

**MANITOBA HYDRO**

**OPEN ACCESS TRANSMISSION TARIFF**

Version 39

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## **I. COMMON SERVICE PROVISIONS**

### **1. DEFINITIONS**

- 1.1 Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.
- 1.2 Annual Transmission Revenue Requirement:** The net annual cost of the Transmission System for purposes of Network Integration Transmission Service as specified in Attachment O.
- 1.3 Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.4 ATC Path:** Any posted path from a receipt point to a delivery point on the Transmission System for which available transfer capability is calculated.
- 1.5 Board:** The Manitoba Hydro-Electric Board.
- 1.6 Commission or FERC:** The U.S. Federal Energy Regulatory Commission.
- 1.7 Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- 1.8 Contractor:** MISO.
- 1.9 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:

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

**1.10 Coordinating Owner(s) :** An entity that owns transmission facilities and has entered into an agreement with the Contractor to coordinate transmission operations and transmission pricing.

**1.11 Coordination Agreement:** The Coordination Agreement between Manitoba Hydro and the Midcontinent Independent System Operator, Inc. dated September 27, 2001 as amended from time to time and on file with the U.S. Federal Energy Regulatory Commission.

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

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

- 1.14 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.
- 1.15 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 Lieutenant Governor in Council or National Energy Board approval if required.
- 1.16 Eligible Customer:** (i) Any electric utility (including the Transmission Provider and any power marketer or U.S. 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 Canada, the United States or Mexico. However, an entity is not eligible for transmission service if such service would be prohibited by Section 212(h)(2) of the U.S. Federal Power Act; and (ii) Any retail customer taking unbundled transmission service pursuant to a statutory or regulatory 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.
- 1.17 Existing Firm Service Customer:** An Eligible Customer that has an executed Firm Service Contract.
- 1.18 Facilities Construction Agreement:** An agreement entered into between the Transmission Customer and Transmission Provider, in the form of Attachment E, in order to construct Direct Assignment Facilities and/or Network Upgrades that

are necessary for the provision of Point-to-Point or Network Integration Transmission Service.

- 1.19 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 estimated time required to complete construction of such modifications, that will be required to provide the requested transmission service.
- 1.20 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.
- 1.21 Firm Service Contract :** (i) a Service Agreement for Long-Term Firm Point-to-Point Transmission Service or Network Integration Transmission Service; or (ii) a contract for the sale of bundled firm energy from the Transmission Provider executed prior to January 28, 1997; or (iii) a contract for wheeling service from the Transmission Provider executed prior to January 28, 1997.
- 1.22 Firm Transmission Service:** Firm Point-to-Point Transmission Service or Network Integration Transmission Service.
- 1.23 Force Majeure:** Shall be defined as specified in Section 10.1 of this Tariff.
- 1.24 Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at

a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

- 1.25 Group Facilities Study:** A Facilities Study conducted by the Transmission Provider for two or more Transmission Service Requests pursuant to Section 19.3.
- 1.26 Group Study:** A Group Facilities Study or a Group System Impact Study conducted pursuant to Section 19.3.
- 1.27 Group System Impact Study:** A System Impact Study conducted by the Transmission Provider for two or more Transmission Service Requests.
- 1.28 Interruption:** A reduction in Non-Firm Point-to-Point Transmission Service due to economic reasons pursuant to Section 14.7.
- 1.29 ISO Agreement:** The Agreement of Transmission Facilities Owners to organize The Midcontinent Independent System Operator Inc., a Delaware Non-Stock Corporation, as amended from time to time.
- 1.30 Inoperable Capacity:** The amount of the output of a generating resource which is not available due to: (i) a scheduled outage approved by the Transmission Provider; (ii) legal or regulatory restrictions, including, without limitation, environmental restrictions; (iii) modifications or repairs to generating resource; (iv) reduction in output due to hydro conditions; or (v) generating resource is in a mothballed state.



- 1.31 Load Ratio Share:** Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.
- 1.32 Load Shedding:** The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area generation or transmission capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.
- 1.33 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 (1) year or more.
- 1.34 Manitoba Hydro Zone:** The area encompassing the Transmission Provider's transmission facilities over which Transmission Service is provided and any generating resources or load connected directly thereto.
- 1.35 Meeting:** Shall mean a meeting of two or more parties which may take place in person, by telephone, electronic or other communication means that allows all participants to communicate adequately with each other.
- 1.36 MISO:** Midcontinent Independent System Operator, Inc.
- 1.37 MISO Tariff:** The MISO Open Access Transmission, Energy and Operating Reserve Markets Tariff.
- 1.38 MISO Tariff Zone:** The combination of all rate zones included within the MISO Tariff.

- 1.39 Native Load Customers:** The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.
- 1.40 Network Customer:** An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.
- 1.41 Network Integration Transmission Service:** The transmission service provided under Part III of the Tariff.
- 1.42 Network Load:** The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-to-Point Transmission Service that may be necessary for such non-designated load.
- 1.43 Network Operating Agreement:** An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of

the Tariff.

- 1.44 Network Operating Committee:** A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.
- 1.45 Network Resource:** Any designated generating resource or dedicated transmission equipment owned, purchased or leased by a Network Customer, and used to serve the load-serving entity's load on a firm basis, under Part III of this Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties (other than the load-serving entity on whose behalf the Network Customer is acting) pursuant to a power purchase agreement with a term of one (1) year or more or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program, subject to any restrictions under Part III of this Tariff.
- 1.46 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.
- 1.47 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 (1) hour to one month.

- 1.48 Non-Firm Sale:** An energy sale for which receipt or delivery may be interrupted for any reason or no reason without liability on the part of either the buyer or seller.
- 1.49 Open Access Same-Time Information System (OASIS):** The information system and standards of conduct contained in Part 37 of the U.S. Federal Energy Regulatory Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.50 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.
- 1.51 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.
- 1.52 Part III:** Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.53 Parties:** The Transmission Provider and the Eligible Customer or Transmission Customer.
- 1.54 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.

- 1.55 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.
- 1.56 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.
- 1.57 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.
- 1.58 Pre-Confirmed Application:** An Application that commits the Eligible Customer to execute a Long-Term Firm Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service or an Application made pursuant to an executed Umbrella Agreement.
- 1.59 Prime Lending Rate:** The rate of interest per annum, publicly announced from time to time by the Royal Bank of Canada at its main office in the City of Winnipeg, Manitoba, as its preferred lending rate of interest charged to its most creditworthy Canadian customers, whether or not such interest rate per annum is actually charged by said bank to any customer. Notwithstanding the foregoing, in no event shall said rate of interest ever exceed the maximum rate of interest allowed under Canadian law.
- 1.60 Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

- 1.61 Regional Transmission Group ('RTG'):** A voluntary organization of transmission owners, transmission users and other entities formed to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.
- 1.62 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 either a sixty (60) minute or fifteen (15) minute interval basis.
- 1.63 Separated Load Service:** The use of the Transmission Provider's Transmission System for the purpose of serving the load of an interconnected party during planned or unplanned separation of the load from the interconnected party's transmission system.
- 1.64 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.
- 1.65 Service Commencement Date:** The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement.
- 1.66 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 (1) year.

- 1.67 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 or Network Integration Transmission Service; and (ii) whether any additional costs may be incurred in order to provide transmission service.
- 1.68 Third-Party Sale:** Any sale for resale of generation capacity or energy to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.
- 1.69 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that: (i) executes a Service Agreement; or (ii) receives service under an Umbrella Agreement. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.
- 1.70 Transmission Owner(s) :** An “Owner” as defined pursuant to the ISO Agreement.
- 1.71 Transmission Provider:** Manitoba Hydro (or its Designated Agent).
- 1.72 Transmission Provider’s Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider’s Transmission System in a calendar month.
- 1.73 Transmission Service:** Point-to-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.
- 1.74 Transmission Service Request:** A completed Application for transmission

service.

**1.75 Transmission System:** The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

**1.76 Umbrella Agreement:** An agreement between the Transmission Provider and Transmission Customer which provides all the information necessary to enable such Transmission Customer to receive Short-Term Firm or Non-Firm Point-to-Point Transmission Service under this Tariff for a maximum period of three years without the necessity of executing a Service Agreement for each Completed Application. A form of Umbrella Agreement is attached as Attachment B.

**1.77 Unreserved Capacity :** The amount of capacity and energy transmitted on the Transmission Provider's Transmission System by the Transmission Customer or the Eligible Customer, or attributed to the Transmission Customer or the Eligible Customer in accordance with the provisions of the Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS, for which the Transmission Customer or Eligible Customer has no reservation (including an existing reservation for Reserved Capacity that has been exceeded or transmission capacity that has been used for which no reservation exists or for which no Service Agreement or Umbrella Agreement has been executed). Unreserved Capacity shall be expressed in terms of whole megawatts on a fifteen (15 minute) interval basis.

## **2. INITIAL ALLOCATION, RENEWAL AND CONVERSION PROCEDURES**

**2.1 Initial Allocation of Available Transfer Capability:** For purposes of determining



whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for Firm Transmission Service under this Tariff, all Completed Applications for new Firm Transmission Service received during the initial sixty (60) day period commencing with the effective date of the Transmission Provider's initial Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for Firm Transmission Service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 13.2 or Section 29.2.

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

### **2.2.1 Eligibility**

Subject to the limitations set forth in Section 2.2.5, Existing Firm Service Customers have the right to continue to take up to the same amount of Firm Transmission Service from the Transmission Provider over the same ATC Path specified in an existing Firm Service Contract, in priority to new requests for Firm Transmission Service, when the Firm Service Contract expires, terminates, or is renewed, if the Existing Firm Service Customer:

- (i) has an existing Firm Service Contract with a term of five (5) years or more and
- (ii) has completed an Application for Creditworthiness (Attachment L-2) that has been approved by the Transmission Provider.

For the purposes of this Section 2.2, this reservation priority right shall be referred to as a "Rollover Right" and the Existing Firm Service Customer exercising its Rollover Right shall be referred to as a "Rollover Customer".

### **2.2.2 Exercise of Rollover Right**

- (i) An Existing Firm Service Customer that meets the eligibility requirements of Section 2.2.1 must provide notice to the Transmission Provider that it intends to exercise its Rollover Right by submitting a Completed Application for Firm

Point-to-Point Transmission Service or Network Integration Transmission Service (“Rollover Request”) by the earlier of:

- (a) one (1) year prior to the expiration, termination or renewal of the Firm Service Contract; or
  - (b) three (3) business days after the day upon which the Existing Firm Service Customer is notified by the Transmission Provider pursuant to Section 2.2.3 that there is a new Long-Term Firm Transmission Service Request that would compete with the Existing Firm Service Customer’s Rollover Right and which the Rollover Customer is obligated to match, in accordance with Section 2.2.3, in order to retain its Rollover Right.
- (ii) At the time of submitting a Completed Application for a Rollover Request, the Rollover Customer must designate a contact person that is available 24 hours per day, seven days per week, to receive and respond to notices of competing requests from the Transmission Provider.
  - (iii) The term of Firm Transmission Service requested in a Rollover Request need not match the term of the existing Firm Service Contract.
  - (iv) A Rollover Customer that has two or more Firm Service Contracts over the same ATC Path that are eligible for a Rollover Right may combine the amounts of capacity into a single Rollover Request.
  - (v) A Rollover Customer shall confirm its Rollover Request in accordance with the time requirements of Attachment J applicable to the term of service requested.

### 2.2.3 Competition with New Transmission Service Requests

If the Transmission Provider receives a new request for Long Term Firm Point-to-Point Transmission Service that it would not be able to accommodate if an Existing Firm Service Customer were to exercise its Rollover Right:

- (i) The Transmission Provider shall notify the affected Existing Firm Service Customers’ specified contact person, over the Transmission Provider’s recorded line, that a new Long-Term Firm Point-to-Point Transmission Service Request would compete with the exercise of a Rollover Right by the Existing Firm Service

Customer. Notice shall be provided on the same business day that the new Long-Term Firm Point-to-Point Transmission Service Request is received. The Transmission Provider shall notify the Rollover Customer in the same manner if a competing request is withdrawn.

- (ii) In order to retain its Rollover Right, an Existing Firm Service Customer must submit a Rollover Request and agree to accept a contract term at least equal to the contract term of all new Long-Term Firm Point-to-Point Transmission Service Requests competing for capacity over the same ATC Path if such new Transmission Service Request was submitted prior to the Rollover Request.
- (iii) If a Rollover Customer has submitted two Rollover Requests (for the same ATC Path) covering successive time periods and the Rollover Customer, in response to a notice of competing request, extends the term of the first in time Rollover Request: (a) the later in time Rollover Request shall be annulled; and (b) the Rollover Request Customer may submit a new Rollover Request for Transmission Service commencing after the expiration of the extended term of the first Rollover Request.
- (iv) If multiple Rollover Requests compete with a new Long-Term Firm Point-to-Point Transmission Service Request, the competition shall be processed such that the later queued Rollover Request(s) shall be asked first to match the term of the new Transmission Service Request(s).

#### 2.2.4 Competition with Other Rollover Requests

If a Transmission Provider cannot accommodate all of the Rollover Requests submitted for a given ATC Path:

- (i) The Transmission Provider shall not be obligated to construct facilities at its expense to provide the requested capacity;
- (ii) Rollover Requests will be ranked on a first-come, first-served basis, in accordance with their time of submission;
- (iii) If two or more Rollover Requests for the same ATC Path are submitted at the same time, the capacity will be apportioned on a pro rata basis.

