customers' TSRs and Unscheduled TSRs by the Transmission Provider in the Hourly Capacity Auction: For any hour, in the event a Transmission Customer does not resell its TSRs in the Secondary Market, TSRs of a Transmission Customer are forfeited for that hour. If TSRs have been so forfeited, they will be made available in the applicable Hourly Capacity Auction. The System Controller will determine the quantity of TSRs that can be made available under this Section. The forfeiture of TSRs does not relieve the Transmission Customer of its obligations for Charges pursuant to this Tariff or TSR Purchase and Service Agreement. With respect to forfeited TSRs, the Transmission Provider will credit eighty percent (80%) of the proceeds, if any, from the resale, in the Hourly Capacity Auction of such TSRs to the account of the Transmission Customer and shall be entitled to retain twenty percent (20%) thereof for its own benefit.~~

~~3.1.8-7 Minimum Bids: Bids to purchase TSRs shall be subject to the following minimum bid requirements, which. For Long-Term TSRs, the minimum bid shall be the Combined Floor Rate. The Transmission Provider shall publish a Combined Floor Rate on its OASIS. The minimum bid requirements Combined Floor Rate may change from time to time based on Transmission Provider's sole discretion; provided, however, that for Long-Term Firm Point-to-Point Service in the northbound direction, the minimum bid requirements shall not be lower than the rates that resulted from the Initial Open Season Process conducted by the Transmission Provider, which was approved by the FERC in Montana Alberta Tie Ltd., 112 FERC ¶ 61,018 (2005), for TSRs with but will never be less than the lowest Combined Floor Rate then in effect for Transmission Customers having the same a term equal to or longer than the term of the TSRs that were executed in connection with such initial Open Season Process during the term that such TSRs are in effect. of TSR Purchase and Service Agreement. For Short-Term Firm and Non-Firm TSRs, the Transmission Provider shall post on OASIS the rates for Transmission Service of varying terms and durations. minimum bid shall be \$1.46 per kW/month. The Transmission Provider reserves the right to increase the minimum bid for Short Term and Non Firm TSRs to shift capacity from lower value market segments to higher value market segments.~~

3.2 Open Seasons and Capacity Auctions for Expansion Capacity

3.2.1 Expansion Capacity shall mean any transmission capacity added or to be added to the Montana Alberta Tie Line after initial construction.

3.2.2 The Transmission Provider shall not sell any Expansion Capacity without first obtaining approval for such sales from the Commission. The Transmission Provider shall have the right to unilaterally make application under Section 205 of the FPA to the Commission seeking approval for such sales.

3.3 Unauthorized Use of Transmission Service

In the event that a Transmission Customer has not secured Reserved Capacity or exceeds its firm or non-firm Reserved Capacity at any Point of Receipt or any Point of Delivery, except as otherwise specified in Section 22 of the Tariff, the following will apply:

3.3.1 Unreserved Use. A Transmission Customer that uses transmission service that it has not reserved or uses transmission service in excess of its reserved capacity ("Unreserved Use") in accordance with this Tariff is subject to penalty charges set forth below.

3.3.2 Penalty Charge - Unreserved Use. The penalty charge for a Transmission Customer that engages in Unreserved Use will apply to the unreserved portion of service as follows:

- (i) where the Unreserved Use is for a duration of a single hour or less - 200% of the daily firm point-to-point charge, which for Long-Term Point-to-Point Transmission Service shall be derived from the rate(s) set forth in the Transmission Customer's TSR Purchase and Service Agreement and Non-Firm Service, shall be derived from the applicable rates set forth the Transmission Customer's confirmation for the transaction;
- (ii) where the Unreserved Use is in excess of an hourly non-firm reservation - and is a single occurrence within a given day - 200% of the hourly non-firm point-to-point charge will be assessed;
- (iii) where the Unreserved Use is in excess of an hourly firm reservation and is a single occurrence within a given day or occurs on multiple occasions for more than one hour over the course of a given day - 200% of the daily firm point-to-point charge will be assessed against the hour with the highest level of unreserved use;
- (iv) where the Unreserved Use occurs on multiple occasions for any given duration (e.g., violations occur multiple times for more than an hour over the course of a day and is repeated over more than one day within a given week) - 200% of the applicable firm point-to-point charge for the next longest duration will be assessed against the hour with the highest level of unreserved use (e.g., if an assessment is for violations over multiple days in a given week, the penalty will be 200% of the weekly firm point-to-point delivery charge; if an assessment is for violations over multiple weeks in a given month, the penalty will be 200% of the monthly firm point-to-point charge).

(v) Penalties for multiple instances of unreserved use are not additive in nature (i.e., each violation can only be assessed a single penalty under a single timeframe).

SCHEDULE 8

~~[Reserved] Non-Firm Point-To-Point Transmission Service~~

~~The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service in accordance with the terms of Schedule 7.~~

SCHEDULE 10~~Transmission Provider Scheduling,
System Control and Dispatch Service~~Transmission Provider System Operations Control Center Service
And
Energy Transaction Service

This service is required for all transmission service reservations arranged to schedule the movement of power through, out of, within, or into the Transmission Provider's Transmission System in accordance with the Tariff and the requirements and guidelines of the North American Electric Reliability Corporation ("NERC"), the applicable reliability council, and the Balancing Authorities of the Transmission Provider's Transmission System. This service shall be provided by the Transmission Provider, and the Transmission Customer must purchase this service from the Transmission Provider. The charges under this Schedule 10 are to be based on an annual formula rate calculation that determines the Transmission Provider's costs for providing System Operations Control Center Services and Energy Transaction Services.

Service under this Schedule 10 shall be at the rates derived below.

I. Cost Components:

The cost components shall be forecasted for Year 1. The cost components for Year 1 shall be trued-up following the end of Year 1 with any adjustment for revenues from Year 1 to be applied to the Year 2 cost components. Year 2 (and following years) cost components will be based on prior year actual costs adjusted for (1) any revenues associated with short term and non-firm transmission service reservations provided in the prior year, (2) any cost changes due to take effect during the billing year under signed agreement(s) and (3) further adjusted for prior-year true-up adjustments. The annual adjustments shall be calculated by no later than March 31 of the current calendar year and the adjusted Schedule 10 rate shall be in effect for the April billing invoice and for invoices for the remaining calendar months of the current year and for January through March of the following year.

C₁ = the total annual fees defined in Exhibit B of the System Operations Control Center Services Agreement(s) between MATL LLP and NorthWestern Corporation for control center services for the Montana portion of the MATL system or any successor agreement;

C₂ = the total annual fees defined in Schedule B of the Services Agreement(s) between MATL Ltd. and AltaLink L.P. for control center services for the Alberta portion of the MATL system or any successor agreement;

C₃ = The total annual costs under MATL's service contract(s) with Open Access Technology Inc. (OATI) for OASIS and transmission transaction systems and support required to implement the provisions of MATL's OATT, plus the total annual costs under MATL's Energy Transaction Service Coordinator Service Agreement(s) with TranServ International, Inc. for providing independent tariff administration

services of MATL's OATT or with similar entities providing comparable services; and

C₄ = The difference in the amount recovered under Schedule 10 for the prior billing year and the amount MATL paid for components C₁, C₂, and C₃ during the prior year.

Where:

$$\underline{C_T = C_1 + C_2 + C_3 - C_4}$$

C_T is the total cost components for Schedule 10.

II. Long-Term Transmission Service Reservations

The charges under this Schedule 10 shall be determined for each billing year by dividing the total cost components for Schedule 10 (C_T) by the total amount of Long-Term transmission service in effect for the current calendar year. If a multiple year transmission service is not in effect for the full calendar year of the applicable annual rate calculation, it will be treated as short-term transmission service for that billing year and the adjustment to the total Long Term Transmission service referenced herein will occur the following calendar year.

III. Rate Structure:

The Schedule 10 rate shall be updated on an annual basis and shall be in effect from April 1 of the current year through March 31 of the following year; provided, however, that for the first year that the Transmission Provider provides service under the Tariff, the Schedule 10 rate shall be in effect from January 2013 (or such other month when services begins) through March 2014. The formula above provides for a Yearly Rate in \$/KW-year. The Monthly Rate (\$/KW-mo.) will then be calculated by dividing the Yearly Rate by 12; the Weekly Rate (\$/KW-week) will be calculated by dividing the Yearly Rate by 52; the Daily Rate (\$/KW-day) will be calculated by dividing the Yearly Rate by 365, and the Hourly Rate (\$/KW-hour) will be calculated by dividing the Yearly Rate divided by 8760. The rates shall be posted on the Transmission Provider's OASIS.

~~This service is required to schedule the movement of power through, out of, within, or into the Transmission Provider's Transmission System in accordance with the Tariff and the requirements and guidelines of NERC, the applicable reliability council, and the Control Area operator of the Transmission Provider's Transmission System. This service shall be provided by the Transmission Provider, and the Transmission Customer must purchase this~~

~~service from the Transmission Provider. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below.~~

- ~~1) **Yearly rate:** the maximum charge shall be \$___/kW of Reserved Capacity per year.~~
- ~~2) **Monthly rate:** the maximum charge shall be \$___/kW of Reserved Capacity per month.~~
- ~~3) **Weekly rate:** the maximum charge shall be \$___/kW of Reserved Capacity per week.~~
- ~~4) **Daily rate:** the maximum charge shall be \$___/kW of Reserved Capacity per day.~~
- ~~5) **Hourly rate:** the maximum charge shall be \$___/kW of Reserved Capacity per hour.~~

SCHEDULE 11**Reliability Requirements for Intermittent and Non-Intermittent Resources
Connected to
the Transmission Provider's Transmission System**

This Schedule applies to intermittent resources connected to the Transmission Provider's Transmission System, and to non-intermittent resources connected to Transmission Provider's Transmission System, which also serve load in Alberta, Canada. Pursuant to the LGIA, such resources shall:

- 1) Self supply regulation and frequency response for scheduled deliveries on the Transmission Provider's Transmission System. Subject to the approval of the Control Area operator for Transmission Provider's Transmission System, and in accordance with the requirements and guidelines of such Control Area operator, NERC and the applicable reliability council, the resource may meet this requirement by (i) providing sufficient regulating capacity and energy to such Control Area operator, or (ii) dynamically scheduling the resource into the receiving Control Area at Great Falls, Montana.
- 2) Self supply generator imbalance to make up the difference between the scheduled output and delivery on Transmission Provider's Transmission System over a single hour. Subject to the approval of the Control Area operator for the Transmission Provider's Transmission System, and in accordance with the requirements and guidelines of such Control Area operator, NERC and the applicable reliability council, the resource may meet this requirement by (i) providing sufficient capacity and energy to such Control Area operator at Great Falls, Montana, or (ii) dynamically scheduling the resource into the receiving Control Area at Great Falls, Montana.

An intermittent resource, for the limited purpose of this Schedule, is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security.

ATTACHMENT A

Form of Long Term TSR Purchase and Service Agreement

LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT

FOR

TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE

MATL LLP

Service Agreement No. _____

This LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT FOR TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE ("Agreement") is made and entered into this ___ day of _____ 20___, between:

MATL LLP ("Transmission Provider")

and

_____ (**"Transmission Customer"**)

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

The Transmission Provider agrees to provide Transmission Service to the Transmission Customer pursuant to the provisions of MATL's Electric Transmission Tariff ("Tariff") on file with the Federal Energy Regulatory Commission (the "FERC") if the Transmission Customer has been awarded Transmission ~~Scheduling-Service~~ Rights ("TSRs") pursuant to Section 2 of this Agreement. The Transmission Provider's obligation to provide Transmission Service shall be contingent upon construction and successful commissioning of the Montana Alberta Tie Line and approval, without material modification, of the Tariff by FERC. The Tariff is incorporated into and made a part of this Agreement.