### 2.2.5 Limitations on Rollover Right

If a Rollover Customer has an Existing Firm Service Contract that contains service conditions pursuant to Section 13.5 of this Tariff, the Transmission Provider may condition any new Service Agreement on the same or modified conditions.

An Existing Firm Service Customer is not eligible for a Rollover Right if its Firm Service Contract has been terminated by the Transmission Provider for default pursuant to Section 7.4 of the Tariff.

## 3. ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Transmission Provider is required to provide and the Transmission Customer is required to purchase, the following Ancillary Services: (i) Scheduling, System Control and Dispatch; and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

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

The Transmission Provider is required to provide, to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator

located within the Transmission Provider's Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider.

A Transmission Customer that exceeds its Reserved Capacity at any Point of Receipt or Point of Delivery or uses any capacity for which it has no reservation, or an Eligible Customer that uses capacity that it has not reserved and for which it has not executed a Service Agreement or Umbrella Agreement,, is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the Unreserved Capacity. The Transmission Customer or the Eligible Customer shall pay for Ancillary Services based on the amount of Unreserved Capacity it used, or which is attributed to it, but that it did not reserve.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Any offer of a discount made by the Transmission Provider in conjunction with its provision of Transmission Service must be announced to all Eligible Customers solely by posting on the OASIS. Sections 3.1 through 3.7 below list the seven Ancillary Services.

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

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

**3.3 Regulation and Frequency Response Service:** Where applicable the rates and/or

methodology are described in Schedule 3 .

- 3.4 Energy Imbalance Service:** Where applicable the rates and/or methodology are described in Schedule 4.
- 3.5 Operating Reserve - Spinning Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 5.
- 3.6 Operating Reserve - Supplemental Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 6.
- 3.7 Generator Imbalance Service:** Where applicable the rates and/or methodology are described in Schedule 9-B.

#### **4. OPEN ACCESS SAME-TIME INFORMATION SYSTEM ('OASIS')**

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct for U.S. transmission providers are set forth in 18 CFR § 37 of the U.S. Federal Energy Regulatory Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities). The Transmission Provider's standards of conduct are posted on the OASIS. 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 cause to be posted 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, and (ii) are not otherwise included in this Tariff. The Transmission Provider shall also cause to be posted 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 posted on its website. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.

## **5. INTERPRETATION**

- 5.1 Applicable Law:** This Tariff and any Service Agreements or other agreements executed hereunder shall be governed by and construed in accordance with the laws of the Province of Manitoba, except where the law of the United States is specifically incorporated herein. For greater certainty, The United Nations Convention on Contracts for the International Sale of Goods as adopted by *The International Sale of Goods Act*, S.M. 1989-90, c.18, shall not apply to any Service Agreements executed hereunder.
- 5.2 Condition Precedent:** The Transmission Provider's obligation to provide transmission service pursuant to a Service Agreement executed under this Tariff shall be conditional upon the receipt and continued effectiveness of any regulatory or other approvals required by Canadian law in connection with transmission service hereunder.
- 5.3 Legislative Requirements:** The terms and conditions of this Tariff and any Service Agreements executed hereunder are subject to decisions, orders, rules and regulations of the National Energy Board of Canada and any other Canadian legislative requirements in effect from time to time and this Tariff may be amended without notice in accordance with such decisions, orders, rules, regulations or requirements.
- 5.4 Reliability Standards:** Notwithstanding any obligations with respect to Good Utility Practice imposed by this Tariff, or any agreement executed pursuant to this Tariff, neither the Transmission Provider, nor the Contractor acting on its behalf, nor the Transmission

Customer shall be obligated to comply with reliability standards that have not been adopted pursuant to regulations under *The Manitoba Hydro Amendment and Public Utilities Board Amendment Act (Electric Reliability)* (S.M. 2009, c.I7).

## **6. RECIPROCITY**

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

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



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

The requirements of this Section may be waived by the Transmission Provider.

## **7. BILLING AND PAYMENT**

**7.1 Billing Procedure:** Within a reasonable time after the first day of each month, the Transmission Provider or Contractor, as applicable, shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month and prior period adjustments. With respect to Point-to-Point Transmission Service, the Contractor shall issue two invoices to the Transmission Customer. One invoice relates to all charges for Point-to-Point Transmission Service other than Schedule 10. The second invoice relates to Schedule 10, the service charge for recovering costs associated with the Contractor's operations that are not covered under Schedule 1. These costs are captured within a separate invoice line item, Schedule 10, and include: 1) costs associated with the Contractor's control center, including capital costs and operating expenses and 2) costs for administering this Tariff. The invoices shall be paid by the Transmission Customer within seven (7) days of receipt. All payments for Point-to-Point Transmission Service charges shall be made in immediately available funds payable to MISO, as Contractor for the Transmission Provider. All billing procedures involving invoices under the Tariff for Point-to-Point Transmission Service shall be governed by the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS.

All payments for System Impact Studies, Facilities Studies, deposits pursuant to Section

17.3, extensions for commencement of service pursuant to Section 17.7, and service charges for Network Integration Transmission Service shall be made to the Transmission Provider by wire transfer to the bank named by the Transmission Provider in Appendix 1, or by internal journal entry if the Transmission Customer is the Transmission Provider's wholesale merchant function.

Notwithstanding anything to the foregoing herein, within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer or Eligible Customer, as applicable, for the charges for all Unreserved Capacity, plus applicable taxes, during the preceding month. The invoices shall be paid by the Transmission Customer or Eligible Customer, as applicable, within thirty (30) days of receipt. All payments for Unreserved Capacity shall be made to the Transmission Provider by wire transfer to the bank named by the Transmission Provider in Appendix 1.

The Transmission Customer and Eligible Customer shall be responsible for paying all applicable taxes on amounts payable pursuant to this Tariff, as invoiced by the Transmission Provider from time to time.

**7.2 Interest on Unpaid Balances:** Interest on any unpaid amounts (not including amounts placed in trust pursuant to Section 7.2.a of the Tariff) shall be calculated daily at the Prime Lending Rate plus two percent (2%) per annum, or the maximum rate permitted by law, whichever is less. Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment.

**7.3 Currency:** All rates specified in the Tariff are stated in lawful money of Canada, unless specified otherwise. With respect to invoices issued by the Transmission Provider, monetary transactions, accounting and cost calculations between the Parties shall be determined, stated and paid in lawful money of Canada. With respect to invoices issued

by the Contractor, monetary transactions, accounting and cost calculations between the Parties shall be determined, stated and paid in lawful money of the United States of America. If required for any such monetary transactions, accounting or cost calculation, the rate to be used to convert from the currency of Canada to that of the United States of America for each applicable billing period shall be the rate specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS.

**7.4 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 or Contractor on or before the due date as described above, and such failure of payment is not corrected within ten (10) business days of receipt by the Transmission Customer of a written notice to cure such failure sent by the Transmission Provider or Contractor by certified mail, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider or Contractor shall annul any confirmed reservations of the Transmission Customer for which there are insufficient financial assurances available to use as collateral to ensure payment for transmission services to be provided subsequent to the date of default and, upon three (3) days notice, may terminate service. In the event of a billing dispute between the Transmission Provider or Contractor 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 trust account specified by the Transmission Provider 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 or Contractor shall annul any confirmed reservations that the Transmission Customer has in excess of the available financial assurance after the outstanding obligation is settled and may provide notice to the Transmission Customer of its intention to suspend service in accordance with the policy of the Transmission Provider.

## **8. ACCOUNTING FOR THE TRANSMISSION PROVIDER'S USE OF THE TARIFF**

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

**8.1 Transmission Revenues:** Include in a separate transmission revenue account 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 account, the revenues it receives, through internal journal entries, 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 the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

## **9. TARIFF AMENDMENTS**

**9.1 Right to Amend:** Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make a change in rates, terms and conditions, charges, classification of service or a Service Agreement. The Transmission Provider reserves the right to change the rates for transmission service under Part II and Part III of this Tariff, without notice, in accordance with Attachment O of this Tariff and any contractual or other legal obligations regarding Transmission Service rates that are binding on the Transmission Provider.

- 9.2 Transition:** As of the effective date of this Tariff, the rates, terms and conditions of this Tariff shall supersede the rates, terms and conditions of the Transmission Provider's previous tariffs.

## **10. FORCE MAJEURE AND INDEMNIFICATION**

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

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

## **10.3 LIMITATION OF LIABILITY**

- a) **THE TRANSMISSION PROVIDER SHALL NOT BE LIABLE, WHETHER BASED ON CONTRACT, INDEMNIFICATION, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE TO ANY TRANSMISSION CUSTOMER OR ANY THIRD PARTY FOR ANY DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION, DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES ARISING OR RESULTING FROM ANY ACT OR OMISSION IN ANY WAY ASSOCIATED WITH SERVICE PROVIDED UNDER THIS TARIFF, INCLUDING BUT NOT LIMITED TO ANY ACT OR OMISSION THAT RESULTS IN AN INTERRUPTION, DEFICIENCY OR IMPERFECTION OF SERVICE, EXCEPT TO THE EXTENT THAT THE TRANSMISSION PROVIDER IS FOUND LIABLE FOR GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT, IN WHICH CASE THE TRANSMISSION PROVIDER SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES.**
- b) **THE TRANSMISSION PROVIDER SHALL NOT BE LIABLE FOR DAMAGES ARISING OUT OF SERVICES PROVIDED UNDER THIS TARIFF, INCLUDING BUT NOT LIMITED TO, ANY ACT OR OMISSION THAT RESULTS IN AN INTERRUPTION, DEFICIENCY OR IMPERFECTION OF SERVICE OCCURRING AS A RESULT OF CONDITIONS OR CIRCUMSTANCES RESULTING FROM ELECTRIC SYSTEM DESIGN COMMON TO THE NORTH AMERICAN ELECTRIC UTILITY INDUSTRY OR ELECTRIC SYSTEM OPERATION PRACTICES OR CONDITIONS COMMON TO THE NORTH AMERICAN ELECTRIC UTILITY INDUSTRY.**

## **11. CREDITWORTHINESS**

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider may conduct reasonable credit review procedures and require credit assurance in accordance with Attachment L-1. The credit review procedures shall be made in accordance with standard commercial practices under the laws of the Province of Manitoba and shall include the completion of an Application for Creditworthiness Approval (Attachment L-2) for approval by the Transmission Provider prior to the Transmission Customer's first request for service under the Tariff.

## **12. DISPUTE RESOLUTION PROCEDURES AND WITHDRAWAL OF TARIFF**

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

**12.2 External Arbitration Procedures:** Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial

relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall conduct the arbitration in Winnipeg, Manitoba and 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 Arbitration Act of Manitoba.

**12.3 Arbitration Decisions:** Unless otherwise agreed the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be either appealed solely on a question of law alone or set aside. Such appeal or application to set aside shall be governed by the provisions of The Arbitration Act of Manitoba.

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

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

**12.5 Court Jurisdiction:** The Parties agree to the exclusive jurisdiction of the Manitoba Court of Queen's Bench and the Manitoba Court of Appeal for the resolution of disputes which the Parties do not agree to arbitrate pursuant to Section 12.1 hereof and for the appeal, application to set aside or other reconsideration of an arbitral decision with respect to the Tariff or any Service Agreement or other agreement under the Tariff.



**12.6 Termination or Withdrawal of Tariff:** Nothing contained in this Tariff shall restrict the Transmission Provider's right unilaterally to withdraw this Tariff on notice for any reason. Such withdrawal shall not affect a Transmission Customer's right to receive Long-Term Firm Point-to-Point Transmission Service, confirmed requests for Short-Term Firm Point-to-Point Transmission Service or Network Integration Transmission Service pursuant to existing Service Agreements entered into under the Tariff. Upon such withdrawal of this Tariff, all rights to receive Non-Firm Point-to-Point Transmission Service under Umbrella Agreements shall terminate immediately, provided that the Transmission Provider shall complete Non-Firm Point-to-Point Transmission Service for specific Non-Firm Point-to-Point Transmission Service transactions scheduled prior to the date of termination of the Tariff (not to exceed service for three months). The Transmission Provider shall provide at least thirty (30) days notice of its intent to withdraw this Tariff to Transmission Customers that have entered into Umbrella Agreements for Non-Firm Point-to-Point Transmission Service.

## **II. POINT-TO-POINT TRANSMISSION SERVICE**

### **Preamble**

The Transmission Provider will provide Firm and Non-Firm Point-to-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff, except to the extent inconsistent with the provisions of an interconnection agreement governing Separated Load Service. Point-to-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission of such capacity and energy to designated Point(s) of Delivery.

### **13. NATURE OF FIRM POINT-TO-POINT TRANSMISSION SERVICE**

**13.1 Term:** The minimum term of Firm Point-to-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.

#### **13.2 Reservation Policy:**

(i) Long-Term Firm Point-to-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has requested service.

(ii) Reservations for Short-Term Firm Point-to-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Firm Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and pre-confirmation status (Pre-Confirmed or not confirmed), priority will be given to an Eligible Customer's request or reservation based on the earliest date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations that involve the same source or sink Control Area or controllable device/contract path interface up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-to-Point Transmission

Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-to-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response shall be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff. Firm Point-to-Point Transmission Service will always have a reservation priority over Non-Firm Point-to-Point Transmission Service under the Tariff. All Long-Term Firm Point-to-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for Existing Firm Service Customers are provided in Section 2.2.

- 13.3 Use of Firm Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after the effective date of this Tariff. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-to-Point Transmission Service to make Third-Party Sales.
- 13.4 Service Agreements:** The Transmission Provider shall offer a standard form Service Agreement for Long-Term Firm Point-to-Point Transmission Service (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 Umbrella Agreement (Attachment B), effective for a maximum term of three years, to an Eligible Customer when it first submits a Completed Application for Short-Term

Firm Point-to-Point Transmission Service pursuant to the Tariff. Upon expiry of an Umbrella Agreement, the Eligible Customer shall submit a new Completed Application for Short-Term Firm Point-to-Point Transmission Service if the Eligible Customer wishes to reserve Short-Term Firm Point-to-Point Transmission Service, after which the Transmission Provider, shall again offer a standard form Umbrella Agreement to the Eligible Customer. An Eligible Customer that uses transmission capacity at a Point of Receipt or Point of Delivery that it has not reserved and for which it has not executed a Service Agreement or Umbrella Agreement, or a Transmission Customer that uses transmission capacity in excess of its firm reserved capacity or for which no reservation exists, or if an amount of Unreserved Capacity is attributed to a Transmission Customer or Eligible Customer, the Eligible Customer or Transmission Customer shall pay the Transmission Provider for such Unreserved Capacity in accordance with the rates, terms and conditions of this Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS, other than to the extent that provisions related to the calculation of Unreserved Capacity exist in an interconnection agreement between the Transmission Provider and a Transmission Customer or Eligible Customer or a neighbouring Balancing Authority (as such is defined in the North American Electric Reliability Corporation ("NERC") Glossary of Terms) which are inconsistent with the provisions of the Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS, in which case the provisions of the interconnection agreement shall prevail.

- 13.5 Transmission Customer Obligations for Facility Additions:** In cases where it is determined through a System Impact Study that the Transmission System is not capable of providing Firm Point-to-Point Transmission Service without: (i) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-to-Point Transmission Service; or (ii) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider may, at its discretion, offer Firm

Point-to-Point Transmission Service under which: (i) the amount of capacity that is available on a yearly basis varies under specified system conditions and/or; (ii) the Transmission Provider is entitled to curtail service, in priority to the curtailment of other Firm Point-to-Point Transmission Service reservations, under specified system conditions. If such a Service Agreement is not offered or is not acceptable to the Eligible Customer, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.3. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. 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 or specified by the Transmission Provider pursuant to the terms of an executed Umbrella 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 systems directly and indirectly interconnected with the Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. The Transmission Provider shall implement such Curtailments pursuant to the procedures included as Attachment Q hereto. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-to-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-to-Point Transmission Service shall be subordinate to Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the

Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Contractor or Transmission Provider, as applicable, 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: (i) change its Point(s) of Receipt and Point(s) of Delivery to obtain service on a non-firm basis consistent with the terms of Section 22.1; or (ii) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2. Such modified service shall be granted on a firm basis if available, but otherwise shall be granted on a non-firm basis. Section 22.1(b) through 22.1(d) of the Tariff shall apply to service that is provided on a non-firm basis.
- (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 will be treated as a single Point of Receipt unless specified otherwise by the Transmission Provider.
- (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 Service Agreement for Long-Term Firm Point-to-Point 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 Point-to-Point Transmission Service. Each Point of Delivery at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Service Agreement for Long-Term Firm Point-to-Point 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 Point-to-Point Transmission Service. The greater of either: (i) the sum of the capacity reservations at the Point (s) of Receipt; or (ii) 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. In the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery, or otherwise uses transmission capacity that it has not reserved, or an Eligible Customer uses transmission capacity that it has not reserved and for which it has not executed a Service Agreement or Umbrella Agreement, or if an amount of Unreserved Capacity is attributed to a Transmission Customer or Eligible Customer, the Transmission Customer or Eligible Customer shall pay the Transmission Provider for such Unreserved Capacity in accordance with the rates, terms and conditions of

this Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS, other than to the extent that provisions related to the calculation of Unreserved Capacity exist in an interconnection agreement between the Transmission Provider and a Transmission Customer or Eligible Customer or a neighbouring Balancing Authority (as such is defined in the NERC Glossary of Terms) which are inconsistent with the provisions of the Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS, in which case the provisions of the interconnection agreement shall prevail.

- 13.8 (a) Scheduling Requirements for Firm Point-to-Point Transmission Service:** Subject to Section 13.9, schedules for the Transmission Customer's Firm Point-to-Point Transmission Service must be submitted, by the Transmission Customer only, to the Contractor in accordance with the times set forth in Attachment J-1. Transmission Customers shall submit all hour-to-hour and intra-hour (four intervals consisting of fifteen minutes) schedules electronically in a form specified by the Contractor. 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 by the Transmission Customer will be permitted in accordance with Attachment J-1 provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Contractor or Transmission Provider, as applicable, will furnish to the Delivering Party's system operator, hour-to-hour schedules and intra-hour schedules equal to those furnished by the Transmission Customer (unless reduced for losses) and the Transmission Provider



shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer revise or terminate any schedule, the Transmission Customer shall immediately notify the Contractor, or 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.

- 13.8 (b) Scheduling Restrictions:** During periods of time when the Transmission System is known by the Transmission Provider to be constrained, the Transmission Provider shall have the right to restrict or prohibit the submission of schedules by the Transmission Customer. Restrictions on scheduling shall be imposed first on those Transmission Service reservations with the lowest transmission reservation priority, as further described in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS.

#### **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 month as provided in Schedule 8. 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 reservations apply is greater than one month, subject to the requirements of Section 18.3.

- 14.2 Reservation Priority:** Non-Firm Point-to-Point Transmission Service shall be available from transmission capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-to-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. Eligible Customers that have already reserved shorter term

service have the right of first refusal to match any longer term request 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: (i) immediately for hourly Non-Firm Point-to-Point Transmission Service after notification by the Contractor; and (ii) 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 Contractor. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Time of match confirmation will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. In the event that the match confirmations are submitted simultaneously, the original OASIS queue time will be utilized to determine the order in which the multiple shorter duration reservations will be able to exercise the right of first refusal. Transmission Service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service. Non-Firm Point-to-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the second lowest reservation priority under the Tariff and next hour hourly Non-Firm Point-to-Point Transmission Service will have the lowest reservation priority under the Tariff.

**14.3 Use of Non-Firm Point-to-Point Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after the effective date of the Tariff. 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 Umbrella

Agreement, effective for a maximum term of three years, (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-to-Point Transmission Service pursuant to the Tariff. Upon expiry of an Umbrella Agreement, the Eligible Customer shall submit a new Completed Application for Non-Firm Point-to-Point Transmission Service if the Eligible Customer wishes to reserve Non-Firm Point-to-Point Transmission Service, after which the Transmission Provider shall again offer a standard form Umbrella Agreement to the Eligible Customer.

- 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. In the event that an Eligible Customer uses transmission capacity that it has not reserved and for which it has not executed an Umbrella Agreement, or a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation, or uses transmission capacity for which no reservation exists, the Eligible Customer or Transmission Customer shall pay the Transmission Provider for such Unreserved Capacity in accordance with the rates, terms and conditions of this Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS, other than to the extent that provisions related to the calculation of Unreserved Capacity exist in an interconnection agreement between the Transmission Provider and a Transmission Customer or Eligible Customer or a neighbouring Balancing Authority (as such is defined in the North American Electric Reliability Corporation ("NERC") Glossary of Terms) which are inconsistent with the provisions of the Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS, in which case the provisions of the interconnection

agreement shall prevail. 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, as provided in Schedule 8.

- 14.6 (a) Scheduling Requirements for Non-Firm Point-to-Point Transmission Service:** Schedules for Non-Firm Point-to-Point Transmission Service must be submitted by the Transmission Customer only, to the Contractor in accordance with the times set forth in Attachment J-1. Schedules submitted after the applicable time will be accommodated, if practicable. Transmission Customers shall submit schedules electronically in a form specified by the Contractor. Hour-to-Hour and intra-hour (four intervals consisting of fifteen minutes) 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 in accordance with Attachment J-1 provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Contractor will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Transmission Customer (unless reduced for losses) and the Transmission Provider shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer revise or terminate any schedule, the Transmission Customer shall immediately notify the Contractor, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered. Schedules for Next-Hour Transmission Service must be submitted in accordance with Attachment J-1. Schedules submitted less than 20 minutes prior to the start of the schedule will be accommodated if practicable.

- 14.6 (b) Scheduling Restrictions:** During periods of time when the Transmission System is known by the Transmission Provider to be constrained, the Transmission Provider shall have the right to restrict or prohibit the submission of schedules by the Transmission Customer. Restrictions on scheduling shall be imposed first on those Transmission Service reservations with the lowest transmission reservation priority, as further described in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS.
- 14.6 (c) After The Fact Scheduling:** Notwithstanding the provisions of Section 14.6(a), schedules for Non-Firm Point-to-Point Transmission Service used to deliver emergency energy to a Receiving Party, pursuant to a contractual obligation between the Transmission Provider and Receiving Party (including, but not limited to, generation reserve sharing agreements), may be submitted after-the-fact to the Contractor. The Contractor shall enter the appropriate reservations after-the-fact into the OASIS for billing purposes and shall bill the Receiving Party for hourly Non-Firm Point-to-Point Transmission Service pursuant to Schedule 8. The transmission capacity required for such Transmission Service shall be reserved through the Transmission Provider's retention of a Transmission Reliability Margin (as referenced in Attachment C), if required pursuant to contractual obligations between the Transmission Provider and the Receiving Party, and shall not be subject to the reservation procedures of this Tariff. In the absence of such a requirement, the Transmission Provider shall determine if sufficient capacity is available to transmit the emergency energy prior to scheduling.
- 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 the Transmission Provider's Transmission System. The Transmission Provider shall implement such Curtailments pursuant to the procedures included as Attachment Q hereto. 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: (i) a request for Firm Transmission Service; (ii) a request for Non-Firm Point-to-Point Transmission Service of greater duration; (iii) a request for Non-Firm Point-to-Point Transmission Service of equal duration with a higher price; or (iv) transmission service for Network Customers from non-designated resources. 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 first to next hour hourly Non-Firm Point-to-Point Transmission Service and then to transactions of the shortest term (e.g. hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service under the Tariff. Non-Firm Point-to-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point to Point Transmission Service under the Tariff. The Contractor, or Transmission Provider, as applicable, 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 OASIS used by the Transmission Provider, is contained in Attachment C of this Tariff. The Transmission Provider addresses parallel flows when assessing available transfer capability in accordance with Attachment J-2. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by offering to perform a System Impact Study.
- 15.3 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System:** If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-to-Point Transmission Service because of insufficient capability on its Transmission System, or if a service condition option offered pursuant to Section 13.5 is not acceptable to the Eligible Customer, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.
- 15.4 Denial of Service:** The Transmission Provider may deny providing service and the performance of a System Impact Study whenever the Transmission Provider determines

that new transmission facilities or upgrades, required to provide the requested service could not be completed prior to the service commencement date.

- 15.5 Real Power Losses:** Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to replace Real Power Losses. The Transmission Customer is responsible for losses associated with all transmission service as calculated in accordance with Attachment M. The applicable Real Power Loss factors for the Transmission Provider are set forth in Schedule 9-A of this Tariff.

## **16. TRANSMISSION CUSTOMER RESPONSIBILITIES**

- 16.1 Conditions Required of Transmission Customers:** Point-to-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- (a) The Transmission Customer has submitted an executed Application for Creditworthiness Approval in the form of Attachment L-2 in accordance with the Transmission Provider's Open Access Transmission Business Practices Manual published on OASIS, and has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or



not the Transmission Customer takes service for the full term of its reservations;

- (e) The Transmission Customer has executed a Service Agreement for Point-to-Point Transmission Service;
- (f) The Transmission Customer has provided the Transmission Provider with a copy of the National Energy Board export permit(s) or licence(s) authorizing each export of electricity from Canada to the United States of America effected by the provision of transmission service pursuant to this Tariff.

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

## **17. PROCEDURES FOR ARRANGING FIRM POINT-TO-POINT TRANSMISSION SERVICE**

**17.1 Application:** A request for Firm Point-to-Point Transmission Service for periods of one year or longer must contain a written Application and must be submitted to the Transmission Provider in accordance with the time requirements of Attachment J-1. The

Transmission Provider will consider requests for such firm service on shorter notice when feasible. All Firm Point-to-Point Transmission Service requests should be submitted by entering the information listed below on the OASIS used by the Contractor. If the OASIS used by the Contractor is not functioning, a Completed Application may be submitted by transmitting the required information to the Contractor by facsimile in a form approved by the Contractor pursuant to its Business Practices Manual.

**17.2 Completed Application:** A Completed Application shall provide all of the information listed below:

- (a) The identity, address, telephone number and facsimile number of the entity requesting service;
- (b) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (c) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (d) 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 and the Contractor 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, or by Canadian law, for reliability purposes pursuant to Good Utility Practice or pursuant to transmission information sharing agreements. The Transmission Provider shall treat this information consistent with its standards of conduct;
- (e) A description of the supply characteristics of the capacity and energy to be delivered;
- (f) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

- (g) The Service Commencement Date and the term of the requested Transmission Service; and
- (h) 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.
- (i) Where Transmission Service is requested for the purposes of exporting electricity generated in Canada to the United States of America, the National Energy Board permit or licence number authorizing the export, a copy of which permit or licence shall have been provided to the Transmission Provider pursuant to Section 16.1(f) of the Tariff.
- (j) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service or, with respect to Short-Term Firm Point-to-Point Transmission Service, that the Eligible Customer has already executed an Umbrella Agreement.
- (k) The billing information and requirements specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS.