Section 2. Award of Transmission ~~Scheduling-Service~~ Rights ("TSRs")

Pursuant to the completed and executed Request For Long-Term Transmission Service form -dated _____, 20_____ (Attachment 1) and the results of OASIS Auction process, if applicable, held in conformance with the auction process provisions of the Tariff, as approved by FERC, the Transmission Provider awards TSRs to the Transmission Customer as set forth in Attachment 2 hereto subject to the satisfaction of the following conditions:

- 1) No other bids for TSRs or Transmission Service were received by the Transmission Provider within the Public Notice Period pursuant to Schedule 7 of the Tariff, or
- 2) Other bids were received within the Public Notice Period but the Transmission Provider has sufficient transmission capacity to serve all of the transmission requests submitted, or

- 3) Other bids for service were received within the Public Notice Period and a Capacity Auction has been held pursuant to the Tariff and the Transmission Customer is the highest bidder.

Section 3. Transmission Customer's Acceptance

In accordance with the provisions of the Tariff, and Attachment 2, the Transmission Customer agrees to use and pay for, or nonetheless pay for if not used, the awarded TSRs for the term of this Agreement.

Section 4. Monthly Payments

The Transmission Customer shall pay monthly as the charges for Transmission Service an amount equal to the TSR capacity awarded expressed in terms of kW month times the combined rate set forth in Attachment 2 hereto. The Transmission Customer shall pay charges billed pursuant to Schedule 10 of the Tariff.

Section 5. Term

This Agreement shall be effective as of the date first written above, for a term of _____ years.

Section 6. Binding Nature of Agreement

This Agreement shall be binding on the Transmission Customer upon execution of a completed Attachment 1 unless the TSRs awarded are less than those requested in Attachment 1. In the event there are no other bidders for Transmission Service during the Public Notice Period or if the Transmission Provider has sufficient transmission capacity to provide service to all of the requesting Parties, then this Agreement shall be binding on both parties and the Transmission Provider **MUST** fill out and execute an Attachment 2 within five working days after the completion of the Public Notice Period.

If there are competitive bids for Transmission Service received before and during the Public Notice Period that are in total greater than the Available Transmission Capacity as defined in the Tariff, and therefore the Transmission Provider is required to hold a Capacity Auction, then this Agreement shall be binding on the Parties if the Transmission Customer submits the bids that are higher than competitive bids and sufficient Available Transmission Capacity exists such that the Transmission Provider can provide all of the Transmission Service requested by the Transmission Customer. In such event, MATL **MUST** fill out and execute an Attachment 2 within five working days after the completion of the Capacity Auction.

In the event the awarded capacity differs from the requested capacity, then the Transmission Customer will have the option to accept the TSRs awarded to the Transmission Customer by executing a completed Attachment 2 and only thereupon will this Agreement be binding upon both parties.

Section 7. Notices

Notices to the Transmission Provider shall be addressed to:

MATL LLP
Attn: MATL Commercial Department
425-1st Street SW
~~Suite 800, 615 Macleod Trail S.E.~~
 Calgary, Alberta ~~T2P 3L8T2G 4T8~~
 Attention- Manager, Tariff Administration Fax: (713) 821-2229~~(403) 264-~~
~~4465~~

Notices to the Transmission Customer shall be addressed to:

Section 8. Definitions

Terms not otherwise defined herein shall have the meaning attributed to it pursuant to the Tariff.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement in several counterparts by their duly authorized officers with effect as of the day first above written.

Transmission Provider

By: _____
President

Transmission Customer

By: _____

Title: _____

Attachment 1 to

LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT

No. _____

REQUEST FOR LONG-TERM TRANSMISSION SERVICE

DATED _____

Requesting Company _____
Address: _____

Company Contact: _____
Title: _____

TSR Capacity Requested: _____ MW

Beginning Hour: _____ CST

Beginning Date: _____

Ending Hour: _____ CST

Ending Date: _____

Point of Receipt in to MATL: _____

Point of Delivery out of MATL: _____

Combined Rate: \$_____ kW / Month (the Combined Rate, expressed in
~~Canadian funds~~ U.S. dollars, must be greater than or
equal to the Combined Floor Rate)

Escalator: 2.5% annually

Submitted by:

(Transmission Customer Authorized Signature)

Credit Information

Bank Reference _____

Attachment 2 to

LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT

No. _____

AWARD OF TRANSMISSION ~~SCHEDULING~~-SERVICE RIGHTS

Dated _____

Transmission Customer _____
Address: _____

Company Contact: _____
Title: _____

TSR Capacity Requested: _____ MW

Beginning Hour: _____ CST

Beginning Date: _____

Ending Hour: _____ CST

Ending Date: _____

Point of Receipt in to MATL: _____

Point of Delivery out of MATL: _____

Combined Rate: \$ _____ kW / Month

Escalator: 2.5% annually

Schedule 10 charges: \$ _____ kW / Month (to be adjusted from time to time as set forth in the Transmission Provider's Tariff, Schedule 10)

Awarded By:

(MATL Authorized Signature)

If awarded TSRs are less than requested TSRs:

Accepted by: _____

(Transmission Customer Authorized Signature)

ATTACHMENT A-1

**Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of reassigned capacity: _____

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

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

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

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Schedule 10 Charges: _____

9.0 Name of Reseller of the reassigned transmission capacity:

ATTACHMENT B-1
Form of Short Term TSR Purchase and Service Agreement

SHORT TERM TSR PURCHASE AND SERVICE AGREEMENT

FOR

TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE

MATL LLP

Service Agreement No. _____

This SHORT-TERM TSR PURCHASE AND SERVICE AGREEMENT FOR TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE ("Agreement") is made and entered into this ___ day of _____ 20___, between:

MATL LLP ("Transmission Provider")

and

_____ (**"Transmission Customer"**)

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

The Transmission Provider agrees to provide Transmission Service to the Transmission Customer pursuant to the provisions of its Open Access Transmission Tariff ("Tariff") on file with the Federal Energy Regulatory Commission (the "FERC") if the Transmission Customer has been awarded Transmission ~~Scheduling-Service~~ Rights ("TSRs") pursuant to Section 2 of this Agreement. The Tariff is incorporated into and made a part of this Agreement.

Section 2. Award of Transmission ~~Scheduling-Service~~ Rights

TSRs will be awarded periodically to the Transmission Customer based on the results of the OASIS Short Term ~~Auction-capacity sale~~ process, held in conformance with ~~Schedule 7the Auction-Process provisions~~ of the Tariff, as approved by FERC. In order to qualify for inclusion in the OASIS Short Term ~~Capacity-capacity Auctionssale~~, the Eligible Customer must:

- 1) submit a completed Short Term Service request form, attached hereto as Attachment 1 to this Short Term Purchase and Service Agreement
- 2) meet the creditworthiness criteria as set forth in Section 11 of the Tariff
- 3) be approved by the Transmission Provider as a Transmission Customer for short term service

- 4) provide verification that the customer has obtained all necessary permits enabling its import and/or export of energy between the United States and Canada
- 5) obtain a digital security certificate from the Transmission Provider's OASIS system provider; and
- 56) abide by all the rules of the OASIS system provider.

Section 3. Transmission Customer's Acceptance

In accordance with the provisions of the Tariff, the Transmission Customer agrees to use and pay for, or nonetheless pay for if not used, the awarded TSRs for the term of this Agreement.

Section 4. Monthly Payments

The Transmission Customer shall pay monthly all of the charges for Transmission Service bid on by the Transmission Customer and awarded to the Transmission Customer by the Transmission Provider using the Transmission Provider's OASIS system ~~auction system~~. The Transmission Customer shall pay charges billed pursuant to Schedule 10 of the Tariff.

Section 5. Term

This Agreement shall be effective as of the date first written above, for a term of _____years.

Section 6. Binding Nature of The Agreement

This Agreement shall be binding on the Transmission Customer upon execution of a completed Attachment 1 and the execution by both parties.

Section 7. Notices

Notices to the Transmission Provider shall be addressed to:

MATL LLP
ATTN: MATL Commercial Department
425-1st Street SW
Calgary, Alberta T2P 3L8

~~Suite 800, 615 Macleod Trail S.E.~~
~~Calgary, Alberta T2G 4T8~~

Attention- Manager, Tariff Administration Fax: (713) 821-2229(403)-264-4465

Notices to the Transmission Customer shall be addressed to:

Section 8. Definitions

Terms not otherwise defined herein shall have the meaning attributed to it pursuant to the Tariff.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement in several counterparts by their duly authorized officers with effect as of the day first above written.

Transmission Provider

Transmission Customer

By: _____

By: _____

President

Title: _____

Attachment 1 to
SHORT-TERM TSR PURCHASE AND SERVICE AGREEMENT

No. _____

REQUEST FOR SHORT-TERM TRANSMISSION SERVICE

DATED _____

Requesting Company _____
Address: _____

Company Contact: _____

Title: _____

Submitted by:

(Transmission Customer Authorized Signature)

Credit Information

Bank Reference _____

ATTACHMENT B-2

Form of Service Agreement for Non-Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

6.0 The Transmission Customer agrees to pay for any charges billed in accordance with Schedule 10 of the Tariff.

67.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Transmission Customer:

_____	_____
_____	_____
_____	_____

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

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

Transmission Provider:

Transmission Customer:

By: _____

By: _____

Name

Name

Title

Title

Date

Date

1. Definitions

1.1 Affiliate:

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

1.2 [Reserved]

1.3 Application

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

1.3A Capacity Auction

The process by which the Transmission Provider awards Long Term Transmission Service rights pursuant to Schedule 7.

1.4 Commission

The Federal Energy Regulatory Commission.

1.5 Completed Application

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

1.6 Control Area

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

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

1.7 Curtailment

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

1.8 Delivering Party

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

1.9 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.

1.10 Direct Assignment Facilities

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

1.11 Eligible Customer

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

1.12 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, including those practices required by Federal Power Act section 215(a)(4).

1.15 Interruption

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

1.16 [Reserved]

1.17 [Reserved]

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

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

1.19 [Reserved]

1.20 [Reserved]

1.21 [Reserved]

1.22 [Reserved]

1.23 [Reserved]

1.24 [Reserved]

1.25 [Reserved]

1.26 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.

1.27 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.

1.27A NWE

NorthWestern Energy, a division of NorthWestern Corporation, a Delaware corporation, providing energy services in the State of Montana, including its successors and assigns.

1.28 Open Access Same-Time Information System (OASIS)

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

1.29 Part I

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

1.30 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.

1.31 [Reserved]

1.32 Parties

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

1.33 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.

1.34 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.

1.35 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.

1.36 Power Purchaser

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

1.37 Receiving Party

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

1.38 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.

1.39 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.

1.40 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.

1.41 Service Commencement Date

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service under the Tariff.

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

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

1.42A System Condition

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

1.43 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.

1.44 [Reserved]

1.45 Transmission Customer

Any Eligible Customer (or its Designated Agent) that (i) has been awarded transmission capacity by the Transmission Provider or purchased transmission capacity directly from another Transmission Customer; and (ii) 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.

1.46 Transmission Provider

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

1.47 Transmission Provider's Monthly Transmission System Peak

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

1.48 Transmission Service

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

1.49 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.

2. Initial Allocation and Renewal Procedures

2.1 [Reserved]

2.2 Reservation Priority for Existing Firm Service Customers

Existing firm service customers with a contract term of five years or more, have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. If at the end of the contract term, the existing Transmission Customer wishes to renew the contract, the customer must provide written notice to the Transmission Provider of the amount of capacity and the contract term that it wishes to purchase for the renewal period. Upon receipt of such written notice, the Transmission Provider will treat the rollover request as a new request for transmission service and initiate the procedures in Schedule 7. In accordance with Schedule 7, the Transmission Provider will post the request for the duration of the Public Notice Period (a 30-day period). If at the end of the Public Notice Period, no additional requests for long-term service are received, the customer is awarded the requested capacity at the customer's existing rate subject to any escalator. If there are other requests for transmission service and the available ATC is greater than the sum of all transmission service requests received, the transmission service will be awarded to the parties, subject to any minimum bid price, as determined by the Transmission Provider in Schedule 7, which shall be no higher than existing customer's rate subject to the escalator. If there is not adequate ATC to meet all of the requests for service, the Transmission Provider will hold a Capacity Auction in accordance with Schedule 7. In any such auction, the Transmission Provider will provide notice that the result of any such auction will be subject to the existing Transmission Customer's right of first refusal. Pursuant to this Section 2.2, within two (2) business days after the completion of the Capacity Auction, the Transmission Provider will present the existing firm service customer with the auction results showing the highest rate at which the Capacity Auction cleared. The existing Transmission Customer will have two (2) business days to accept the contract term and rate as agreed to by the Eligible Customer, subject to any bid requirement as determined by the Transmission Provider in Schedule 7. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. Service agreements subject to a right of first refusal entered into prior to [the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890] or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one-year requirement on the first rollover date after [the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890]; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as the

[date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890].