The Transmission Provider and the Contractor shall treat this information consistent with the Transmission Provider's standards of conduct.

**17.3 Deposit:** A Completed Application for Long-Term Firm Point-to-Point Transmission Service also shall include a refundable deposit of fifty thousand dollars (\$50,000.00). If the Eligible Customer is the Transmission Provider's wholesale merchant function, a journal entry for an equivalent deposit amount shall be made at the time of submitting a Completed Application for Long-Term Firm Point-to-Point Transmission Service. If the

Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request for Proposals (“RFP”), said deposit shall be refunded, less any reasonable costs incurred by the Transmission Provider in connection with the review of the Application. The deposit also will be refunded, less any reasonable costs incurred by the Transmission Provider, if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn, or deemed to be withdrawn pursuant to the provisions of this Tariff, or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-to-Point Transmission Service, the deposit shall be refunded, less reasonable costs incurred by the Transmission Provider that have not already been recovered by the Transmission Provider from the Eligible Customer. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-to-Point Transmission Service is executed, the deposit will be refunded to the Transmission Customer upon execution of the Service Agreement for Firm Point-to-Point Transmission Service, less reasonable costs incurred by the Transmission Provider that have not already been recovered from the Transmission Customer, unless the Transmission Customer directs the Transmission Provider to apply the refund to costs incurred pursuant to a Facilities Construction Agreement. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs.

- 17.4 Notice of Deficient Application:** If an Application fails to meet the requirements of the Tariff, the Contractor shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Contractor will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Contractor shall return the Application, along with any deposit in accordance with Section 17.3. 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 Short-Term Firm Point-to-Point Transmission Service or Long-Term firm Point-to-Point Transmission Service, the Contractor or Transmission Provider shall make a determination of available transfer capability in accordance with Section 15.2. The Contractor shall notify the Eligible Customer in accordance with the time periods specified in Attachment J-1 either: (i) if the Transmission Provider 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, provided that, if in connection with the request, the Transmission Provider must provide notification to an Existing Firm Service Customer pursuant to Section 2.2.3, the deadline shall be extended to forty-five (45) days after the date of receipt of a Completed Application. Responses by the Contractor must be made as soon as practicable to all Completed Applications (including applications by the Transmission Provider's marketing function) and the timing of such responses must be made on a non-discriminatory basis.

**17.6 Execution of Service Agreement:** Whenever the Contractor or Transmission Provider, as applicable, 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 the time periods specified in Attachment J-1, or confirm an approved request pursuant to the terms of an executed Umbrella Agreement will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded in accordance with Section 17.3. Nothing herein limits the rights of an Eligible Customer to

file another Application after such withdrawal and termination.

- 17.7 Extensions for Commencement of Service:** The Transmission Customer can obtain, subject to available capacity, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within fifteen (15) days of notifying the Transmission Provider that the Transmission Customer intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-to-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

**18. PROCEDURES FOR ARRANGING NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE**

- 18.1 Application:** Eligible Customers seeking Non-Firm Point-to-Point Transmission Service must submit a Completed Application to the Contractor. Applications should be submitted by entering the information listed below on the OASIS used by the Contractor. If the OASIS used by the Contractor is not functioning, a Completed Application may be submitted by transmitting the required information to the Contractor by facsimile in a form approved by the Contractor pursuant to its Business Practices Manual.

**18.2 Completed Application:** A Completed Application shall provide all of the information listed below:

- (a) The identity, address, telephone number and facsimile number of the entity requesting service;
- (b) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (c) The Point(s) of Receipt and the Point(s) of Delivery;
- (d) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (e) 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 Contractor or Transmission Provider also may ask the Transmission Customer to provide the following:

- (f) The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
- (g) The electrical location of the ultimate load;
- (h) Where Transmission Service is requested for the purposes of exporting electricity generated in Canada to the United States of America, the National Energy Board permit or licence number authorizing the export, a copy of which permit or licence shall have been provided to the Transmission Provider pursuant to Section 16.1(f) of the Tariff.
- (i) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service or that the Eligible Customer

has already executed a Service Agreement.

The Transmission Provider and the Contractor will treat the information in (f) and (g) 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 or by Canadian law, for reliability purposes pursuant to Good Utility Practice, or pursuant to transmission information sharing agreements. The Transmission Provider and the Contractor shall treat this information consistent with the Transmission Provider's standards of conduct.

**18.3 Reservation of Non-Firm Point-to-Point Transmission Service:** Requests for monthly service shall be submitted in accordance with the time periods specified in Attachment J-1. Requests for service received later than the applicable time will be accommodated if practicable.

**18.4 Determination of Available Transfer Capability:** Following receipt of a tendered schedule the Contractor 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 time periods specified in Attachment J-1.

## **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 Contractor or Transmission Provider, as applicable, shall determine on a non-discriminatory basis whether a System Impact Study is needed to be performed by the Transmission Provider. The Transmission Provider may take into consideration whether



an applicable Interconnection Evaluation Study has been conducted for similar service under the Transmission Provider's Open Access Interconnection Tariff. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. Subject to Section 15.4, if the Contractor or Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer within the time period specified in Attachment J-1. Transmission Service Requests may be studied individually or in groups.

**19.2 Individual System Impact Studies:** In such cases where a System Impact Study is required and the Transmission Provider does not offer to perform a Group Study, the Transmission Provider shall, within ten (10) days of receipt of a Completed Application, arrange a Meeting with the Eligible Customer at a mutually agreeable time, but within thirty (30) days of receiving the Completed Application, in order to discuss the scope of the System Impact Study, pursuant to this Tariff. Eligible Customer and Transmission Provider shall have appropriate personnel in attendance at the Meeting to accomplish the purpose of the Meeting in the allocated time. Further Meetings may be arranged by the Transmission Provider if necessary. Within thirty (30) days of the final Meeting, the Transmission Provider shall tender a System Impact Study Agreement in the form of Attachment D-1 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 shall be returned with interest, pursuant to Section 17.3.

**19.3 Group Studies:**

**19.3.1 General.** For the purpose of any Systems Impact Studies or Facilities Studies (“Studies”), a Group Study may be performed if the Transmission Provider deems a Group Study feasible and the Eligible Customer(s) concur. Transmission Service Requests for both Point-to-Point Transmission Service and Network Integration Transmission Service may be part of a Group Study. Group Studies shall be conducted in accordance with the queue position of the highest queued Transmission Service Request that is part of the Group Study.

**19.3.2 Conditions.** The following conditions apply to the performance of a Group Study: (1) Eligible Customer(s) participating in a Group Study waive the right to have individual Studies performed. (2) A Transmission Service Request shall not be withdrawn until completion of the Group System Impact Study Report. (3) Eligible Customer(s) participating in a Group Study acknowledge that the Transmission Provider shall be responsible for determining, after consultation with participating Eligible Customer(s), Group Study assumptions related to the treatment of higher queued Transmission Service Requests.

**19.3.3 Notice of Group Study.** If the Transmission Provider deems a Group Study feasible, the Transmission Provider shall provide written notice containing a general description of the Transmission Provider’s proposal to Eligible Customer(s) that are proposed to be included in the Group Study. Eligible Customer(s) shall have fifteen (15) days after issuance of the notice to notify the Transmission Provider in writing of their potential interest in being included in a Meeting to discuss the Group Study. Such notification of interest by an Eligible Customer to be included in a Group Study Meeting shall not bind an Eligible Customer to the execution of a Group Study Agreement. For purposes of this Section, written notice shall include electronic mail.

**19.3.4 Group Study Meeting.** If a reasonable number of Eligible Customers respond to a proposal for a Group Study, or in the case of a single Eligible Customer, such Eligible Customer responds with respect to a reasonable number of Transmission Service Requests, the Transmission Provider shall, within forty-five (45) days of

issuance of the notice issued pursuant to Section 19.3.3, convene a Meeting with the Eligible Customer(s) to discuss the Group Study. Eligible Customer(s) and Transmission Provider shall have appropriate personnel in attendance at the Meeting to accomplish the purpose of the Meeting in the allocated time. Further Meetings may be arranged by the Transmission Provider if necessary.

**19.3.5 Study Agreement.** Within thirty (30) days following the final Group Study Meeting, the Transmission Provider shall forward a Group System Impact Study Agreement in the form of Attachment D-1(G) to all Eligible Customer(s) participating in a Group Study Meeting for execution. If there are multiple Eligible Customers, the cost of a Group Study shall be borne equally by all participating Eligible Customers. Each Eligible Customer shall return an executed Group System Impact Study Agreement and provide payment of its portion of the estimated costs to the Transmission Provider, less Eligible Customer's initial deposit, within fifteen (15) days of receiving the Group System Impact Study Agreement, failing which the Eligible Customer shall not be eligible to participate in the Group Study.

**19.3.6 Revision or Termination.** A Group Study proposal may be revised or terminated if all proposed Eligible Customer(s) do not execute the Group System Impact Study Agreement.

#### **19.4 System Impact Study Agreement and Cost Reimbursement:**

- (a) The individual or Group 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(s) will not be assessed a charge for such existing studies; however, the Eligible

Customer(s) 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.

- (b) 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.

**19.5 System Impact Study Procedures:** Subject to Section 19.3.6, upon receipt of an executed individual or Group System Impact Study Agreement and payment for the estimated costs of the System Impact Study and preparing the associated System Impact Study Report (to the extent such costs exceed any deposit pursuant to Section 17.3), the Transmission Provider will use due diligence to complete the required System Impact Study and System Impact Study Report within a reasonable time period, taking into consideration the complexity of the study, the Transmission Provider's resources, the number of other studies to be conducted and whether or not the eligible Customer has requested a study to be conducted under the Transmission Provider's Open Access Interconnection Tariff that involves the same Transmission Service. The System Impact Study Report shall identify any system constraints associated with the requested service, a preliminary estimate of the scope of any additional Direct Assignment Facilities or Network Upgrades required to provide the requested service and a rough, non-binding estimate of the costs associated with any identified Direct Assignment Facilities or Network Upgrades. The System Impact Study Report shall also include any service condition options offered pursuant to Section 13.5. In the event that the Transmission Provider is unable to complete the required System Impact Study and associated System Impact Study Report within the estimated time period, it shall so notify the Eligible Customer and provide a revised estimated completion date along with an explanation of the reasons why additional time is required. Upon completion of the System Impact

Study Report, a copy of the completed System Impact Study Report and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. At the time of tendering the System Impact Study Report to the Eligible Customer, the Transmission Provider shall provide the Eligible Customer with an invoice or statement for any amount by which the actual costs (or Eligible Customer's portion) of the System Impact Study and System Impact Study Report exceed or are less than the estimated costs or deposit paid by Eligible Customer. If the System Impact Study or an Interconnection Evaluation Study conducted under the Transmission Provider's Open Access Interconnection Tariff indicates that the Transmission System will be adequate to accommodate a request for service and that no costs are to be incurred for new transmission facilities or upgrades, or if a service condition option is identified, the Transmission Provider shall forward a Service Agreement with any applicable conditions to the Eligible Customer within fifteen (15) days of completion of the System Impact Study Report or the Transmission Provider's determination pursuant to Section 19.1 that a System Impact Study is unnecessary. In order for a request that does not involve the construction of new transmission facilities or upgrades to remain a Completed Application, within fifteen (15) days of receipt, the Eligible Customer must execute a Service Agreement, or provide confirmation to the Transmission Provider pursuant to the terms of an executed Umbrella Agreement or the Application shall be deemed terminated and withdrawn.

- 19.6 Individual Facilities Study Agreement and Costs:** If a System Impact Study, or Interconnection Evaluation Study conducted pursuant to the Transmission Provider's Open Access Interconnection Tariff, indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, and the Eligible Customer has not executed a conditional Service Agreement, the Transmission Provider shall, within ten (10) days of the issuance of such study, arrange a Meeting with the Eligible Customer at a mutually agreeable time, but within forty-five

(45) days of the issuance of the study, in order to discuss the scope of the Facilities Study, pursuant to the Tariff. Eligible Customer and Transmission Provider shall have appropriate personnel in attendance at the Meeting in the allocated time. Further Meetings will be arranged by the Transmission Provider if necessary. The Transmission Provider, within thirty (30) days of the final Meeting shall tender to the Eligible Customer a Facilities Study Agreement in the form of Attachment D-2 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 with the deposit required by the Facilities Study Agreement within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement or does not provide the required deposit, its Application shall be deemed withdrawn and its deposit, shall be returned pursuant to Section 17.3.