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

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

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

7. Billing and Payment

7.1 Billing Procedure

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances

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

7.3 Customer Default

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

7.4 Currency

All dollar amounts referenced in the Tariff are expressed in U.S. dollars.

8. [Reserved]

12. Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution), and any dispute between the Transmission Provider and a stakeholder involving the Transmission Planning Process pursuant to Attachment K, shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer or stakeholder 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 mediation and resolved in accordance with the mediation procedures set forth below.

12.2 External Mediation Procedures

Any mediation initiated under the Tariff shall be conducted before a single neutral mediator appointed by the Parties. The mediator 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 mediation (except prior mediation or arbitration). The mediator shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the mediation in accordance with the Commercial Mediation Procedures of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules. 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.

12.3 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 mediation or arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in

accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.4 Arbitration Decisions

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

12.5 Costs

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

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

12.6 Rights Under The Federal Power Act

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

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 hour and the maximum term shall be specified in the Service Agreement.

13.2 [Reserved]

13.3 [Reserved]

13.4 Service Agreements

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment B-1) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions 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 Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Schedule 7. Any Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis

under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service

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

corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties 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 exceeds its Reserved Capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

13.8 Scheduling of Firm Point-To-Point Transmission Service

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

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

14.1 Term

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

14.2 Reservation Priority

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to 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 and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 [Reserved]

14.4 Service Agreements

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B-2) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

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

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

realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 7.

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

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

14.7 Curtailment or Interruption of Service

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or (4) transmission service for Firm Point-to-Point Transmission Service during conditional

curtailments periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. 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 Transfer Capability

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

15.3 [Reserved]

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, or Conditional Curtailment

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Schedule 7. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service

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

15.6 Other Transmission Service Schedules

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses

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

Southbound Losses: Estimated as less than 10% at 300 MW
Northbound Losses: Estimated as 10% at 300 MW

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

17.1 Application

In order for an Eligible Customer to request Transmission Service, it must first submit a completed Application for Long Term Transmission Service Form (Attachment 1 to the Long Term TSR Purchase and Service Agreement (Attachment A)) or a completed Application for Short Term Transmission Service Form (Attachment 1 to the Short Term TSR Purchase and Service Agreement (Attachment B-1)) to the Transmission Provider. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS.

17.2 Completed Application

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

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

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

17.3 Deposit

A long-term Service Agreement shall include a deposit equal to one month's worth of charges. The deposit, with interest, will be returned to the Transmission Customer upon commencement of service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR. 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest.

17.5 Response to a Completed Application

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

17.6 Execution of Service Agreement

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

17.7 [Reserved]

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.

18.2 Completed Application

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

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

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

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

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

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

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than after prescheduled checkout, as defined by generally accepted regional practice and the applicable balancing authority. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transfer Capability

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

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

19.1 Notice of Need for System Impact Study

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

19.2 System Impact Study Agreement and Cost Reimbursement

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

19.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints identified with specificity by transmission element or flowgate,

(2) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (3) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service.

If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider 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 and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider

with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications

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

19.6 Due Diligence in Completing New Facilities

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

19.7 Partial Interim Service

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities. 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 [Reserved]

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.
- (iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.
- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

19.10 Clustering of Studies:

The Transmission Provider may cluster System Impact Studies and Facilities Studies if: (i) Eligible Customers request in writing that the studies in connection with their service requests be clustered, and (ii) the Transmission Provider determines that it can reasonably accommodate such clustering request and that clustering will facilitate the performance of studies and the design of upgrades or additions to the Transmission System necessary to accommodate the Eligible Customers' requests for service.

If studies are clustered: (i) for purposes of deadlines for performance of studies and responses to the Eligible Customers, all of the service requests for which the studies are clustered shall be deemed to have been submitted when the last of such requests has been submitted; and (ii) if any of the service requests for which studies are clustered is deemed terminated or withdrawn or is no longer complete, then all such service requests shall be deemed terminated or withdrawn or no longer complete.

System Impact Studies that are clustered shall be treated as a single System Impact Study for all purposes, and shall be performed pursuant to a single System Impact Study Agreement entered into among the Transmission Provider and the Eligible Customers that have submitted service requests that have been clustered. Unless otherwise agreed in such agreement, the cost for the completion of the System Impact Study shall be allocated among the Eligible Customers in equal shares. Facilities Studies that are clustered shall be treated as a single Facilities Study for all purposes, and shall be performed pursuant to a single Facilities Study Agreement entered into among the Transmission Provider and the Eligible Customers that have submitted service requests that have been clustered. Unless otherwise agreed in such agreement, the cost for the completion of the Facilities Study shall be allocated among the Eligible Customers in equal shares.

An Eligible Customer can opt out of a cluster only during the period of time after the completion of the applicable System Impact Study and before the applicable Facilities Study. In the event that an Eligible Customer opts out of a cluster, the costs of the System Impact Study shall be allocated pro rata among the original Eligible Customers in the cluster, and the costs associated with the Facilities Study will be allocated pro rata among the remaining Eligible Customers. The Eligible Customer that opted out of the cluster can elect to enter the study queue by requesting a new individual study or as part of a new cluster.

Unless otherwise agreed, the Transmission Provider shall not be required to undertake any Transmission System upgrades or additions identified by a clustered Facilities Study unless all of the Eligible Customers for which the studies have been clustered execute Service Agreements, under which they are obligated to pay the costs of such upgrades or additions, and provide the required security.

23. Sale or Assignment of Transmission Service**23.1 Procedures for Assignment or Transfer of Service**

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

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

23.2 Limitations on Assignment or Transfer of Service

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement in the form of Attachment A-1.

23.3 Information on Assignment or Transfer of Service

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

Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

23.4 Additional Procedures

- (a) A Reseller may resell its transmission capacity outside of the OASIS but if the Reseller does not utilize the OASIS then it must provide the following information to the Transmission Provider within two business days of the sale: (i) identity of purchaser; (ii) date of sale; (iii) price; (iv) term of sale; and (v) amount of transmission capacity sold. Transmission Provider will post such sales on its OASIS.
- (b) If a Transmission Customer chooses to use the Transmission Provider's OASIS to resell, assign or transfer its transmission capacity, the Transmission Customer's sale, assignment, or transfer of all or a portion of its transmission capacity shall be subject to a two and one-half percent (2.5%) marketing fee. The marketing fee shall be calculated using the full value of the transaction.

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: Long-Term Firm and Short-Term Firm and Non-Firm Point-To-Point Transmission Service (Schedule 7).

26. Transmission Provider Scheduling Operations Control Center Service and Energy Transaction Service and Reliability Requirements for Intermittent and Non-Intermittent Resources

Rates for Transmission Provider Scheduling Operations Control Center Service and Energy Transaction Service are provided in Schedule 10. The Transmission Customer is required to purchase Schedule 10 from the Transmission Provider. Reliability Requirements for intermittent and non-intermittent resources connected to the Transmission Provider's Transmission System are self-supplied as provided in Schedule 11.

27. Compensation for New Facilities

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy.

SCHEDULE 7**Long-Term Firm and Short-Term Firm and Non-Firm Point-To-Point
Transmission Service**

1. Charges for Transmission Service.

There are no charges for transmission service rights ("TSRs") and corresponding Transmission Service other than those charges set out in a TSR Purchase and Service Agreement. Subject to Section 7 of the Tariff, the Transmission Customer shall be and remain liable to pay to the Transmission Provider all charges set out in a TSR Purchase and Service Agreement, regardless of whether all or any portion of the applicable TSRs are forfeited or assigned or sold pursuant to Section 23 of the Tariff. Payment to interconnected systems and other transmission providers for transmission services, scheduling services, Ancillary Services and all other services will be pursuant to the provisions of their respective tariffs and shall be the sole responsibility of the Transmission Customer.

2. Additional Charges.

The Transmission Provider shall have the right to unilaterally make application under Section 205 of the FPA to the Commission to increase each Transmission Customer's Charges in an amount per unit so that the aggregate amount recovered from all Transmission Customers is equal to the increase in expenses that arise as the result of changes in law, increases in taxes, or increases in fees imposed or charged by taxing authorities, interconnected systems, and government and municipal agencies.

3. Open Seasons and Capacity Auctions for TSRs.

3.1 Initial Open Season and Capacity Auctions for TSRs

3.1.1 Overview: TSRs shall be awarded by the Transmission Provider to Eligible Customers with Completed Applications and by means of TSR Purchase and Service Agreements through the Initial Open Season or Capacity Auctions conducted through the OASIS. The FERC has determined that the Initial Open Season was an open, non-discriminatory bidding process. *Montana Alberta Tie Ltd.*, 112 FERC ¶ 61,018 (2005).

3.1.2 Posting of Results of Initial Long-Term Open Season and Capacity Auctions: The following information regarding each winning bidder will be posted on the Transmission Provider's website or OASIS: (1) the name of the winning bidder; (2) the quantity of TSRs awarded, identified by Point of Receipt and Point of Delivery; (3) the expiration date of the TSRs awarded; and (4) the name, address, phone number and e-mail address of a contact person for the

winning bidder for purposes of taking inquiries regarding trades of the TSRs in the Secondary Market.

- 3.1.3 Subsequent Long-Term Capacity Auctions: All Long-Term Capacity Auctions occurring following the Initial Long-Term Open Season will be administered through the OASIS.
- 3.1.4 Notice: Notice of all Long-Term Capacity Auctions will be posted on the OASIS, except notice of the Initial Long-Term Open Season. The Transmission Provider will determine the contents of the notices for all Capacity Auctions. Subsequent Long-Term Capacity Auctions will be conducted periodically upon receipt of a request or requests for long-term capacity from an Eligible Customer pursuant to Section 23.3. Upon receipt of a request for long-term capacity by an Eligible Customer, the Transmission Provider will post such request on its OASIS site for a period of thirty (30) calendar days ("Public Notice Period"). In addition, the Transmission Provider will announce the request by publication in widely circulated newspapers. If no additional requests for Long-Term Transmission Service are received during the Public Notice Period, then the capacity will be awarded to the original requesting party. If additional requests for Long-Term Transmission Service are received and ATC is greater than the sum of all Long-Term Transmission Service requests received during the Public Notice period, then ATC will be awarded to the parties requesting the service before and during the Public Notice Period. If additional requests for Long-Term Transmission Service are received and ATC is less than all of the Long-Term Transmission Service requests received before and during the Public Notice Period, then a Capacity Auction shall be held. The Capacity Auction period must be declared by the Transmission Provider within five business days of the close of the Public Notice Period. During the Capacity Auction period, all of the requesting parties shall be given the opportunity to submit competing bids for the Long-Term Transmission Service ATC via the OASIS site. Bids must be submitted to the OASIS site no later than 4:00 P.M. Mountain Standard or Mountain Daylight time (depending on the time of the year) fourteen calendar days immediately following the declaration of the Capacity Auction period. The OASIS system will clear the Capacity Auction by awarding Long-Term Transmission Service ATC to Eligible Customers submitting the bids having the highest Gross Revenue Present Value until the Long-Term Transmission Service ATC is equal to zero. The results of the Long-Term Capacity Auction shall be posted on the OASIS site within five (5) business days following the close of

the Capacity Auction. Long-Term Transmission Service ATC for any calendar year shall not be available less than one-hundred and twenty (120) days prior to the commencement of the calendar year.

3.1.5 Sale of Available Short-Term Firm and Non-Firm TSRs:

3.1.5.1 The Transmission Provider shall post on its OASIS the amount of Short-Term Firm and Non-Firm Point-to-Point Transmission Service ATC that it projects will be available. Short-Term Firm and Non-Firm Point-to-Point Transmission Service ATC is Total Transmission Capacity minus the capacity committed and sold via the initial open season and in subsequent long-term firm capacity auctions and sales of Short-Term Firm and Non-Firm Point-to-Point Transmission Service ATC. The Transmission Provider shall post the rates for Short-Term Firm and Non-Firm Point-to-Point Transmission Service, and the Transmission Customer shall compensate the Transmission Provider the posted rates for the applicable transmission products. The Transmission Provider shall offer the following Short-Term Firm and Non-Firm Point-to-Point Transmission products: Monthly, Weekly, Daily, and Hourly.

3.1.5.2 Eligible Customers may request Short-Term Firm and Non-Firm Point-to-Point Transmission Service through OASIS. The Transmission Provider will grant service on a first-come first-served basis with respect to requests for service of the same priority and duration. However, when evaluating requests with different priority or duration, the Transmission Provider will grant service first on the basis of priority and second on the basis of duration.

3.1.6 Submissions of Bids to Purchase TSRs: Bids to purchase Long-Term TSRs shall be submitted by completing a Request for Long-Term Transmission Service Form, except for bids in response to the initial Long-Term Open Seasons conducted prior to the commencement of commercial operations of the Montana Alberta Tie Line. Bids to purchase Short-Term TSRs shall be submitted through the OASIS. Each bid shall include all of the information as specified on the OASIS.

3.1.7 Minimum Bids: Bids to purchase TSRs shall be subject to minimum bid requirements, which the Transmission Provider shall publish on its OASIS. The minimum bid requirements may change from time to time based on Transmission

Provider's sole discretion; provided, however, that for Long-Term Firm Point-to-Point Service in the northbound direction, the minimum bid requirements shall not be lower than the rates that resulted from the Initial Open Season Process conducted by the Transmission Provider, which was approved by the FERC in *Montana Alberta Tie Ltd.*, 112 FERC ¶ 61,018 (2005), for TSRs with a term equal to or longer than the term of the TSRs that were executed in connection with such initial Open Season Process during the term that such TSRs are in effect. For Short-Term Firm and Non-Firm TSRs, the Transmission Provider shall post on OASIS the rates for Transmission Service of varying terms and durations.

3.2 Open Seasons and Capacity Auctions for Expansion Capacity

3.2.1 Expansion Capacity shall mean any transmission capacity added or to be added to the Montana Alberta Tie Line after initial construction.

3.2.2 The Transmission Provider shall not sell any Expansion Capacity without first obtaining approval for such sales from the Commission. The Transmission Provider shall have the right to unilaterally make application under Section 205 of the FPA to the Commission seeking approval for such sales.

3.3 Unauthorized Use of Transmission Service

In the event that a Transmission Customer has not secured Reserved Capacity or exceeds its firm or non-firm Reserved Capacity at any Point of Receipt or any Point of Delivery, except as otherwise specified in Section 22 of the Tariff, the following will apply:

3.3.1 Unreserved Use. A Transmission Customer that uses transmission service that it has not reserved or uses transmission service in excess of its reserved capacity ("Unreserved Use") in accordance with this Tariff is subject to penalty charges set forth below.

3.3.2 Penalty Charge - Unreserved Use. The penalty charge for a Transmission Customer that engages in Unreserved Use will apply to the unreserved portion of service as follows:

- (i) where the Unreserved Use is for a duration of a single hour or less - 200% of the daily firm point-to-point charge, which for Long-Term Point-to-Point Transmission Service shall be derived from the rate(s) set forth in the Transmission Customer's TSR Purchase and Service Agreement and Non-Firm Service, shall be derived from the applicable rates set forth the Transmission Customer's confirmation for the transaction;

- (ii) where the Unreserved Use is in excess of an hourly non-firm reservation - and is a single occurrence within a given day - 200% of the hourly non-firm point-to-point charge will be assessed;
- (iii) where the Unreserved Use is in excess of an hourly firm reservation and is a single occurrence within a given day or occurs on multiple occasions for more than one hour over the course of a given day - 200% of the daily firm point-to-point charge will be assessed against the hour with the highest level of unreserved use;
- (iv) where the Unreserved Use occurs on multiple occasions for any given duration (e.g., violations occur multiple times for more than an hour over the course of a day and is repeated over more than one day within a given week) - 200% of the applicable firm point-to-point charge for the next longest duration will be assessed against the hour with the highest level of unreserved use (e.g., if an assessment is for violations over multiple days in a given week, the penalty will be 200% of the weekly firm point-to-point delivery charge; if an assessment is for violations over multiple weeks in a given month, the penalty will be 200% of the monthly firm point-to-point charge).
- (v) Penalties for multiple instances of unreserved use are not additive in nature (i.e., each violation can only be assessed a single penalty under a single timeframe).

SCHEDULE 8

[Reserved]

SCHEDULE 10

**Transmission Provider System Operations Control Center Service
And
Energy Transaction Service**

This service is required for all transmission service reservations arranged to schedule the movement of power through, out of, within, or into the Transmission Provider's Transmission System in accordance with the Tariff and the requirements and guidelines of the North American Electric Reliability Corporation ("NERC"), the applicable reliability council, and the Balancing Authorities of the Transmission Provider's Transmission System. This service shall be provided by the Transmission Provider, and the Transmission Customer must purchase this service from the Transmission Provider. The charges under this Schedule 10 are to be based on an annual formula rate calculation that determines the Transmission Provider's costs for providing System Operations Control Center Services and Energy Transaction Services.

Service under this Schedule 10 shall be at the rates derived below.

I. Cost Components:

The cost components shall be forecasted for Year 1. The cost components for Year 1 shall be trued-up following the end of Year 1 with any adjustment for revenues from Year 1 to be applied to the Year 2 cost components. Year 2 (and following years) cost components will be based on prior year actual costs adjusted for (1) any revenues associated with short term and non-firm transmission service reservations provided in the prior year, (2) any cost changes due to take effect during the billing year under signed agreement(s) and (3) further adjusted for prior-year true-up adjustments. The annual adjustments shall be calculated by no later than March 31 of the current calendar year and the adjusted Schedule 10 rate shall be in effect for the April billing invoice and for invoices for the remaining calendar months of the current year and for January through March of the following year.

C_1 = the total annual fees defined in Exhibit B of the System Operations Control Center Services Agreement(s) between MATL LLP and NorthWestern Corporation for control center services for the Montana portion of the MATL system or any successor agreement;

C_2 = the total annual fees defined in Schedule B of the Services Agreement(s) between MATL Ltd. and AltaLink L.P. for control center services for the Alberta portion of the MATL system or any successor agreement;

C_3 = The total annual costs under MATL's service contract(s) with Open Access Technology Inc. (OATI) for OASIS and transmission transaction systems and support required to implement the provisions of MATL's OATT, plus the total annual costs under MATL's Energy Transaction Service Coordinator Service Agreement(s) with TranServ International, Inc. for providing independent tariff administration services of MATL's OATT or with similar entities providing comparable services; and

C_4 = The difference in the amount recovered under Schedule 10 for the prior billing year and the amount MATL paid for components C_1 , C_2 , and C_3 during the prior year.

Where:

$$C_T = C_1 + C_2 + C_3 - C_4$$

C_T is the total cost components for Schedule 10.

II. Long-Term Transmission Service Reservations

The charges under this Schedule 10 shall be determined for each billing year by dividing the total cost components for Schedule 10 (C_T) by the total amount of Long-Term transmission service in effect for the current calendar year. If a multiple year transmission service is not in effect for the full calendar year of the applicable annual rate calculation, it will be treated as short-term transmission service for that billing year and the adjustment to the total Long Term Transmission service referenced herein will occur the following calendar year.

III. Rate Structure:

The Schedule 10 rate shall be updated on an annual basis and shall be in effect from April 1 of the current year through March 31 of the following year; provided, however, that for the first year that the Transmission Provider provides service under the Tariff, the Schedule 10 rate shall be in effect from January 2013 (or such other month when services begins) through March 2014. The formula above provides for a Yearly Rate in \$/KW-year. The Monthly Rate (\$/KW-mo.) will then be calculated by dividing the Yearly Rate by 12; the Weekly Rate (\$/KW-week) will be calculated by dividing the Yearly Rate by 52; the Daily Rate (\$/KW-day) will be calculated by dividing the Yearly Rate by 365, and the Hourly Rate (\$/KW-hour) will be calculated by dividing the Yearly Rate divided by 8760. The rates shall be posted on the Transmission Provider's OASIS.

SCHEDULE 11

**Reliability Requirements for Intermittent and Non-Intermittent Resources
Connected to
the Transmission Provider's Transmission System**

This Schedule applies to intermittent resources connected to the Transmission Provider's Transmission System, and to non-intermittent resources connected to Transmission Provider's Transmission System, which also serve load in Alberta, Canada. Pursuant to the LGIA, such resources shall:

- 1) Self supply regulation and frequency response for scheduled deliveries on the Transmission Provider's Transmission System. Subject to the approval of the Control Area operator for Transmission Provider's Transmission System, and in accordance with the requirements and guidelines of such Control Area operator, NERC and the applicable reliability council, the resource may meet this requirement by (i) providing sufficient regulating capacity and energy to such Control Area operator, or (ii) dynamically scheduling the resource into the receiving Control Area at Great Falls, Montana.
- 2) Self supply generator imbalance to make up the difference between the scheduled output and delivery on Transmission Provider's Transmission System over a single hour. Subject to the approval of the Control Area operator for the Transmission Provider's Transmission System, and in accordance with the requirements and guidelines of such Control Area operator, NERC and the applicable reliability council, the resource may meet this requirement by (i) providing sufficient capacity and energy to such Control Area operator at Great Falls, Montana, or (ii) dynamically scheduling the resource into the receiving Control Area at Great Falls, Montana.

An intermittent resource, for the limited purpose of this Schedule, is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security.

ATTACHMENT A

Form of Long Term TSR Purchase and Service Agreement

LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT

FOR

TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE

MATL LLP

Service Agreement No. _____

This LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT FOR TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE ("Agreement") is made and entered into this ___ day of _____ 20___, between:

MATL LLP ("Transmission Provider")

and

_____ (**"Transmission Customer"**)

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

The Transmission Provider agrees to provide Transmission Service to the Transmission Customer pursuant to the provisions of MATL's Electric Transmission Tariff ("Tariff") on file with the Federal Energy Regulatory Commission (the "FERC") if the Transmission Customer has been awarded Transmission Service Rights ("TSRs") pursuant to Section 2 of this Agreement. The Transmission Provider's obligation to provide Transmission Service shall be contingent upon construction and successful commissioning of the Montana Alberta Tie Line and approval, without material modification, of the Tariff by FERC. The Tariff is incorporated into and made a part of this Agreement.

Section 2. Award of Transmission Service Rights ("TSRs")

Pursuant to the completed and executed Request For Long-Term Transmission Service form dated _____, 20_____ (Attachment 1) and the results of OASIS Auction process, if applicable, held in conformance with the auction process provisions of the Tariff, as approved by FERC, the Transmission Provider awards TSRs to the Transmission Customer as set forth in Attachment 2 hereto subject to the satisfaction of the following conditions:

- 1) No other bids for TSRs or Transmission Service were received by the Transmission Provider within the Public Notice Period pursuant to Schedule 7 of the Tariff, or
- 2) Other bids were received within the Public Notice Period but the Transmission Provider has sufficient transmission capacity to serve all of the transmission requests submitted, or

- 3) Other bids for service were received within the Public Notice Period and a Capacity Auction has been held pursuant to the Tariff and the Transmission Customer is the highest bidder.

Section 3. Transmission Customer's Acceptance

In accordance with the provisions of the Tariff, and Attachment 2, the Transmission Customer agrees to use and pay for, or nonetheless pay for if not used, the awarded TSRs for the term of this Agreement.

Section 4. Monthly Payments

The Transmission Customer shall pay monthly as the charges for Transmission Service an amount equal to the TSR capacity awarded expressed in terms of kW month times the combined rate set forth in Attachment 2 hereto. The Transmission Customer shall pay charges billed pursuant to Schedule 10 of the Tariff.

Section 5. Term

This Agreement shall be effective as of the date first written above, for a term of _____ years.