**19.7 Group Facilities Study Agreement and Costs:** Upon receipt of the Group System Impact Study Report, Eligible Customer(s) participating in a Group Study shall have thirty (30) days to provide notice to the Transmission Provider of their request for a Group Facilities Study (if new transmission facilities and/or upgrades are required) and to: (i) pay any amount invoiced; (ii) direct the Transmission Provider to either refund any amounts owed to Eligible Customer for the Group System Impact Study or to credit said amounts to the estimated cost of performing a Group Facilities Study. If an Eligible Customer participating in a Group Study fails to respond and make payment in full as required by this Section within thirty (30) days, its Application shall be deemed withdrawn and its deposit, shall be returned with interest, pursuant to Section 17.3. Within sixty (60) days after issuing a Group System Impact Study Report, if sufficient Eligible Customers request a Group Facilities Study, or, in the case of a single Eligible Customer, such Eligible Customer requests a Group Facilities Study with respect to a sufficient number of Transmission Service Requests, the Transmission Provider shall convene a Meeting with the Eligible Customer(s) to discuss the Group Study. Eligible

Customer(s) and Transmission Provider shall have appropriate personnel in attendance at the Meeting to accomplish the purpose of the Meeting in the allocated time. Further Meetings will be arranged by the Transmission Provider if necessary. Within thirty (30) days) of the final scoping Meeting, the Transmission Provider shall provide Eligible Customer(s) with a Group Facilities Study Agreement in the form of Attachment D-2(G) that includes a non-binding estimated cost to Eligible Customer(s) for the Transmission Provider to conduct the Group Facilities Study and prepare a Group Facilities Study Report. Eligible Customer(s) participating in a Group Facilities Study shall share equally in the costs of the Group Study and Group Study Report. If an Eligible Customer elects to proceed with the Group Facilities Study, the Eligible Customer shall execute the Group Facilities Study Agreement and return it with an initial payment of the estimated cost of the Group Facilities Study, less any remaining deposit provided pursuant to Section 17.3, to the Transmission Provider within fifteen (15) days after receipt of the Group Facilities Study Agreement. If an Eligible Customer does not provide the executed Group Facilities Study Agreement and the initial payment of the estimated cost to the Transmission Provider within such fifteen (15) day period: (1) the Eligible Customer's Application shall be deemed withdrawn and its deposit shall be refunded pursuant to Section 17.3. If, in the Transmission Provider's sole discretion, an insufficient number of Eligible Customer(s) agree to proceed with a Group Facilities Study, or in the case of a single Eligible Customer, such Eligible Customer responds with an insufficient number of Transmission Service Requests, the Transmission Provider shall not be obligated to perform a Group Study, but shall offer to perform an individual Facilities Study for each Eligible Customer that executed the Group Facilities Study Agreement, or each Transmission Service Request in the case of a single Eligible Customer.

- 19.8 Facilities Studies:** Subject to Section 19.3.6, upon receipt of an executed individual or Group Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a reasonable time period, taking into consideration the complexity of the study, the Transmission Provider's resources, the

number of other studies to be conducted and whether or not the Eligible Customer has requested a Study to be conducted under the Transmission Provider's Open Access Interconnection Tariff that involves the same transmission service. If the Transmission Provider is unable to complete the Facilities Study in the estimated time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the additional time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study and issue a preliminary Facilities Study Report. The Transmission Customer shall have thirty (30) days after receipt of the preliminary Facilities Study Report to: (i) provide written comments to the Transmission Provider for its consideration for inclusion in the final Facilities Study Report; and (ii) if applicable, advise the Transmission Provider which one of the options contained in the preliminary Facilities Study Report the Transmission Customer wishes to pursue. Within fifteen (15) days after the receipt of such comments, or upon the expiration of the comment period without the receipt of comments, the Transmission Provider shall issue the final Facilities Study Report provided that the Transmission Provider in its reasonable exercise of discretion may extend such fifteen (15) day period if the comments require the performance of additional study or other significant modifications to the report before issuance of the final Facilities Study Report. When completed, the Facilities Study Report 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 Facilities Study Report shall also specify that 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 under the laws of the Province of Manitoba and the Transmission Provider's Creditworthiness Procedures identified in Attachment L-1. Upon completion, a copy of the Facilities Study Report



and related work papers shall be made available to the Eligible Customer. Within ninety (90) days of issuing the Facilities Study Report, the Transmission Provider shall forward a Service Agreement and a Facilities Construction Agreement in the form of Attachment E to the Eligible Customer provided that, if the Transmission Provider is unable to forward a Service Agreement and a Facilities Construction Agreement within ninety (90) days, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the additional time needed along with an explanation of the reasons that additional time is required. The Eligible Customer shall have thirty (30) days from the date of receipt to: (i) execute a Service Agreement or provide written confirmation to the Transmission Provider pursuant to the terms of an executed Umbrella Agreement; (ii) provide payment to the Transmission Provider in the amount of \$5,000.00; (iii) execute the Facilities Construction Agreement; and (iv) provide the required letter of credit or other form of security acceptable to the Transmission Provider, in accordance with Attachment L-1, or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

**19.9 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.

**19.10 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.

**19.11 Partial Interim Service:**

If the Contractor or Transmission Provider determines that the Transmission Provider 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.

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

Completed Application and will be deemed terminated and withdrawn.

**20. PROCEDURES IF THE TRANSMISSION PROVIDER IS UNABLE TO COMPLETE NEW TRANSMISSION FACILITIES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE**

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

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

relief under the dispute resolution procedures pursuant to Section 12.

- 20.3 Refund Obligation for Unfinished Facility Additions:** If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-to-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be refunded pursuant to Section 17.3. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

**21. PROVISIONS RELATING TO TRANSMISSION CONSTRUCTION AND SERVICES ON THE SYSTEMS OF OTHER UTILITIES**

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

- 21.2 Coordination of Third-Party System Additions:** In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other

systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12.

## **22. CHANGES IN SERVICE SPECIFICATIONS**

**22.1 Modifications on a Non-Firm Basis:** The Transmission Customer taking Firm Point-to-Point Transmission Service may request the Transmission Provider to provide Transmission Service on a non-firm basis over Points of Receipt and Points of Delivery other than those specified in the Service Agreement or agreed on pursuant to an Umbrella Agreement (“Secondary Receipt and Delivery Points”), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-to-Point Transmission Service charge or executing a new Service Agreement subject to the following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.

- (b) The sum of all Firm and Non-Firm Point-to-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Service Agreement or agreed on pursuant to an Umbrella Agreement under which such services are provided.
- (c) The Transmission Customer shall retain its right to schedule Firm Point-to-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement or agreed on pursuant to an Umbrella Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-to-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

**22.2 Modifications on a Firm Basis:** Any request by a Transmission Customer to modify Points of Receipt and Points of Delivery on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement or agreed on pursuant to an Umbrella Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Points of Receipt and Points of Delivery specified in its Service Agreement or agreed on pursuant to an Umbrella Agreement.

## **23. RESALE OF TRANSMISSION SERVICE**

**23.1 Procedures for Resale of Service:** Subject to regulatory approval of any necessary filings, a Transmission Customer may sell all or a portion of its rights under its Service Agreement but only to another Eligible Customer (the “Assignee”). The Transmission Customer that sells its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall be at rates established by agreement with the Assignee. The Reseller and Assignee must execute a Service Agreement (Attachment A-1) with the Transmission Provider prior to the date on which the resold service commences that will govern the provision of resold service, specifying the negotiated rate. Notwithstanding such resale, Reseller shall remain liable under its Service Agreement for all capacity reserved. The Transmission Provider shall charge or credit the Reseller, as appropriate, for any difference between the rate reflected in the Reseller’s Service Agreement with the Transmission Provider and the negotiated rate paid by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. A Reseller shall notify the Contractor as soon as possible after any resale of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Contractor pursuant to Section 13.2.

**23.2 Limitations on Resale 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 also will pay for any additional charges, including Ancillary Services, Congestion, Losses, or other Transmission Provider charges. In addition, the Transmission Customer changing its service shall be responsible for supplying any additional losses required under Attachment M if the Transmission Customer is not purchasing losses under Attachment M. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement except as specifically agreed to by the Parties through an amendment to the Service Agreement.

- 23.3 Information on Resale of Service:** In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the OASIS used by the Transmission Provider on or before the date that the resold service commences and are subject to Section 23.1. Resellers may use the OASIS used by the Contractor to post transmission capacity available for resale.

## **24. METERING AND POWER FACTOR CORRECTION AT RECEIPT AND DELIVERY POINT(S)**

- 24.1 Transmission Customer Obligations:** Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of the Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.
- 24.2 Transmission Provider Access to Metering Data:** The Transmission Provider shall



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

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

## **25. COMPENSATION FOR TRANSMISSION SERVICE**

The Transmission Customer shall pay for Point-to-Point Transmission Service in accordance with the rates for Firm and Non-Firm Point-to-Point Transmission Service provided in the following Schedules appended to the Tariff as revised from time to time throughout the term of the Service Agreement or Umbrella Agreement and in effect at the time that Transmission Service is provided: Firm Point-to-Point Transmission Service (Schedule 7); and Non-Firm Point-to-Point Transmission Service (Schedule 8). The Transmission Customer shall also pay for any applicable Ancillary Service charges (Schedules 1-6, 9-B), any applicable loss compensation (Schedule 9-A), and shall pay the NEB Cost Adder (Schedule 11-MH) if applicable and the Cost Recovery Adder (Schedule 10).

In addition, the Transmission Customer and Eligible Customer, as applicable, shall pay for all Unreserved Capacity in accordance with the rate for Unreserved Capacity provided in Schedule 7 as revised from time to time throughout the term of the Service Agreement or Umbrella Agreement and in effect at the time that the Unreserved Capacity is used, and as further described in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS. In the event that there is Unreserved Capacity that cannot be attributed to a particular Transmission Customer or Eligible Customer, or is not subject to applicable provisions related to the calculation of Unreserved Capacity under an interconnection

agreement between the Transmission Provider and a Transmission Customer or Eligible Customer or a neighbouring Balancing Authority (as such is defined in the NERC Glossary of Terms), but that is attributable to a particular Balancing Authority Area, (as such is defined in the NERC Glossary of Terms), then the Transmission Provider shall attribute such Unreserved Capacity to any Transmission Customer(s) and/or Eligible Customer(s) that has identified itself to be, in its Application for Creditworthiness Approval, an Affiliate (as such is defined in the Application for Creditworthiness Approval) of the Balancing Authority (as such is defined in the NERC Glossary of Terms) for the particular Balancing Authority Area, and any such Transmission Customer(s) and/or Eligible Customer(s) shall pay, pro-rata, for such Unreserved Capacity in accordance with the provisions of this Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS. The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

## **26. STRANDED COST RECOVERY**

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff subject to the Dispute Resolution provisions in Section 12.

## **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 costs of new facilities to the extent consistent with law and/or Board policy governing the Transmission Provider.

### **III. NETWORK INTEGRATION TRANSMISSION SERVICE**

#### **Preamble**

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

#### **28. NATURE OF NETWORK INTEGRATION TRANSMISSION SERVICE**

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

- 28.2 Transmission Provider Responsibilities:** The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider's marketing function, on behalf of its Native Load Customers, shall designate resources and loads under Part III of this Tariff in a manner comparable to a Network Customer, except as otherwise explicitly provided herein. The resource and load information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice, endeavor to construct and place into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.
- 28.3 Network Integration Transmission Service:** The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.
- 28.4 Secondary Service:** The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from generation resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff but instead shall be requested in accordance with the procedures set forth in Section 18 of the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than

Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service under Part II of the Tariff.

**28.5 Real Power Losses:** Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to replace Real Power Losses. The Network Customer is responsible for losses associated with all transmission service as calculated by the Transmission Provider in accordance with Attachment M. The applicable Real Power Loss factors for the Transmission Provider are as set forth in Schedule 9-A of this Tariff.

**28.6 Restrictions on Use of Service:** The Network Customer shall not use Network Integration Transmission Service for: (i) sales of capacity and energy to non-designated loads; or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-to-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. In the event that a Network Customer uses Network Integration Transmission Service contrary to the above-referenced restrictions, the Network Customer shall be charged the applicable Point-to-Point Transmission Service rate(s).

**28.7 Identity of Network Customer:** If the Network Customer is: (i) acting as an intermediary for the provision of Network Integration Transmission Service to a load-serving entity; or (ii) does not control the generation designated as a Network Resource; or (iii) does not own/operate the facilities interconnected with the Transmission System, any references in the Tariff to the Network Customer's or Eligible Customer's transmission system, facilities, Network Resources or operations shall be interpreted as including the transmission system, facilities, resources and operations of the load-serving entity, resource owner/operator or facility owner/operator as applicable. Under such circumstances, the Network Customer shall be responsible for ensuring that contractual

arrangements acceptable to the Transmission Provider are in place with the applicable load-serving entity, resource owner/operator and facility owner/operator to ensure that all Tariff obligations are fulfilled.

## **29. INITIATING SERVICE**

**29.1 Condition Precedent for Receiving Service:** Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that: (i) the Eligible Customer submits a completed Credit Application to the Transmission Provider and meets any credit requirements pursuant to Attachment L-1; (ii) the Eligible Customer completes an Application for service as provided under Part III of the Tariff; (iii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4 if applicable; (iv) the Eligible Customer executes a Service Agreement pursuant to Attachment F-1 or F-2 for service under Part III of the Tariff; and (v) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Section 35.2 and Attachment G, if applicable.