Section 6. Binding Nature of Agreement

This Agreement shall be binding on the Transmission Customer upon execution of a completed Attachment 1 unless the TSRs awarded are less than those requested in Attachment 1. In the event there are no other bidders for Transmission Service during the Public Notice Period or if the Transmission Provider has sufficient transmission capacity to provide service to all of the requesting Parties, then this Agreement shall be binding on both parties and the Transmission Provider **MUST** fill out and execute an Attachment 2 within five working days after the completion of the Public Notice Period.

If there are competitive bids for Transmission Service received before and during the Public Notice Period that are in total greater than the Available Transmission Capacity as defined in the Tariff, and therefore the Transmission Provider is required to hold a Capacity Auction, then this Agreement shall be binding on the Parties if the Transmission Customer submits the bids that are higher than competitive bids and sufficient Available Transmission Capacity exists such that the Transmission Provider can provide all of the Transmission Service requested by the Transmission Customer. In such event, MATL **MUST** fill out and execute an Attachment 2 within five working days after the completion of the Capacity Auction.

In the event the awarded capacity differs from the requested capacity, then the Transmission Customer will have the option to accept the TSRs awarded to the Transmission Customer by executing a completed Attachment 2 and only thereupon will this Agreement be binding upon both parties.

Section 7. Notices

Notices to the Transmission Provider shall be addressed to:

MATL LLP
Attn: MATL Commercial Department
425-1st Street SW
Calgary, Alberta T2P 3L8
Attention- Manager, Tariff Administration Fax: (713) 821-2229

Notices to the Transmission Customer shall be addressed to:

Section 8. Definitions

Terms not otherwise defined herein shall have the meaning attributed to it pursuant to the Tariff.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement in several counterparts by their duly authorized officers with effect as of the day first above written.

Transmission Provider

By: _____
President

Transmission Customer

By: _____

Title: _____

Attachment 1 to

LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT

No. _____

REQUEST FOR LONG-TERM TRANSMISSION SERVICE

DATED _____

Requesting Company _____
Address: _____

Company Contact: _____
Title: _____

TSR Capacity Requested: _____ MW

Beginning Hour: _____ CST

Beginning Date: _____

Ending Hour: _____ CST

Ending Date: _____

Point of Receipt in to MATL: _____

Point of Delivery out of MATL: _____

Combined Rate: \$_____ kW / Month (the Combined Rate, expressed in U.S. dollars, must be greater than or equal to the Combined Floor Rate)

Escalator: 2.5% annually

Submitted by:

(Transmission Customer Authorized Signature)

Credit Information

Bank Reference _____

Attachment 2 to

LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT

No. _____

AWARD OF TRANSMISSION SERVICE RIGHTS

Dated _____

Transmission Customer _____
Address: _____

Company Contact: _____
Title: _____

TSR Capacity Requested: _____ MW

Beginning Hour: _____ CST

Beginning Date: _____

Ending Hour: _____ CST

Ending Date: _____

Point of Receipt in to MATL: _____

Point of Delivery out of MATL: _____

Combined Rate: \$_____ kW / Month

Escalator: 2.5% annually

Schedule 10 charges: \$_____ kW / Month (to be adjusted from time to time as set forth in the Transmission Provider's Tariff, Schedule 10)

Awarded By:

(MATL Authorized Signature)

If awarded TSRs are less than requested TSRs:

Accepted by: _____

(Transmission Customer Authorized Signature)

ATTACHMENT A-1

**Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Assignee:

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

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

Transmission Provider:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of reassigned capacity: _____

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

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

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

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Schedule 10 Charges: _____

9.0 Name of Reseller of the reassigned transmission capacity:

ATTACHMENT B-1
Form of Short Term TSR Purchase and Service Agreement

SHORT TERM TSR PURCHASE AND SERVICE AGREEMENT

FOR

TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE

MATL LLP

Service Agreement No. _____

This SHORT-TERM TSR PURCHASE AND SERVICE AGREEMENT FOR TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE ("Agreement") is made and entered into this ___ day of _____ 20___, between:

MATL LLP ("Transmission Provider")

and

_____ (**"Transmission Customer"**)

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

The Transmission Provider agrees to provide Transmission Service to the Transmission Customer pursuant to the provisions of its Open Access Transmission Tariff ("Tariff") on file with the Federal Energy Regulatory Commission (the "FERC") if the Transmission Customer has been awarded Transmission Service Rights ("TSRs") pursuant to Section 2 of this Agreement. The Tariff is incorporated into and made a part of this Agreement.

Section 2. Award of Transmission Service Rights

TSRs will be awarded periodically to the Transmission Customer based on the results of the OASIS Short Term capacity sale process, held in conformance with Schedule 7 of the Tariff, as approved by FERC. In order to qualify for inclusion in the OASIS Short Term capacity sale, the Eligible Customer must:

- 1) submit a completed Short Term Service request form, attached hereto as Attachment 1 to this Short Term Purchase and Service Agreement
- 2) meet the creditworthiness criteria as set forth in Section 11 of the Tariff
- 3) be approved by the Transmission Provider as a Transmission Customer for short term service
- 4) provide verification that the customer has obtained all necessary permits enabling its import and/or export of energy between the United States and Canada

- 5) obtain a digital security certificate from the Transmission Provider's OASIS system provider; and
- 6) abide by all the rules of the OASIS system provider.

Section 3. Transmission Customer's Acceptance

In accordance with the provisions of the Tariff, the Transmission Customer agrees to use and pay for, or nonetheless pay for if not used, the awarded TSRs for the term of this Agreement.

Section 4. Monthly Payments

The Transmission Customer shall pay monthly all of the charges for Transmission Service bid on by the Transmission Customer and awarded to the Transmission Customer by the Transmission Provider using the Transmission Provider's OASIS system. The Transmission Customer shall pay charges billed pursuant to Schedule 10 of the Tariff.

Section 5. Term

This Agreement shall be effective as of the date first written above, for a term of _____ years.

Section 6. Binding Nature of The Agreement

This Agreement shall be binding on the Transmission Customer upon execution of a completed Attachment 1 and the execution by both parties.

Section 7. Notices

Notices to the Transmission Provider shall be addressed to:

MATL LLP
ATTN: MATL Commercial Department
425-1st Street SW
Calgary, Alberta T2P 3L8

Attention- Manager, Tariff Administration Fax: (713) 821-2229

Notices to the Transmission Customer shall be addressed to:

Section 8. Definitions

Terms not otherwise defined herein shall have the meaning attributed to it pursuant to the Tariff.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement in several counterparts by their duly authorized officers with effect as of the day first above written.

Transmission Provider

Transmission Customer

By: _____

By: _____

President

Title: _____

Attachment 1 to
SHORT-TERM TSR PURCHASE AND SERVICE AGREEMENT

No. _____

REQUEST FOR SHORT-TERM TRANSMISSION SERVICE

DATED _____

Requesting Company _____
Address: _____

Company Contact: _____

Title: _____

Submitted by:

(Transmission Customer Authorized Signature)

Credit Information

Bank Reference _____

ATTACHMENT B-2

Form of Service Agreement for Non-Firm Point-To-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 The Transmission Customer agrees to pay for any charges billed in accordance with Schedule 10 of the Tariff.
- 7.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Transmission Customer:

- 8.0 The Tariff is incorporated herein and made a part hereof.

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

Transmission Provider:

Transmission Customer:

By: _____

By: _____

Name

Name

Title

Title

Date

Date

FERC rendition of the electronically filed tariff records in Docket No. ER13-01370-000

Filing Data:

CID: C000240

Filing Title: Tariff Revisions

Company Filing Identifier: 1728

Type of Filing Code: 30

Associated Filing Identifier:

Tariff Title: Original Volume No. 0

Tariff ID: 28

Payment Confirmation:

Suspension Motion: Y

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section I, 1 Definitions, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3077

Tariff Record Collation Value: 3000 Tariff Record Parent Identifier: 3076

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

1. Definitions

1.1 Affiliate:

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

1.2 [Reserved]

1.3 Application

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

1.3A Capacity Auction

The process by which the Transmission Provider awards Long Term Transmission Service rights pursuant to Schedule 7.

1.4 Commission

The Federal Energy Regulatory Commission.

1.5 Completed Application

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

1.6 Control Area

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

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

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

1.7 Curtailment

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

1.8 Delivering Party

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

1.9 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.

1.10 Direct Assignment Facilities

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

1.11 Eligible Customer

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

under the Tariff.

1.12 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, including those practices required by Federal Power Act section 215(a)(4).

1.15 Interruption

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

1.16 [Reserved]

1.17 [Reserved]

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

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

1.19 [Reserved]

1.20 [Reserved]

1.21 [Reserved]

1.22 [Reserved]

1.23 [Reserved]

1.24 [Reserved]

1.25 [Reserved]

1.26 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.

1.27 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.

1.27A NWE

NorthWestern Energy, a division of NorthWestern Corporation, a Delaware corporation, providing energy services in the State of Montana, including its successors and assigns.

1.28 Open Access Same-Time Information System (OASIS)

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

1.29 Part I

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

1.30 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.

1.31 [Reserved]

1.32 Parties

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

1.33 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.

1.34 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.

1.35 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.

1.36 Power Purchaser

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

1.37 Receiving Party

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

1.38 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.

1.39 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.

1.40 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.

1.41 Service Commencement Date

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service under the Tariff.

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

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

1.42A System Condition

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

1.43 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.

1.44 [Reserved]

1.45 Transmission Customer

Any Eligible Customer (or its Designated Agent) that (i) has been awarded transmission capacity by the Transmission Provider or purchased transmission capacity directly from another Transmission Customer; and (ii) 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.

1.46 Transmission Provider

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

1.47 Transmission Provider's Monthly Transmission System Peak

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

1.48 Transmission Service

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

1.49 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.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section I, 2 Initial Allocation and Renewal Procedures, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3078

Tariff Record Collation Value: 4000 Tariff Record Parent Identifier: 3076

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

2. Initial Allocation and Renewal Procedures

2.1 [Reserved]

2.2 Reservation Priority for Existing Firm Service Customers

Existing firm service customers with a contract term of five years or more, have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. If at the end of the contract term, the existing Transmission Customer wishes to renew the contract, the customer must provide written notice to the Transmission Provider of the amount of capacity and the contract term that it wishes to purchase

for the renewal period. Upon receipt of such written notice, the Transmission Provider will treat the rollover request as a new request for transmission service and initiate the procedures in Schedule 7. In accordance with Schedule 7, the Transmission Provider will post the request for the duration of the Public Notice Period (a 30-day period). If at the end of the Public Notice Period, no additional requests for long-term service are received, the customer is awarded the requested capacity at the customer's existing rate subject to any escalator. If there are other requests for transmission service and the available ATC is greater than the sum of all transmission service requests received, the transmission service will be awarded to the parties, subject to any minimum bid price, as determined by the Transmission Provider in Schedule 7, which shall be no higher than existing customer's rate subject to the escalator. If there is not adequate ATC to meet all of the requests for service, the Transmission Provider will hold a Capacity Auction in accordance with Schedule 7. In any such auction, the Transmission Provider will provide notice that the result of any such auction will be subject to the existing Transmission Customer's right of first refusal. Pursuant to this Section 2.2, within two (2) business days after the completion of the Capacity Auction, the Transmission Provider will present the existing firm service customer with the auction results showing the highest rate at which the Capacity Auction cleared. The existing Transmission Customer will have two (2) business days to accept the contract term and rate as agreed to by the Eligible Customer, subject to any bid requirement as determined by the Transmission Provider in Schedule 7. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. Service agreements subject to a right of first refusal entered into prior to [the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890] or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one-year requirement on the first rollover date after [the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890]; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as the [date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890].

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section I, 4 Open Access Same-Time Information System OASIS, 1.0.0, A
Record Narrative Name:
Tariff Record ID: 3080

Tariff Record Collation Value: 6000 Tariff Record Parent Identifier: 3076
Proposed Date: 2013-07-01
Priority Order: 500
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

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

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

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

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section I, 7 Billing and Payment, 1.0.0, A
Record Narrative Name:
Tariff Record ID: 3083
Tariff Record Collation Value: 9000 Tariff Record Parent Identifier: 3076
Proposed Date: 2013-07-01
Priority Order: 500
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

7. Billing and Payment

7.1 Billing Procedure

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within

twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances

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

7.3 Customer Default

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

7.4 Currency

All dollar amounts referenced in the Tariff are expressed in U.S. dollars.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section I, 8 Accounting for Transmission Provider s Use of the Tariff, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3084

Tariff Record Collation Value: 10000 Tariff Record Parent Identifier: 3076

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

8. [Reserved]

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section I, 12 Dispute Resolution Procedures, 1.0.0, A
Record Narrative Name:
Tariff Record ID: 3088
Tariff Record Collation Value: 14000 Tariff Record Parent Identifier: 3076
Proposed Date: 2013-07-01
Priority Order: 500
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

12. Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Commission for resolution), and any dispute between the Transmission Provider and a stakeholder involving the Transmission Planning Process pursuant to Attachment K, shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer or stakeholder 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 mediation and resolved in accordance with the mediation procedures set forth below.

12.2 External Mediation Procedures

Any mediation initiated under the Tariff shall be conducted before a single neutral mediator appointed by the Parties. The mediator 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 mediation (except prior mediation or arbitration). The mediator shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the mediation in accordance with the Commercial Mediation Procedures of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules. 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.

12.3 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 mediation or arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.4 Arbitration Decisions

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

12.5 Costs

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

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

12.6 Rights Under The Federal Power Act

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under

relevant provisions of the Federal Power Act.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section II, 13 Nature of Firm Point-To-Point Transmission Service, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3090

Tariff Record Collation Value: 16000 Tariff Record Parent Identifier: 3089

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

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 hour and the maximum term shall be specified in the Service Agreement.

13.2 [Reserved]

13.3 [Reserved]

13.4 Service Agreements

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment B-1) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions 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 Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Schedule 7. Any Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service

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

request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties 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 exceeds its Reserved Capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

13.8 Scheduling of Firm Point-To-Point Transmission Service

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. of the day prior to commencement of such service, or a reasonable time that is generally accepted in the region and is

consistently adhered to by the applicable balancing authority. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification, or a reasonable time that is generally accepted in the region and is consistently adhered to by the applicable balancing authority. 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.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section II, 14 Nature of Non-Firm Point-To-Point Transmission, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3091

Tariff Record Collation Value: 17000 Tariff Record Parent Identifier: 3089

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

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

14.1 Term

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

14.2 Reservation Priority

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to 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 and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 [Reserved]

14.4 Service Agreements

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B-2) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

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

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 7.

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

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. of the day prior to commencement of such

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

14.7 Curtailment or Interruption of Service

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or (4) transmission service for Firm Point-to-Point Transmission Service during conditional curtailments periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. 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.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section II, 15 Service Availability, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3092

Tariff Record Collation Value: 18000 Tariff Record Parent Identifier: 3089

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

15. Service Availability

15.1 General Conditions

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

15.2 Determination of Available Transfer Capability

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

15.3 [Reserved]

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, or Conditional Curtailment

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Schedule 7. The Transmission Provider will conform to Good Utility

Practice and its planning obligations in Attachment K in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service

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

15.6 Other Transmission Service Schedules

Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses

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

Southbound Losses: Estimated as less than 10% at 300 MW
 Northbound Losses: Estimated as 10% at 300 MW

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section II, 17 Procedures for Arranging Firm Point-To-Point, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3094

Tariff Record Collation Value: 20000 Tariff Record Parent Identifier: 3089

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

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

17.1 Application

In order for an Eligible Customer to request Transmission Service, it must first submit a completed Application for Long Term Transmission Service Form (Attachment 1 to the Long Term TSR Purchase and Service Agreement (Attachment A)) or a completed Application for Short Term Transmission Service Form (Attachment 1 to the Short Term TSR Purchase and Service Agreement (Attachment B-1)) to the Transmission Provider. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS.

17.2 Completed Application

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

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

Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

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

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

17.3 Deposit

A long-term Service Agreement shall include a deposit equal to one month's worth of charges. The deposit, with interest, will be returned to the Transmission Customer upon commencement of service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR ? 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest.

17.5 Response to a Completed Application

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

17.6 Execution of Service Agreement

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will

govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 [Reserved]

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section II, 18 Procedures for Arranging Non-Firm Point-To-Point, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3095

Tariff Record Collation Value: 21000 Tariff Record Parent Identifier: 3089

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

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.

18.2 Completed Application

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

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

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

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

The Transmission Provider will treat this information in

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

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

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than after prescheduled checkout, as defined by generally accepted regional practice and the applicable balancing authority. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transfer Capability

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

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section II, 19 Additional Study Procedures For Firm, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3096

Tariff Record Collation Value: 22000 Tariff Record Parent Identifier: 3089

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

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. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement

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

19.3 System Impact Study Procedures

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints identified with specificity by transmission element or flowgate, (2) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (3) additional Direct Assignment Facilities or

Network Upgrades required to provide the requested service. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider 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 and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The

Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications

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

19.6 Due Diligence in Completing New Facilities

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

19.7 Partial Interim Service

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities. 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 [Reserved]

19.9 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by

the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

- (ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.
- (iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.
- (iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.

19.10 Clustering of Studies:

The Transmission Provider may cluster System Impact Studies and Facilities Studies if: (i) Eligible Customers request in writing that the studies in connection with their service requests be clustered, and (ii) the Transmission Provider determines that it can reasonably accommodate such clustering request and that clustering will facilitate the performance of studies and the design of upgrades or additions to the Transmission System necessary to accommodate the Eligible Customers' requests for service.

If studies are clustered: (i) for purposes of deadlines for

performance of studies and responses to the Eligible Customers, all of the service requests for which the studies are clustered shall be deemed to have been submitted when the last of such requests has been submitted; and (ii) if any of the service requests for which studies are clustered is deemed terminated or withdrawn or is no longer complete, then all such service requests shall be deemed terminated or withdrawn or no longer complete.

System Impact Studies that are clustered shall be treated as a single System Impact Study for all purposes, and shall be performed pursuant to a single System Impact Study Agreement entered into among the Transmission Provider and the Eligible Customers that have submitted service requests that have been clustered. Unless otherwise agreed in such agreement, the cost for the completion of the System Impact Study shall be allocated among the Eligible Customers in equal shares. Facilities Studies that are clustered shall be treated as a single Facilities Study for all purposes, and shall be performed pursuant to a single Facilities Study Agreement entered into among the Transmission Provider and the Eligible Customers that have submitted service requests that have been clustered. Unless otherwise agreed in such agreement, the cost for the completion of the Facilities Study shall be allocated among the Eligible Customers in equal shares.

An Eligible Customer can opt out of a cluster only during the period of time after the completion of the applicable System Impact Study and before the applicable Facilities Study. In the event that an Eligible Customer opts out of a cluster, the costs of the System Impact Study shall be allocated pro rata among the original Eligible Customers in the cluster, and the costs associated with the Facilities Study will be allocated pro rata among the remaining Eligible Customers. The Eligible Customer that opted out of the cluster can elect to enter the study queue by requesting a new individual study or as part of a new cluster.

Unless otherwise agreed, the Transmission Provider shall not be required to undertake any Transmission System upgrades or additions identified by a clustered Facilities Study unless all of the Eligible Customers for which the studies have been clustered execute Service Agreements, under which they are obligated to pay the costs of such upgrades or additions, and provide the required security.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section II, 23 Sale or Assignment of Transmission Service, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3100

Tariff Record Collation Value: 26000 Tariff Record Parent Identifier: 3089

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

23. Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service

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

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

23.2 Limitations on Assignment or Transfer of Service

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement in the form of Attachment A-1.

23.3 Information on Assignment or Transfer of Service

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

23.4 Additional Procedures

- (a) A Reseller may resell its transmission capacity outside of the OASIS but if the Reseller does not utilize the OASIS then it must provide the following information to the Transmission Provider within two business days of the sale: (i) identity of purchaser; (ii) date of sale; (iii) price; (iv) term of sale; and (v) amount of transmission capacity sold. Transmission Provider will post such sales on its OASIS.

- (b) If a Transmission Customer chooses to use the Transmission Provider's OASIS to resell, assign or transfer its transmission capacity, the Transmission Customer's sale, assignment, or transfer of all or a portion of its transmission capacity shall be subject to a two and one-half percent (2.5%) marketing fee. The marketing fee shall be calculated using the full value of the transaction.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section II, 25 Compensation for Transmission Service, 1.0.0, A
Record Narrative Name:
Tariff Record ID: 3102
Tariff Record Collation Value: 28000 Tariff Record Parent Identifier: 3089
Proposed Date: 2013-07-01
Priority Order: 500
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

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: Long-Term Firm and Short-Term Firm and Non-Firm Point-To-Point Transmission Service (Schedule 7).

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section II, 26 Transmission Provider Scheduling System Control, 1.0.0, A
Record Narrative Name:
Tariff Record ID: 3103
Tariff Record Collation Value: 29000 Tariff Record Parent Identifier: 3089
Proposed Date: 2013-07-01
Priority Order: 500
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

26. Transmission Provider Scheduling Operations Control Center Service and Energy Transaction Service and Reliability Requirements for Intermittent and Non-Intermittent Resources

Rates for Transmission Provider Scheduling Operations Control Center Service and Energy Transaction Service are provided in Schedule 10. The Transmission Customer is required to purchase Schedule 10 from the Transmission Provider. Reliability Requirements for intermittent and non-intermittent resources connected to the Transmission Provider's Transmission System are self-supplied as provided in Schedule 11.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section II, 27 Compensation for New Facilities and Redispatch, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3104

Tariff Record Collation Value: 30000 Tariff Record Parent Identifier: 3089

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

27. Compensation for New Facilities

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs to the extent consistent with Commission policy.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Schedule 7, Firm Point to Point Transmission Service, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3111

Tariff Record Collation Value: 37000 Tariff Record Parent Identifier: 3074

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

SCHEDULE 7

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

1. Charges for Transmission Service.

There are no charges for transmission service rights ("TSRs") and corresponding Transmission Service other than those charges set out in a TSR Purchase and Service Agreement. Subject to Section 7 of the Tariff, the Transmission Customer shall be and remain liable to pay to the Transmission Provider all charges set out in a TSR Purchase and Service Agreement, regardless of whether all or any portion of the applicable TSRs are forfeited or assigned or sold pursuant to Section 23 of the Tariff. Payment to

interconnected systems and other transmission providers for transmission services, scheduling services, Ancillary Services and all other services will be pursuant to the provisions of their respective tariffs and shall be the sole responsibility of the Transmission Customer.

2. Additional Charges.

The Transmission Provider shall have the right to unilaterally make application under Section 205 of the FPA to the Commission to increase each Transmission Customer's Charges in an amount per unit so that the aggregate amount recovered from all Transmission Customers is equal to the increase in expenses that arise as the result of changes in law, increases in taxes, or increases in fees imposed or charged by taxing authorities, interconnected systems, and government and municipal agencies.

3. Open Seasons and Capacity Auctions for TSRs.

3.1 Initial Open Season and Capacity Auctions for TSRs

3.1.1 Overview: TSRs shall be awarded by the Transmission Provider to Eligible Customers with Completed Applications and by means of TSR Purchase and Service Agreements through the Initial Open Season or Capacity Auctions conducted through the OASIS. The FERC has determined that the Initial Open Season was an open, non-discriminatory bidding process. *Montana Alberta Tie Ltd.*, 112 FERC ¶ 61,018 (2005).

3.1.2 Posting of Results of Initial Long-Term Open Season and Capacity Auctions: The following information regarding each winning bidder will be posted on the Transmission Provider's website or OASIS: (1) the name of the winning bidder; (2) the quantity of TSRs awarded, identified by Point of Receipt and Point of Delivery; (3) the expiration date of the TSRs awarded; and (4) the name, address, phone number and e-mail address of a contact person for the winning bidder for purposes of taking inquiries regarding trades of the TSRs in the Secondary Market.

3.1.3 Subsequent Long-Term Capacity Auctions: All Long-Term Capacity Auctions occurring following the Initial Long-Term Open Season will be administered through the OASIS.