**29.2 Application Procedures:** An Eligible Customer requesting service under Part III of the Tariff must: (i) submit an Application on OASIS; (ii) submit Specifications for Network Integration Transmission Service in the form specified in Attachment F-1 or F-2, as applicable, and containing the information specified in Sections 29.2(a) and/or 29.2(b), as applicable to the Transmission Provider by electronic mail; and (iii) provide the Transmission Provider with a refundable deposit of fifty thousand dollars (\$50,000.00). The Specifications shall also contain any other information specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS, as applicable. Applications shall be submitted as far as possible in advance of the month in which service is to commence, but no earlier than ten (10) years prior to the

commencement of service. The Eligible Customer must submit a separate Application and Specifications for Network Integration Transmission Service in the form specified in Attachment F-2, for Network Integration Transmission Service from an off-system Network Resource. A separate Application and Specifications are required for each off-system Network Resource. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the required information on the OASIS used by the Transmission Provider or by electronic mail to the Transmission Provider. If the OASIS used by the Transmission Provider is not functioning, 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.

**29.2(a) Specifications for Service From On-System Resources:** The Specifications for Network Integration Transmission Service From On-System Network Resources (Attachment F-1) shall include the information specified below and any additional information specified by the Transmission Provider in Attachment F-1.

- (i) The identity, address, telephone number, electronic mail address and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The total quantity of Network Load to be served. The Specifications should separately identify the Eligible Customer's best estimate of the

amount of load to be served at each transmission voltage level. Specifications should also include a ten (10) year forecast of summer and winter load and on-system Network Resource requirements beginning with the first year after the service is scheduled to commence. For Applications to serve Network Load that is not the Transmission Provider's Native Load Customers, Network Load quantity must be specified at each delivery point and at each transmission voltage level served by the same Transmission Provider substation.

- (iv) The amount, retail customer identity and location (nearest town) of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;
- (v) A description of on-system Network Resources (current and 10 year projection), which shall include, for each on-system Network Resource:
  - Unit size or generator capability curve and amount of capacity from that unit to be designated as Network Resource
  - Generation Verification Test Capacity data for generating facilities that have commenced operation, as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS
  - VAR capability (both leading and lagging) of all generators



- Operating restrictions
    - Any periods of restricted operations throughout the year
    - Maintenance schedules
    - Minimum loading level of unit
    - Normal operating level of unit
  - Approximate variable cost (\$/MWH) for redispatch computations
  - Location and amount of Network Resource connected to the distribution system that nets out Network Load
  - Contractual arrangements (with a term of one (1) year or more) governing sale and delivery of power to non-designated third parties from generating facilities located in the Transmission Provider Control Area. This description shall be consistent with the requirements specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS.
  - Description of purchased power to be designated as a Network Resource including source of supply, capacity value of the Network Resource, a description of the applicable seasons for which the power is purchased, and any other information regarding the seasonal nature of the Network Resource as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS;
- (vi) Except for Applications for service to the Transmission Provider's Native Load Customers, a description of Eligible Customer's transmission system:
- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including

normal and emergency ratings of all transmission equipment in formats compatible with those used by the Transmission Provider

- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (e) above
- 10 year projection of system expansions or upgrades
- Transmission System maps that include any proposed expansions or upgrades
- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas; and

(vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one (1) year. If the Network Resource is not intended to be available throughout the entirety of the term, seasonal designations may be granted.

(viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or execution of a contract to purchase the Network Resource is contingent upon the availability of transmission service under Part III of the Tariff; and (2) pursuant to Section 30.1, the Network Resources do not include any resources, or any portion thereof,

that are either: (i) committed for sale by the Network Customer to non-designated third party load (for a term of one (1) year or more) unless, and only to the extent that the seller has a contractual right to curtail the energy sold in order to maintain reliable service to the seller's Network Load, subject to any limitations permitted by Section 30.1 of the Tariff; or (ii) purchased by the Network Customer pursuant to a power purchase agreement executed prior to January 1, 2017, that allows the seller to interrupt delivery of energy to the purchaser for economic reasons; or (iii) purchased by the Network Customer pursuant to a power purchase agreement executed on or after January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for reasons other than Force Majeure.

- (ix) A copy of any power purchase agreement (that has been executed at the time of submission of the Application) that is to be designated as a Network Resource.

**29.2(b) Specifications for Service From Off-System Resources:** The Specifications for Network Integration Transmission Service From Off-System Network Resources (Attachment F-2) shall include the information specified below and any additional information specified by the Transmission Provider in Attachment F-2.

- (i) The identity, address, telephone number and electronic mail address and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load in accordance with the requirements of Section 29.2(a)(iii), and (iv), or a statement that the Network Load is the same as

that identified in the Specifications pursuant to a previous Service Agreement for Network Integration Transmission Service;

- (iv) A description of the off-system Network Resource, including:
- Identification of the Network Resource as a generating facility or power purchase agreement
  - Amount of power to which the customer has rights, including a description of the applicable seasons for which the power is purchased, and any other information regarding the seasonal nature of the Network Resource as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS
  - Identification of the control area from which the power will originate
  - Delivery point(s) to the Transmission Provider's Transmission System (interface between neighbouring system and Transmission Provider's Transmission System.)
  - Confirmation of Firm Point-to-Point Transmission Service arrangements on the external transmission system(s) from Network Resource to Transmission Provider's Transmission System
  - Operating restrictions, if any
    - Any periods of restricted operations throughout the year
    - Maintenance schedules
    - Minimum loading level of unit
    - Normal operating level of unit
  - Approximate variable generating cost (\$/MWH) for redispatch computations.

- (v) Except for Applications for service to the Transmission Provider's Native Load Customers, a description of Eligible Customer's transmission system:
- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in formats compatible with those used by the Transmission Provider
  - Operating restrictions needed for reliability
  - Operating guides employed by system operators
  - Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
  - Location of Network Resources described in subsection (iv) above
  - 10 year projection of system expansions or upgrades
  - Transmission System maps that include any proposed expansions or upgrades
  - Thermal ratings of Eligible Customer's Control Area ties with other Control Areas; and
- (vi) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one (1) year. If the Network Resource is not intended to be available throughout the entirety of the term, seasonal designations may be granted.
- (vii) A statement signed by an authorized officer from or agent of the Network Customer attesting that the Network Resource identified pursuant to

Section 29.2(iv) satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or execution of a contract to purchase the Network Resource is contingent upon the availability of transmission service under Part III of the Tariff; and (2) pursuant to Section 30.1, the Network Resource nor any portion thereof, is not: (i) committed for sale by the Network Customer to non-designated third party load (for a term of one (1) year or more) unless, and only to the extent that the seller has a contractual right to curtail the energy sold in order to maintain reliable service to the seller's Network Load, subject to any limitations permitted by Section 30.1 of the Tariff; or (ii) purchased by the Network Customer pursuant to a power purchase agreement executed prior to January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for economic reasons; or (iii) purchased by the Network Customer pursuant to a power purchase agreement executed on or after January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for reasons other than Force Majeure.

- (viii) A copy of any power purchase agreement (that has been executed at the time of submission of the Application) that is to be designated as a Network Resource.

**29.2(c) Acknowledgement of Service Request:** Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. If an Eligible Customer fails to meet the requirements of Section 29.2, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application or Specifications through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Specifications and terminate the Application on OASIS without

prejudice to the Eligible Customer filing a new or revised Application and Specifications that fully comply with the requirements of Section 29.2. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with its standards of conduct.

**29.3 Technical Arrangements to be Completed Prior to Commencement of Service:**

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

**29.4 Network Customer Facilities:** The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection. Notwithstanding the foregoing, this Section 29.4 shall not apply to service to the Transmission Provider's Native Load Customers.

**30. NETWORK RESOURCES**

**30.1 Designation of Network Resources:**

(a) Resource Qualifications: Network Resources shall include all generation and

dedicated transmission equipment owned, purchased or leased by the Network Customer, designated to serve Network Load under the Tariff. Network Resources shall not include resources, or any portion thereof, that: (i) are committed for sale by the Network Customer to non-designated third party load (for a term of one (1) year or more) unless, and only to the extent that the seller has a contractual right to curtail the energy sold in order to maintain reliable service to the seller's Network Load; or (ii) are purchased by the Network Customer pursuant to a power purchase agreement executed prior to January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for economic reasons; or (iii) purchased by the Network Customer pursuant to a power purchase agreement executed on or after January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for reasons other than Force Majeure; or (iv) do not meet the Transmission Provider's generating capacity accreditation requirements specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS. Notwithstanding the foregoing, output from a resource that is committed for sale (for a term of one (1) year or more) by the Network Customer to non-designated third party load pursuant to a power purchase agreement that limits the amount and/or conditions of curtailment may qualify as a Network Resource provided that such limitations are consistent with an interconnection or operating agreement between the Transmission Provider and the transmission service provider or operating entity of the region where the third party load is located.

(b) **Curtailable Resources:** A Network Customer that applies to designate curtailable energy as a Network Resource pursuant to Section 30.1(a):

- (i) shall identify the conditions under which the seller has the right to curtail energy deliveries to the purchaser as operating restrictions pursuant to Sections 29.2(a)(v) and 29.2(b)(iv) of the Tariff; and
- (ii) shall not be required to undesignate a portion of each Network Resource or a portion of its system supporting the third party sale.

(c) **Assessment of Resource:** After a determination by the Transmission Provider pursuant to Section 29.2(c) that a request for service meets the



requirements of Section 29.2, the Transmission Provider shall review and assess the Eligible Customer's Application and Specifications for Network Integration Transmission Service or the Network Customer's Attachment H as applicable, for compliance with the applicable requirements for Network Resources specified in this Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS. Such assessment shall be made within thirty (30) days of the Transmission Provider acknowledging that a request for service is complete pursuant to Section 29.2(c). In the event that the Transmission Provider determines through its assessment, that the Network Resource is not compliant with such requirements, taking into consideration the amount of capacity requested to be designated, the Transmission Provider shall be entitled to terminate the service request and decline to issue a Service Agreement or decrease the amount of capacity to be designated as a Network Resource. The Transmission Provider shall provide written notice to the Eligible Customer of its assessment, including reasons therefore, and any determination to modify or terminate the service request.

- 30.2 Designation of Additional On-System Network Resources:** During the term of a Service Agreement for Network Integration Transmission Service, the Network Customer may designate a new on-system Network Resource or an increase in output exceeding 1.0 MW of a designated on-system Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of an additional (or increased) on-system Network Resource must be made by submitting an Application to Designate Additional On-System Network Resource in the Form of Attachment H to the Transmission Provider by electronic mail no earlier than ten (10) years prior to the requested start date, in accordance with the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS. The submission of an Application on OASIS is not required. Submission of an Application to Designate Additional On-System Network Resource shall be considered a request to modify the

Network Customer's Service Agreement for Network Integration Transmission Service From On-System Network Resources and shall be processed by the Transmission Provider in the same manner as a new Application for Network Integration Transmission Service, including the assessment of Network Resource qualifications, the determination of the need for studies and execution of a modified Service Agreement.

**30.2.1 Designation of a Temporary Network Resource:** A Transmission Customer may designate a resource as a Network Resource for a period of not less than one (1) month and not exceeding twelve (12) consecutive months provided that.

- i) An existing Network Resource has Inoperable Capacity which may make additional Network Integration Transmission Service available.
- ii) The request to designate a resource as a Network Resource is submitted to the Transmission Provider no earlier than 12 months prior and no later than 30 days prior to the requested start date.
- iii) In the event that a competing Point-to-Point Transmission Service request is received by the Transmission Provider, the Point-to-Point Transmission request and the request to convert the resource to a Network Resource shall be ranked in accordance with first-come, first served principles.

Upon receiving a request from the Transmission Customer to temporarily designate a resource as a Network Resource in a form acceptable to the Transmission Provider, the Transmission Provider shall determine the available transmission capacity within 30 days, or such other period of time provided by written notice to the Transmission Customer, and notify the Network Customer accordingly.

**30.3 Termination of Network Resources:** The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource upon one month's notice and upon approval of the Transmission Provider. The Transmission

Provider shall not withhold its approval if the termination of such designation does not, in the Transmission Provider's sole discretion, create or aggravate a constrained interface in the Transmission Provider's Transmission System or if the Network Customer has no control over such termination.

**30.4 Operation of Network Resources:** The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment to maintain reliable service to the seller's designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Specifications pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. In the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service, the Transmission Provider shall have the right to instruct the Network Customer to curtail and the Network Customer shall be charged the applicable rates for Point-to-Point Transmission Service related to transmission of any excess capacity by the Transmission Provider.

- 30.5 Network Customer Redispatch Obligation:** As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.
- 30.6 Transmission Arrangements for Network Resources not Physically Interconnected with the Transmission Provider:** The Network Customer shall be responsible for arranging Firm Point-to-Point Transmission Service to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.
- 30.7 Limitation on Designation of Network Resources:** The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may state that execution of a contract that qualifies as a Network Resource pursuant to Section 30.1 is contingent upon the availability of transmission service under Part III of the Tariff.
- 30.8 Use of Interface Capacity by the Network Customer:** Except as otherwise specified herein, there is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network

Customer's Network Load.

**30.9 Network Customer Owned Transmission Facilities:** The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under Part III of the Tariff, the Network Customer shall receive credit where such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment O. Calculation of the credit shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

### **31. DESIGNATION OF NETWORK LOAD**

**31.1 Network Load:** The Network Customer must designate the Network Load on whose behalf the Transmission Provider will provide Network Integration Transmission Service. The Network Load shall be specified in the Specifications that form part of the Service Agreement in accordance with Sections 29.2(a) and 29.2(b).