3.1.4 Notice: Notice of all Long-Term Capacity Auctions will be posted on the OASIS, except notice of the Initial Long-Term Open Season. The Transmission Provider will determine the contents of the notices for all Capacity Auctions. Subsequent Long-Term

Capacity Auctions will be conducted periodically upon receipt of a request or requests for long-term capacity from an Eligible Customer pursuant to Section 23.3. Upon receipt of a request for long-term capacity by an Eligible Customer, the Transmission Provider will post such request on its OASIS site for a period of thirty (30) calendar days ("Public Notice Period"). In addition, the Transmission Provider will announce the request by publication in widely circulated newspapers. If no additional requests for Long-Term Transmission Service are received during the Public Notice Period, then the capacity will be awarded to the original requesting party. If additional requests for Long-Term Transmission Service are received and ATC is greater than the sum of all Long-Term Transmission Service requests received during the Public Notice period, then ATC will be awarded to the parties requesting the service before and during the Public Notice Period. If additional requests for Long-Term Transmission Service are received and ATC is less than all of the Long-Term Transmission Service requests received before and during the Public Notice Period, then a Capacity Auction shall be held. The Capacity Auction period must be declared by the Transmission Provider within five business days of the close of the Public Notice Period. During the Capacity Auction period, all of the requesting parties shall be given the opportunity to submit competing bids for the Long-Term Transmission Service ATC via the OASIS site. Bids must be submitted to the OASIS site no later than 4:00 P.M. Mountain Standard or Mountain Daylight time (depending on the time of the year) fourteen calendar days immediately following the declaration of the Capacity Auction period. The OASIS system will clear the Capacity Auction by awarding Long-Term Transmission Service ATC to Eligible Customers submitting the bids having the highest Gross Revenue Present Value until the Long-Term Transmission Service ATC is equal to zero. The results of the Long-Term Capacity Auction shall be posted on the OASIS site within five (5) business days following the close of the Capacity Auction. Long-Term Transmission Service ATC for any calendar year shall not be available less than one-hundred and twenty (120) days prior to the commencement of the calendar year.

3.1.5 Sale of Available Short-Term Firm and Non-Firm TSRs:

3.1.5.1 The Transmission Provider shall post on its OASIS the amount of Short-Term Firm and Non-Firm Point-to-Point Transmission Service ATC that it projects will be available. Short-Term Firm and Non-Firm Point-to-Point Transmission Service ATC is Total Transmission Capacity minus the capacity committed and sold via the initial open season and in subsequent long-term firm capacity auctions and sales of Short-Term Firm and Non-Firm Point-to-Point Transmission Service ATC. The Transmission Provider shall post the rates for Short-Term Firm and Non-Firm Point-to-Point Transmission Service, and the Transmission Customer shall compensate the Transmission Provider the posted rates for the applicable transmission products. The Transmission Provider shall offer the following Short-Term Firm and Non-Firm Point-to-Point Transmission products: Monthly, Weekly, Daily, and Hourly.

3.1.5.2 Eligible Customers may request Short-Term Firm and Non-Firm Point-to-Point Transmission Service through OASIS. The Transmission Provider will grant service on a first-come first-served basis with respect to requests for service of the same priority and duration. However, when evaluating requests with different priority or duration, the Transmission Provider will grant service first on the basis of priority and second on the basis of duration.

3.1.6 Submissions of Bids to Purchase TSRs: Bids to purchase Long-Term TSRs shall be submitted by completing a Request for Long-Term Transmission Service Form, except for bids in response to the initial Long-Term Open Seasons conducted prior to the commencement of commercial operations of the Montana Alberta Tie Line. Bids to purchase Short-Term TSRs shall be submitted through the OASIS. Each bid shall include all of the information as specified on the OASIS.

3.1.7 Minimum Bids: Bids to purchase TSRs shall be subject to minimum bid requirements, which the Transmission Provider shall publish on its OASIS. The minimum bid requirements may change from time to time based on

Transmission Provider's sole discretion; provided, however, that for Long-Term Firm Point-to-Point Service in the northbound direction, the minimum bid requirements shall not be lower than the rates that resulted from the Initial Open Season Process conducted by the Transmission Provider, which was approved by the FERC in *Montana Alberta Tie Ltd.*, 112 FERC ¶ 61,018 (2005), for TSRs with a term equal to or longer than the term of the TSRs that were executed in connection with such initial Open Season Process during the term that such TSRs are in effect. For Short-Term Firm and Non-Firm TSRs, the Transmission Provider shall post on OASIS the rates for Transmission Service of varying terms and durations.

3.2 Open Seasons and Capacity Auctions for Expansion Capacity

3.2.1 Expansion Capacity shall mean any transmission capacity added or to be added to the Montana Alberta Tie Line after initial construction.

3.2.2 The Transmission Provider shall not sell any Expansion Capacity without first obtaining approval for such sales from the Commission. The Transmission Provider shall have the right to unilaterally make application under Section 205 of the FPA to the Commission seeking approval for such sales.

3.3 Unauthorized Use of Transmission Service

In the event that a Transmission Customer has not secured Reserved Capacity or exceeds its firm or non-firm Reserved Capacity at any Point of Receipt or any Point of Delivery, except as otherwise specified in Section 22 of the Tariff, the following will apply:

3.3.1 Unreserved Use. A Transmission Customer that uses transmission service that it has not reserved or uses transmission service in excess of its reserved capacity ("Unreserved Use") in accordance with this Tariff is subject to penalty charges set forth below.

3.3.2 Penalty Charge - Unreserved Use. The penalty charge for a Transmission Customer that engages in Unreserved Use will apply to the unreserved portion of service as follows:

- (i) where the Unreserved Use is for a duration of a single hour or less - 200% of the daily firm point-to-point charge, which for Long-Term Point-to-Point Transmission Service shall be derived from the rate(s) set forth in the Transmission Customer's TSR Purchase and Service Agreement and Non-Firm Service, shall be derived from the applicable rates set forth

the Transmission Customer's confirmation for the transaction;

- (ii) where the Unreserved Use is in excess of an hourly non-firm reservation - and is a single occurrence within a given day - 200% of the hourly non-firm point-to-point charge will be assessed;
- (iii) where the Unreserved Use is in excess of an hourly firm reservation and is a single occurrence within a given day or occurs on multiple occasions for more than one hour over the course of a given day - 200% of the daily firm point-to-point charge will be assessed against the hour with the highest level of unreserved use;
- (iv) where the Unreserved Use occurs on multiple occasions for any given duration (e.g., violations occur multiple times for more than an hour over the course of a day and is repeated over more than one day within a given week) - 200% of the applicable firm point-to-point charge for the next longest duration will be assessed against the hour with the highest level of unreserved use (e.g., if an assessment is for violations over multiple days in a given week, the penalty will be 200% of the weekly firm point-to-point delivery charge; if an assessment is for violations over multiple weeks in a given month, the penalty will be 200% of the monthly firm point-to-point charge).

(v) Penalties for multiple instances of unreserved use are not additive in nature (i.e., each violation can only be assessed a single penalty under a single timeframe)

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Schedule 8, Non-Firm Point to Point Transmission Service, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3112

Tariff Record Collation Value: 38000 Tariff Record Parent Identifier: 3074

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

SCHEDULE 8

[Reserved]

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Schedule 10, TP Scheduling, System Control and Dispatch Service, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3114

Tariff Record Collation Value: 40000 Tariff Record Parent Identifier: 3074

Proposed Date: 2013-07-01

Priority Order: 500
 Record Change Type: CHANGE
 Record Content Type: 1
 Associated Filing Identifier:

SCHEDULE 10

**Transmission Provider System Operations Control Center Service
 And
 Energy Transaction Service**

This service is required for all transmission service reservations arranged to schedule the movement of power through, out of, within, or into the Transmission Provider's Transmission System in accordance with the Tariff and the requirements and guidelines of the North American Electric Reliability Corporation ("NERC"), the applicable reliability council, and the Balancing Authorities of the Transmission Provider's Transmission System. This service shall be provided by the Transmission Provider, and the Transmission Customer must purchase this service from the Transmission Provider. The charges under this Schedule 10 are to be based on an annual formula rate calculation that determines the Transmission Provider's costs for providing System Operations Control Center Services and Energy Transaction Services.

Service under this Schedule 10 shall be at the rates derived below.

I. Cost Components:

The cost components shall be forecasted for Year 1. The cost components for Year 1 shall be true-up following the end of Year 1 with any adjustment for revenues from Year 1 to be applied to the Year 2 cost components. Year 2 (and following years) cost components will be based on prior year actual costs adjusted for (1) any revenues associated with short term and non-firm transmission service reservations provided in the prior year, (2) any cost changes due to take effect during the billing year under signed agreement(s) and (3) further adjusted for prior-year true-up adjustments. The annual adjustments shall be calculated by no later than March 31 of the current calendar year and the adjusted Schedule 10 rate shall be in effect for the April billing invoice and for invoices for the remaining calendar months of the current year and for January through March of the following year.

C_1 = the total annual fees defined in Exhibit B of the System Operations Control Center Services Agreement(s) between MATL LLP and NorthWestern Corporation for control center services for the Montana portion of the MATL system or any successor agreement;

C_2 = the total annual fees defined in Schedule B of the Services Agreement(s) between MATL Ltd. and AltaLink L.P. for control center services for the Alberta portion of the MATL system or any successor agreement;

C_3 = The total annual costs under MATL's service contract(s)

with Open Access Technology Inc. (OATI) for OASIS and transmission transaction systems and support required to implement the provisions of MATL's OATT, plus the total annual costs under MATL's Energy Transaction Service Coordinator Service Agreement(s) with TranServ International, Inc. for providing independent tariff administration services of MATL's OATT or with similar entities providing comparable services; and

C_4 = The difference in the amount recovered under Schedule 10 for the prior billing year and the amount MATL paid for components C_1 , C_2 , and C_3 during the prior year.

Where:

$$C_T = C_1 + C_2 + C_3 - C_4$$

C_T is the total cost components for Schedule 10.

II. Long-Term Transmission Service Reservations

The charges under this Schedule 10 shall be determined for each billing year by dividing the total cost components for Schedule 10 (C_T) by the total amount of Long-Term transmission service in effect for the current calendar year. If a multiple year transmission service is not in effect for the full calendar year of the applicable annual rate calculation, it will be treated as short-term transmission service for that billing year and the adjustment to the total Long Term Transmission service referenced herein will occur the following calendar year.

III. Rate Structure:

The Schedule 10 rate shall be updated on an annual basis and shall be in effect from April 1 of the current year through March 31 of the following year; provided, however, that for the first year that the Transmission Provider provides service under the Tariff, the Schedule 10 rate shall be in effect from January 2013 (or such other month when services begins) through March 2014. The formula above provides for a Yearly Rate in \$/KW-year. The Monthly Rate (\$/KW-mo.) will then be calculated by dividing the Yearly Rate by 12; the Weekly Rate (\$/KW-week) will be calculated by dividing the Yearly Rate by 52; the Daily Rate (\$/KW-day) will be calculated by dividing the Yearly Rate by 365, and the Hourly Rate (\$/KW-hour) will be calculated by dividing the Yearly Rate divided by 8760. The rates shall be posted on the Transmission Provider's OASIS.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Schedule 11, Reliability Requirements, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 3115

Tariff Record Collation Value: 41000 Tariff Record Parent Identifier: 3074

Proposed Date: 2013-07-01

Priority Order: 500

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

SCHEDULE 11

**Reliability Requirements for Intermittent and Non-Intermittent
Resources Connected to
the Transmission Provider's Transmission System**

This Schedule applies to intermittent resources connected to the Transmission Provider's Transmission System, and to non-intermittent resources connected to Transmission Provider's Transmission System, which also serve load in Alberta, Canada. Pursuant to the LGIA, such resources shall:

- 1) Self supply regulation and frequency response for scheduled deliveries on the Transmission Provider's Transmission System. Subject to the approval of the Control Area operator for Transmission Provider's Transmission System, and in accordance with the requirements and guidelines of such Control Area operator, NERC and the applicable reliability council, the resource may meet this requirement by (i) providing sufficient regulating capacity and energy to such Control Area operator, or (ii) dynamically scheduling the resource into the receiving Control Area at Great Falls, Montana.
- 2) Self supply generator imbalance to make up the difference between the scheduled output and delivery on Transmission Provider's Transmission System over a single hour. Subject to the approval of the Control Area operator for the Transmission Provider's Transmission System, and in accordance with the requirements and guidelines of such Control Area operator, NERC and the applicable reliability council, the resource may meet this requirement by (i) providing sufficient capacity and energy to such Control Area operator at Great Falls, Montana, or (ii) dynamically scheduling the resource into the receiving Control Area at Great Falls, Montana.

An intermittent resource, for the limited purpose of this Schedule, is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
ATTACHMENT A, Long-Term TSR Purchase and Service Agreement, 1.0.0, A
Record Narrative Name:
Tariff Record ID: 3116

Tariff Record Collation Value: 42000 Tariff Record Parent Identifier: 3074
Proposed Date: 2013-07-01
Priority Order: 500
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT A

Form of Long Term TSR Purchase and Service Agreement

LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT

FOR

TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE

MATL LLP

Service Agreement No. _____

This LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT FOR TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE ("Agreement") is made and entered into this ___ day of _____ 20___, between:

MATL LLP ("Transmission Provider")

and

_____ ("**Transmission Customer**")

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

The Transmission Provider agrees to provide Transmission Service to the Transmission Customer pursuant to the provisions of MATL's Electric Transmission Tariff ("Tariff") on file with the Federal Energy Regulatory Commission (the "FERC") if the Transmission Customer has been awarded Transmission Service Rights ("TSRs") pursuant to Section 2 of this Agreement. The Transmission Provider's obligation to provide Transmission Service shall be contingent upon construction and successful commissioning of the Montana Alberta Tie Line and approval, without material modification, of the Tariff by FERC. The Tariff is incorporated into and made a part of this Agreement.

Section 2. Award of Transmission Service Rights ("TSRs")

Pursuant to the completed and executed Request For Long-Term Transmission Service form dated _____, 20_____ (Attachment 1) and the results of OASIS Auction process, if applicable, held in conformance with the auction process provisions of the Tariff, as approved by FERC, the Transmission Provider awards TSRs to the Transmission Customer as set forth in Attachment 2 hereto subject to the satisfaction of the following conditions:

- 1) No other bids for TSRs or Transmission Service were received by

the Transmission Provider within the Public Notice Period pursuant to Schedule 7 of the Tariff, or

- 2) Other bids were received within the Public Notice Period but the Transmission Provider has sufficient transmission capacity to serve all of the transmission requests submitted, or
- 3) Other bids for service were received within the Public Notice Period and a Capacity Auction has been held pursuant to the Tariff and the Transmission Customer is the highest bidder.

Section 3. Transmission Customer's Acceptance

In accordance with the provisions of the Tariff, and Attachment 2, the Transmission Customer agrees to use and pay for, or nonetheless pay for if not used, the awarded TSRs for the term of this Agreement.

Section 4. Monthly Payments

The Transmission Customer shall pay monthly as the charges for Transmission Service an amount equal to the TSR capacity awarded expressed in terms of kW month times the combined rate set forth in Attachment 2 hereto. The Transmission Customer shall pay charges billed pursuant to Schedule 10 of the Tariff.

Section 5. Term

This Agreement shall be effective as of the date first written above, for a term of _____years.

Section 6. Binding Nature of Agreement

This Agreement shall be binding on the Transmission Customer upon execution of a completed Attachment 1 unless the TSRs awarded are less than those requested in Attachment 1. In the event there are no other bidders for Transmission Service during the Public Notice Period or if the Transmission Provider has sufficient transmission capacity to provide service to all of the requesting Parties, then this Agreement shall be binding on both parties and the Transmission Provider **MUST** fill out and execute an Attachment 2 within five working days after the completion of the Public Notice Period.

If there are competitive bids for Transmission Service received before and during the Public Notice Period that are in total greater than the Available Transmission Capacity as defined in the Tariff, and therefore the Transmission Provider is required to hold a Capacity Auction, then this Agreement shall be binding on the Parties if the Transmission Customer submits the bids that are higher than competitive bids and sufficient Available Transmission Capacity exists such that the Transmission Provider can provide all of the Transmission Service requested by the Transmission Customer. In such event, MATL **MUST** fill out and execute an Attachment 2 within five working days after the completion of the Capacity Auction.

In the event the awarded capacity differs from the requested capacity, then the Transmission Customer will have the option to accept the TSRs awarded to the Transmission Customer by executing a completed Attachment 2 and only thereupon will this Agreement be binding upon

both parties.

Section 7. Notices

Notices to the Transmission Provider shall be addressed to:

MATL LLP
Attn: MATL Commercial Department
425-1st Street SW
Calgary, Alberta T2P 3L8
Attention- Manager, Tariff Administration Fax: (713) 821-2229

Notices to the Transmission Customer shall be addressed to:

Section 8. Definitions

Terms not otherwise defined herein shall have the meaning attributed to it pursuant to the Tariff.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement in several counterparts by their duly authorized officers with effect as of the day first above written.

Transmission Provider

By: _____
President

Transmission Customer

By: _____

Title: _____

Attachment 1 to

LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT

No. _____

REQUEST FOR LONG-TERM TRANSMISSION SERVICE

DATED _____

Requesting Company _____
Address: _____

Company Contact: _____
Title: _____

TSR Capacity Requested: _____ MW

Beginning Hour: _____ CST

Beginning Date: _____

Ending Hour: _____ CST

Ending Date: _____

Point of Receipt in to MATL: _____

Point of Delivery out of MATL: _____

Combined Rate: \$_____ kW / Month (the Combined Rate,
expressed in U.S. dollars, must be greater than
or equal to the Combined Floor Rate)

Escalator: 2.5% annually

Submitted by:

(Transmission Customer Authorized Signature)

Credit Information

Bank Reference _____

Attachment 2 to

LONG-TERM TSR PURCHASE AND SERVICE AGREEMENT

No. _____

AWARD OF TRANSMISSION SERVICE RIGHTS

Dated _____

Transmission Customer _____
Address: _____

Company Contact: _____
Title: _____

TSR Capacity Requested: _____ MW

Beginning Hour: _____ CST

Beginning Date: _____

Ending Hour: _____ CST

Ending Date: _____
Point of Receipt in to MATL: _____
Point of Delivery out of MATL: _____
Combined Rate: \$_____ kW / Month
Escalator: 2.5% annually
Schedule 10 charges: \$_____ kW / Month (to be adjusted from time to time as set forth in the Transmission Provider's Tariff, Schedule 10)

Awarded By:

(MATL Authorized Signature)
If awarded TSRs are less than requested TSRs:

Accepted by: _____
(Transmission Customer Authorized Signature)

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
ATTACHMENT A-1, Resale, Reassignment Or Transfer, 1.0.0, A
Record Narrative Name:
Tariff Record ID: 3117
Tariff Record Collation Value: 43000 Tariff Record Parent Identifier: 3074
Proposed Date: 2013-07-01
Priority Order: 500
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT A-1

**Form Of Service Agreement For
The Resale, Reassignment Or Transfer Of
Point-To-Point Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of

this Tariff.

- 4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Assignee:

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

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

Transmission Provider:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of reassigned capacity: _____

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

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

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

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Schedule 10 Charges: _____

9.0 Name of Reseller of the reassigned transmission capacity:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
ATTACHMENT B-1, Short Term TSR Purchase and Service Agreement, 1.0.0, A
Record Narrative Name:
Tariff Record ID: 3118
Tariff Record Collation Value: 44000 Tariff Record Parent Identifier: 3074
Proposed Date: 2013-07-01
Priority Order: 500
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT B-1
Form of Short Term TSR Purchase and Service Agreement

SHORT TERM TSR PURCHASE AND SERVICE AGREEMENT

FOR

TRANSMISSION OF ELECTRICITY ON THE MONTANA ALBERTA TIE LINE

MATL LLP

Service Agreement No. _____

This SHORT-TERM TSR PURCHASE AND SERVICE AGREEMENT FOR TRANSMISSION OF

ELECTRICITY ON THE MONTANA ALBERTA TIE LINE ("Agreement") is made and entered into this ___ day of _____ 20__, between:

MATL LLP ("Transmission Provider")

and

_____ ("**Transmission Customer**")

Witnesseth: That in consideration of the mutual covenants contained herein the parties agree as follows:

Section 1. Service to be Rendered

The Transmission Provider agrees to provide Transmission Service to the Transmission Customer pursuant to the provisions of its Open Access Transmission Tariff ("Tariff") on file with the Federal Energy Regulatory Commission (the "FERC") if the Transmission Customer has been awarded Transmission Service Rights ("TSRs") pursuant to Section 2 of this Agreement. The Tariff is incorporated into and made a part of this Agreement.

Section 2. Award of Transmission Service Rights

TSRs will be awarded periodically to the Transmission Customer based on the results of the OASIS Short Term capacity sale process, held in conformance with Schedule 7 of the Tariff, as approved by FERC. In order to qualify for inclusion in the OASIS Short Term capacity sale, the Eligible Customer must:

- 1) submit a completed Short Term Service request form, attached hereto as Attachment 1 to this Short Term Purchase and Service Agreement
- 2) meet the creditworthiness criteria as set forth in Section 11 of the Tariff
- 3) be approved by the Transmission Provider as a Transmission Customer for short term service
- 4) provide verification that the customer has obtained all necessary permits enabling its import and/or export of energy between the United States and Canada
- 5) obtain a digital security certificate from the Transmission Provider's OASIS system provider; and
- 6) abide by all the rules of the OASIS system provider.

Section 3. Transmission Customer's Acceptance

In accordance with the provisions of the Tariff, the Transmission Customer agrees to use and pay for, or nonetheless pay for if not used, the awarded TSRs for the term of this Agreement.

Section 4. Monthly Payments

The Transmission Customer shall pay monthly all of the charges for Transmission Service bid on by the Transmission Customer and awarded to the Transmission Customer by the Transmission Provider using the Transmission Provider's OASIS system. The Transmission Customer shall pay charges billed pursuant to Schedule 10 of the Tariff.

Section 5. Term

This Agreement shall be effective as of the date first written above, for a term of _____years.

Section 6. Binding Nature of The Agreement

This Agreement shall be binding on the Transmission Customer upon execution of a completed Attachment 1 and the execution by both parties.

Section 7. Notices

Notices to the Transmission Provider shall be addressed to:

MATL LLP
ATTN: MATL Commercial Department
425-1st Street SW
Calgary, Alberta T2P 3L8

Attention- Manager, Tariff Administration Fax: (713) 821-2229

Notices to the Transmission Customer shall be addressed to:

Section 8. Definitions

Terms not otherwise defined herein shall have the meaning attributed to it pursuant to the Tariff.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement in several counterparts by their duly authorized officers with effect as of the day first above written.

Transmission Provider

Transmission Customer

By: _____

By: _____

President

Title: _____

Attachment 1 to
SHORT-TERM TSR PURCHASE AND SERVICE AGREEMENT

No. _____

REQUEST FOR SHORT-TERM TRANSMISSION SERVICE

DATED _____

Requesting Company _____
Address: _____

Company Contact: _____

Title: _____

Submitted by:

(Transmission Customer Authorized Signature)

Credit Information

Bank Reference _____

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
ATTACHMENT B-2, Service Agreement for Non-Firm Point-To-Point, 1.0.0, A
Record Narrative Name:
Tariff Record ID: 3119
Tariff Record Collation Value: 45000 Tariff Record Parent Identifier: 3074
Proposed Date: 2013-07-01
Priority Order: 500
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

ATTACHMENT B-2

Form of Service Agreement for Non-Firm Point-To-Point Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (Transmission

Provider), and _____
(Transmission Customer).

- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 The Transmission Customer agrees to pay for any charges billed in accordance with Schedule 10 of the Tariff.
- 7.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Transmission Customer:

- 8.0 The Tariff is incorporated herein and made a part hereof.

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

Transmission Provider:

Transmission Customer:

By: _____

By: _____

Name

Name

Title

Title

Date

Date

Document Content(s)

04302013 Transmittal Letter for MATL OATT Changes DOC.PDF.....1-21

MATL Revision Filing 4-2013 With RedLines.PDF.....22-85

MATL Revision Filing 4-2013 Clean.PDF.....86-144

FERC GENERATED TARIFF FILING.RTF.....145-198