**31.2 New Network Loads Connected with the Transmission Provider:** With the exception of service to the Transmission Provider's Native Load Customers, the Network Customer shall provide the Transmission Provider with as much advance notice as reasonably

practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with law and/or Board policy governing the Transmission Provider.

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

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

**31.5 Changes in Service Requests:**

Under no circumstances shall the Network Customer's decision to cancel or delay a

requested change in Network Integration Transmission Service (e.g. the addition of a new Network Resource or designation of a new Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the Transmission Provider and charged to the Network Customer as reflected in the Service Agreement. However, the Transmission Provider must treat any requested change in Network Integration Transmission Service in a non-discriminatory manner.

**31.6 Annual Load and Resource Information Updates:** The Network Customer shall provide the Transmission Provider with annual updates of (i) Network Load forecast; (ii) information related to Network Resources as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any information provided in its Application relating to the Network Customer's Network Load, Network Resources, or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service. For greater certainty of interpretation, compliance with this Section 31.6 shall not relieve a Network Customer from any obligations pursuant to Section 30.2 with respect to the designation of additional or increased Network Resources.

**31.7 Revocation or Modification of Designation:** The Transmission Provider shall review and assess a Network Customer's Network Resource designations annually, and at such other times as considered reasonable, for continued compliance with the Transmission Provider's Network Resource requirements specified in this Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS. In the event that a Network Resource fails to meet such requirements for the amount of capacity designated, the Transmission Provider may revoke or decrease a Network Resource designation upon providing thirty (30) business days written notice to the Network Customer.

## **32. ADDITIONAL STUDY PROCEDURES FOR NETWORK INTEGRATION TRANSMISSION SERVICE REQUESTS**

**32.1 Notice of Need for System Impact Study:** After receiving a request for service or modifications to an existing Service Agreement and assessing Network Resource qualifications pursuant to Section 30.1(c), the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. In the event that the service requested is for Native Load Customers, the Transmission Provider may take into consideration whether similar studies are required under Manitoba law or pursuant to Good Utility Practice when determining 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 not required, the Transmission Provider shall notify the Eligible Customer and issue a Service Agreement for execution, provided that the Transmission Provider has determined pursuant to Section 30.1(c) that the Eligible Customer's Network Resources are compliant with all applicable requirements. The Eligible Customer shall execute the Service Agreement and return it to the Transmission Provider within fifteen (15) days or its Application shall be deemed withdrawn and its deposit shall be refunded less reasonable costs incurred by the Transmission Provider. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement in the form of Attachment D-1 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 shall be refunded, less reasonable costs incurred by the Transmission Provider. Notwithstanding the foregoing, the Transmission Provider may deny providing service and the performance of a System Impact Study whenever the Transmission Provider determines that new transmission facilities or upgrades required to provide the requested service could not be completed prior to the service commencement date.

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

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

Impact Studies pursuant to Section 8.

**32.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement and payment for the estimated costs of the System Impact Study (to the extent such costs exceed any unused deposit pursuant to Section 29.2), the Transmission Provider will use due diligence to complete the required System Impact Study within a reasonable time period, taking into consideration the complexity of the study, the Transmission Provider's resources, the number of other studies to be conducted and whether or not the Eligible Customer has requested a study to be conducted under the Transmission Provider's Open Access Interconnection Tariff that involves the same transmission service. Payment of the estimated System Impact Study costs may be made through internal journal entries for studies conducted by the Transmission Provider on its own behalf. The System Impact Study shall identify: (i) any system constraints, identified with specificity by transmission element or flowgate; (ii) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer); (iii) service condition options if offered by the Transmission Provider; and (iv) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within the estimated time period, it shall so notify the Eligible Customer and provide an updated 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 if service can be provided at limited times under specified system conditions with no facilities or upgrades or that no costs are likely to be

incurred for new transmission facilities or upgrades. Subject to Section 30.1(c), if the System Impact Study indicates that the Transmission System will be adequate to accommodate a request for service and that no costs are to be incurred for new transmission facilities or upgrades, or if service condition options are identified, the Transmission Provider shall forward a Service Agreement with any applicable conditions to the Eligible Customer within fifteen (15) days of completion of the System Impact Study. In order for a request that does not involve the construction of new transmission facilities or upgrades to remain a Completed Application, within fifteen (15) days of receipt, the Eligible Customer must execute a Service Agreement, or the Application shall be deemed terminated and withdrawn.

**32.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, and the Eligible Customer has either not been offered or has declined a Service Agreement with service conditions, 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 in the form of Attachment D-2 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 with payment for the estimated costs of the Facilities Study (to the extent exceeding any unused deposit provided pursuant to Section 29.2) within fifteen (15) days. Payment for Facilities Studies conducted by the Transmission Provider on its own behalf may be made through internal journal entries. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be refunded, less reasonable costs incurred by the Transmission Provider that have not already been recovered from the Eligible Customer. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within reasonable time period, taking

into consideration the complexity of the study, the Transmission Provider's resources, the number of other studies to be conducted and whether or not the Eligible Customer has requested a study to be conducted under the Transmission Provider's Open Access Interconnection Tariff that involves the same transmission service. If the Transmission Provider is unable to complete the Facilities Study in the estimated time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the additional time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of: (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer; (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades; and (iii) the time required to complete such construction and initiate the requested service. Upon completion, a copy of the Facilities Study and related work papers shall be made available to the Eligible Customer. Subject to Section 30.1(c), within ninety (90) days of completing the Facilities Study, the Transmission Provider shall forward a Service Agreement and a Facilities Construction Agreement in the form of Attachment E to the Eligible Customer. The Eligible Customer shall have thirty (30) days to: (i) execute a Service Agreement and the Facilities Construction Agreement; (ii) provide the required letter of credit or other form of security acceptable to the Transmission Provider, in accordance with the Facilities Construction Agreement; and (iii) provide an executed copy of any power purchase agreement that is to be designated as a Network Resource or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

### **33. LOAD SHEDDING AND CURTAILMENTS**

**33.1 Procedures:** Subject to Section 35.4 governing service to the Transmission Provider's Native Load Customers, prior to the Service Commencement Date, the Transmission Provider and the Network Customer shall establish Load Shedding and Curtailment

procedures pursuant to the Network Operating Agreement with the objective of responding to contingencies on the Transmission System and on systems directly and indirectly interconnected with the Transmission Provider's Transmission System. The Parties will implement such programs during any period when the Transmission Provider determines that a system contingency exists and such procedures are necessary to alleviate such contingency. The Transmission Provider will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

**33.2 Transmission Constraints:** During any period when the Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of the Transmission Provider's system, the Transmission Provider will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the Transmission Provider's system. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement, if applicable, to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

**33.3 Cost Responsibility for Relieving Transmission Constraints:** Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint other than for service to the Transmission Provider's Native Load Customers, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio shares.

- 33.4 Curtailments of Scheduled Deliveries:** If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement, if applicable, or pursuant to the procedures specified in Attachment Q hereto.
- 33.5 Allocation of Curtailments:** The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.
- 33.6 Load Shedding:** To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement, if applicable.
- 33.7 System Reliability:** Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbances(s) on the

Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to: (i) limit the extent or damage of the adverse condition (s) or disturbance(s); (ii) prevent damage to generating or transmission facilities; or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

#### **34. RATES AND CHARGES**

The Network Customer shall pay the Transmission Provider for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with law and/or Board policy governing the Transmission Provider, along with the following:

**34.1 Monthly Demand Charge:** The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment O as revised from time to time during the term of the Service Agreement and in effect at the time that Network Integration Transmission Service is provided.

**34.2 Determination of Network Customer's Monthly Network Load:** The Network

Customer's monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with the Transmission Provider under Section 31.3) coincident with the Transmission Provider's Monthly Transmission System Peak.

**34.3 Determination of Transmission Provider's Monthly Transmission System Load:**

The Transmission Provider's monthly Transmission System load is the Transmission Provider's Monthly Transmission System Peak minus the coincident peak usage of all Firm Point-to-Point Transmission Service customers pursuant to Part II of this Tariff plus the Reserved Capacity of all Firm Point-to-Point Transmission Service customers.

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

**34.5 Stranded Cost Recovery:** The Transmission Provider may seek to recover stranded costs from the Network Customer pursuant to this Tariff subject to the dispute resolution provisions of Section 12.

**35. OPERATING ARRANGEMENTS**

**35.1 Operation under The Network Operating Agreement:** Subject to Section 35.4, the Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

**35.2 Network Operating Agreement:** The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated



with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to: (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment); (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data); (iii) use software programs required for data links and constraint dispatching; (iv) exchange data on forecasted loads and resources necessary for long-term planning; and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either: (i) operate as a Control Area under applicable guidelines of the North American Electric Reliability Corporation ("NERC"), and the Midwest Reliability Organization ("MRO"); (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider; or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC and MRO requirements. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

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

**35.4 Service to Native Load Customers:** A Network Operating Agreement shall not be required to document the operating requirements for the Transmission Provider's service to Native Load Customers.

## **APPENDIX 1**

### **INTERBANK TRANSFER OF FUNDS ACCOUNT**

Bank Wire Transfer to:                      Royal Bank of Canada, Main Branch  
220 Portage Avenue, WINNIPEG, Manitoba R3C 0A5  
Transit Number: 00007

For Credit to:                                    Manitoba Hydro-Electric Board  
Canadian Account No. 1002815

## SCHEDULE 1

### Scheduling, System Control and Dispatch Service

#### I. General

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider. The Transmission Customer must purchase this service from the Transmission Provider. The charges for Scheduling, System Control and Dispatch Service are as set forth below:

#### II. Rates

The rates for this service are:

Annual Rate	\$2,130.65 (CAD)/MW
Monthly Rate	\$ 171.55 (CAD)/MW
Weekly	\$ 40.97 (CAD)/MW
Daily Peak	\$ 8.19 (CAD)/MW
Daily Off-Peak	\$ 5.84 (CAD)/MW
Hourly Peak	\$ 0.51 (CAD)/MW
Hourly Off-Peak	\$ 0.24 (CAD)/MW

#### III. Charges

The charges for Transmission Customers taking Point-to-Point Transmission Service under Part II of the Tariff shall be calculated by multiplying the appropriate rate calculated above by each megawatt of Reserved Capacity. Notwithstanding the foregoing: (i) the total Schedule 1 charge in any week, pursuant to a reservation for daily Transmission Service, shall not exceed

the weekly rate specified in section II above times the highest amount of Reserved Capacity in any day during such week; (ii) the total Schedule 1 charge for any day, pursuant to a reservation for hourly Transmission Service, shall not exceed the daily rate specified in Section II above times the highest amount of Reserved Capacity in any hour during such day.

The charges for Transmission Customers taking Network Integration Transmission Service under Part III of the Tariff shall be calculated by multiplying the Monthly Rate calculated above by each megawatt of monthly Network Load determined in accordance with Section 34.2 of the Tariff.

The Transmission Customer shall compensate the Transmission Provider for the sum of the applicable charges set forth in this Schedule in addition to other applicable charges set forth in the Tariff.

The charges under this Schedule shall be waived by the Transmission Provider for Transmission Customers who are taking Transmission Service from a Point of Receipt in the Manitoba Hydro Zone to the Canada-US international boundary as the designated Point of Delivery in order to serve load in the MISO Tariff Zone.

## **SCHEDULE 2**

### **Reactive Supply and Voltage Control from Generation Sources Service**

#### **I. General**

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

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided directly by the Transmission Provider. The Transmission Customer must purchase this service from the Transmission Provider. The charges for such service will be as set forth below:

#### **II. Rate**

The rate for this service is: \$261.29 (CAD)/MW-Month.

#### **III. Charges**

The charges for Transmission Customers taking Point-to-Point Transmission Service under Part II of the Tariff shall be calculated by multiplying the rate specified above by

each megawatt of Reserved Capacity. Notwithstanding the foregoing: (i) the total Schedule 2 charge in any week, pursuant to a reservation for daily Transmission Service, shall not exceed the weekly rate specified in Section II above times the highest amount of Reserved Capacity in any day during such week; (ii) the total Schedule 2 charge for any day, pursuant to a reservation for hourly Transmission Service, shall not exceed the daily rate specified in Section II above times the highest amount of Reserved Capacity in any hour during such day.

The charges for Transmission Customers taking Network Integration Transmission Service under Part III of the Tariff shall be calculated by multiplying the rate specified above by each megawatt of monthly Network load determined in accordance with Section 34.2 of the Tariff.

The Transmission Customer shall compensate the Transmission Provider for the sum of the applicable charges set forth in this Schedule in addition to other applicable charges set forth in the Tariff.

The charges under this Schedule shall be waived by the Transmission Provider for Transmission Customers who are taking Transmission Service from a Point of Receipt in the Manitoba Hydro Zone to the Canada-US international boundary as the designated Point of Delivery in order to serve load in the MISO Tariff Zone.

### **SCHEDULE 3**

#### **Regulation and Frequency Response Service**

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service that meet the Transmission Provider's technical criteria (as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS) as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response Service are set forth below:

**Amount:** The Transmission Customer shall be required to purchase an amount of Regulation and Frequency Response Service equal to 1.35% of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service or 1.35% of the Network Customer's Network Load responsibility for Network Integration Transmission Service.

**Rate:** \$45.00 (CAD)/MW-Month

**Charges:** The charges for Transmission Customers taking Point-to-Point Transmission Service or Network Integration Transmission Service shall be



calculated by multiplying the amount of Regulation and Frequency Response Service required to be purchased pursuant to this Schedule by the rate specified above.

The Transmission Customer shall compensate the Transmission Provider for the sum of the applicable charges set forth in this Schedule in addition to other applicable charges set forth in the Tariff.

## **SCHEDULE 4**

### **Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service that meet the Transmission Provider's technical criteria (as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS), to satisfy its Energy Imbalance Service obligation. The Transmission Provider may charge a Transmission Customer for either hourly energy imbalances under this Schedule or for hourly generator imbalances under Schedule 9-B for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on a deviation band of +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s). Parties should attempt to eliminate energy imbalances within the limits of the deviation band within thirty (30) days or within such other reasonable period of time as is generally accepted in the region and consistently adhered to by the Transmission Provider. If an energy imbalance is not corrected within thirty (30) days or a reasonable period of time that is generally accepted in the region and consistently adhered to by the Transmission Provider, the Transmission Customer will compensate the Transmission Provider for such service. Energy imbalances outside the deviation band will be subject to charges to be specified by the Transmission Provider. The charges for Energy Imbalance Service are set forth below.

There shall be no charge for imbalances less than +/- 1.5%. Any imbalance energy within this bandwidth which occurs shall be accounted for in an imbalance energy exchange account and repaid as energy in kind between the Transmission Customer and Transmission Provider at mutually agreed times and payback amounts. Any energy imbalance on-peak or off-peak, that is not repaid in kind by the Transmission Customer within 30 days following the agreed to times and conditions stated above shall be billed at the greater of 110% of the Transmission Provider's incremental cost at the time of occurrence or the current MAPP filed rate for Emergency Energy Interchange Service. Any energy imbalance, on-peak or off-peak, that is not repaid in kind by the Transmission Provider within 30 days following the agreed to times and conditions stated above shall be billed at 90% of the Transmission Provider's decremental cost.

The rate for hourly energy imbalances greater than +/- 1.5% (Transmission Customer receives at the delivery point(s) more or less than it scheduled) shall be the greater of 110% of the Transmission Provider's incremental cost at the time of occurrence or 90% of the Transmission Provider's decremental cost.

The Transmission Customer shall compensate the Transmission Provider for the sum of the applicable charges set forth in this Schedule in addition to other applicable charges set forth in the Tariff.

## **SCHEDULE 5**

### **Operating Reserve - Spinning Reserve Service**

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service that meet the Transmission Provider's technical criteria (as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of and charges for Spinning Reserve Service are set forth below.

**Amount:** The Transmission Customer shall be required to purchase an amount of Spinning Reserve Service equal to 1.62% of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service or 1.62% of the Network Customer's Network Load responsibility for Network Integration Transmission Service.

**Rate:** \$54.00 (CAD)/MW-Month

**Charges:** The charges for Transmission Customers taking Point-to-Point Transmission Service or Network Integration Transmission Service shall be calculated by multiplying the amount of Spinning Reserve Service required to be purchased pursuant to this Schedule by the rate specified above.

The Transmission Customer shall compensate the Transmission Provider for the sum of

the applicable charges set forth in this Schedule in addition to other applicable charges set forth in the Tariff.

## **SCHEDULE 6**

### **Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service that meet the Transmission Provider's technical criteria (as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below.

**Amount:** The Transmission Customer shall be required to purchase an amount of Supplemental Reserve Service equal to 2.43% of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service or 2.43% of the Network Customer's Network Load responsibility for Network Integration Transmission Service.

**Rate:** \$50.00 (CAD)/MW-Month

**Charges:** The charges for Transmission Customers taking Point-to-Point Transmission Service or Network Integration Transmission Service shall be calculated by multiplying the amount of Supplemental Reserve Service required to be purchased pursuant to this Schedule by the rate specified above.

The Transmission Customer shall compensate the Transmission Provider for the sum of the applicable charges set forth in this Schedule in addition to other applicable charges set forth in the Tariff.

**SCHEDULE 7****Long-Term Firm and Short-Term Firm Point-to-Point  
Transmission Service and Unreserved Capacity**

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below in addition to other applicable charges set forth in the Tariff.

The Transmission Customer shall compensate the Transmission Provider each month for Unreserved Capacity that is used by/attribution to the Transmission Customer at the applicable charge set forth below in addition to other applicable charges set forth in the Tariff. The Eligible Customer shall compensate the Transmission Provider each month for Unreserved Capacity that is used by/attribution to the Eligible Customer, at the applicable charge set forth below in addition to other applicable charges set forth in the Tariff. The calculation of such Unreserved Capacity is further described in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS, other than to the extent that provisions related to the calculation of Unreserved Capacity exist in an interconnection agreement between the Transmission Provider and a Transmission Customer or Eligible Customer or a neighbouring Balancing Authority (as such is defined in the North American Electric Reliability Corporation ("NERC") Glossary of Terms) which are inconsistent with the provisions of this Tariff and the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS, in which case those provisions of the interconnection agreement shall prevail.

A. Transmission Service to Load outside MISO Tariff Zone

The following charges apply for service to load located outside the MISO Tariff Zone:

- 1) Annual Rate: \$41,142.31 (CAD)/MW of Reserved Capacity.



- 2) Monthly Rate: \$3,428.53 (CAD)/MW of Reserved Capacity.
- 3) Weekly Rate: \$791.20 (CAD)/MW of Reserved Capacity.
- 4) a) Daily Peak Rate: \$158.24 (CAD)/MW of Reserved Capacity.  
b) Daily Off-Peak Rate: \$112.72 (CAD)/MW of Reserved Capacity.
- 5) a) Hourly Peak Rate: \$9.89 (CAD)/MWh of Reserved Capacity.  
b) Hourly Off-Peak Rate: \$4.70 (CAD)/MWh of Reserved Capacity.
- 6) a) 15 Minute Peak Rate: \$2.47 (CAD)/MW of Reserved Capacity.  
b) 15 Minute Off-Peak Rate: \$1.17 (CAD)/MW of Reserved Capacity.
- 7) a) 15 Minute Peak Rate: \$2.47 (CAD)/MW of Unreserved Capacity.

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

#### B. Transmission Service to Load in MISO Tariff Zone

The charges under this Schedule shall be waived by the Transmission Provider for Transmission Customers who are taking Transmission Service from a Point of Receipt in the Manitoba Hydro Zone to the Canada-US international boundary as the designated Point of Delivery in order to serve load in the MISO Tariff Zone.

#### C. Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS; (2) any customer-initiated requests for discounts (including requests for use by one's Wholesale Merchant or an affiliate's use) must occur solely

by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

**D. Credit for Charges During Transmission Loading Relief (TLR) Events**

In the event that the Transmission Provider initiates Curtailment of confirmed Point-to-Point Transmission Service on the Transmission System due to a TLR event in accordance with Attachment Q, credit will be given to the Transmission Customer(s) that are actually requested to Curtail their energy schedules associated with the confirmed Point-to-Point Transmission Service. No credits will be given for: (1) TLR events external to the Transmission System; or (2) Non-Firm Secondary Point-to-Point Transmission Service under a Firm Point-to-Point reservation. Under no circumstances shall the amount credited exceed the amount the customer was actually Curtailed nor will credit be given for any hours other than those in which the Curtailment was requested.

**E. Resales**

The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

## SCHEDULE 8

### Non-Firm Point-to-Point Transmission Service

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

#### A. Transmission Service to Load outside MISO Tariff Zone

The following charges apply for service to load located outside the MISO Tariff Zone.

- 1) Monthly Rate: 3,428.53 (CAD)/MW of Reserved Capacity.
- 2) Weekly Rate: \$791.20 (CAD)/MW of Reserved Capacity.
- 3)
  - a) Daily Peak Rate: \$158.24 (CAD)/MW of Reserved Capacity.
  - b) Daily Off-Peak Rate: \$112.72 (CAD)/MW of Reserved Capacity.
- 4)
  - a) Hourly Peak Rate: \$9.89 (CAD)/MWh of Reserved Capacity.
  - b) Hourly Off-Peak Rate: \$4.70 (CAD)/MWh of Reserved Capacity.
- 5)
  - a) 15 Minute Peak Rate: \$2.47 (CAD)/MW of Reserved Capacity.
  - b) 15 Minute Off-Peak Rate: \$1.17 (CAD)/MW of Reserved Capacity.

**Caps:** The total demand charge in any week, pursuant to a reservation for daily delivery, shall not exceed the rate specified in section (2) above times the highest amount of Reserved Capacity in any day during such week. The total demand charge in any day, pursuant to a reservation for hourly delivery, shall not exceed the applicable rate specified in section (3) above times the highest amount of Reserved Capacity in any hour during such day.

#### B. Transmission Service to Load in MISO Tariff Zone

The charges under this Schedule shall be waived by the Transmission Provider for

Transmission Customers who are taking Transmission Service from a Point of Receipt in the Manitoba Hydro Zone to the Canada-US international boundary as the designated Point of Delivery in order to serve load in the MISO Tariff Zone.

C. Discounts:

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS; (2) any customer-initiated requests for discounts (including requests for use by one's Wholesale Merchant or an affiliate's use) must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

D. Credit for Charges During Transmission Loading Relief (TLR) Events

In the event that the Transmission Provider initiates Curtailment of confirmed Point-to-Point Transmission Service on the Transmission System due to a TLR event in accordance with Attachment Q, credit will be given to the Transmission Customer(s) that are actually requested to Curtail their energy schedules associated with the confirmed Point-to-Point Transmission Service. No credits will be given for: (1) TLR events external to the Transmission System; or (2) Non-Firm Secondary Point-to-Point Transmission Service under a Firm Point-to-Point reservation. Under no circumstances shall the amount credited exceed the amount the customer was actually curtailed nor will credit be given for any hours other than those in which the Curtailment was requested.

E. Resales

The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

## **SCHEDULE 9-A**

### **Real Power Loss Factors**

All point-to-point transactions will incur real power losses of 3.03% on the energy delivered to the Point of Receipt.

All network transactions will incur real power losses of 3.03% on the energy delivered to the network, measured at all delivery points.

## **SCHEDULE 9-B**

### **Generator Imbalance Service**

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Provider must offer this service to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, provided such non-generation resources meet the Transmission Provider's technical criteria, (as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS) to satisfy its Generator Imbalance Service obligation. The Transmission Provider may charge a Transmission Customer for either hourly generator imbalances under this Schedule or for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

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

deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. 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 constraints.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and instead shall be settled financially at the end of the month, at 100 percent of incremental and decremental costs. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event or change output to relieve congestion.

2. For purposes of this Schedule, incremental cost and decremental cost represent the Transmission Provider's actual average hourly cost of the last 10 MW dispatched for any purpose i.e. to supply the Transmission Provider's Native Load Customers, correct imbalances or make off-system sales, based on the replacement cost of fuel, unit heat rates, start-up costs (including any commitment and redispatch costs), incremental operation and maintenance costs, and purchased and interchange power costs and taxes, as applicable.

The Transmission Customer shall compensate the Transmission Provider for the sum of the applicable charges set forth in this Schedule in addition to other applicable charges set forth in the Tariff.



## **SCHEDULE 10**

### **Cost Recovery Adder**

#### **I. GENERAL**

The Contractor shall recover a portion of its administrative costs pursuant to the terms of this Schedule 10 from Point-to-Point Transmission Service Customers under this Tariff. Part II of this Schedule 10 presents the cost recovery mechanism and charges applicable to all Point-to-Point Transmission Customers.

#### **II. COST RECOVERY ADDER**

##### **Determination of Monthly Charge**

Costs associated with the Contractor's administration of the MISO Tariff and this Tariff, exclusive of those costs recovered pursuant to Schedules 1, 10-A, 10-B, 10-C, 10-D, 10-G, 16, 16-A, 16-B, 16-C, 17, 17-A, 17-B or 17-C of the MISO Tariff shall be recovered through Schedule 10 charges.

##### **A. Rates and Billing Units/Determinants**

Each month, the Contractor shall determine two rates, a "Reserved Capacity Rate" and an "Energy Rate" for application under this section. The two rates are necessary because each will be multiplied by a different type of billing determinant. The Reserved Capacity Rate will be multiplied by billing units of Reserved Capacity, and the Energy Rate will be multiplied by billing units of MWhs of scheduled energy. In the rate calculations, 50% of the billing units used will be based on MWhs of Reserved Capacity and 50% of the billing units used will be based on MWhs of Energy.

The Contractor shall determine the dollar target for recovery under the Cost Recovery Adder for each month based on the Contractor's budgeted or forecasted costs to be recovered under this Schedule 10 for that month, exclusive of the costs to be recovered under Schedule 10-B, Schedule 10-C, 10-D and 10-G of the MISO Tariff and any other deferred costs; the monthly credit for withdrawal obligations paid under Schedules 10-C, 10-D and 10-G of the MISO Tariff, and a true-up amount from the prior month (the "Targeted Monthly Recovery Amount"). The true-up amount is the difference between the Contractor's actual costs to be recovered under this Schedule 10 for the prior month and the actual amount of Schedule 10 revenue received for that prior month. The Contractor shall separate the formula into two components – one for recovery through the Energy Rate and one for the recovery through the Reserved Capacity Rate. The methodology for determining these two rates is as specified in Schedule 10 of the MISO Tariff: The Contractor shall notify Transmission Customers in advance of invoicing any change in the relative percentages of the Targeted Monthly Recovery Amount to be recovered under the two components.

Each monthly charge shall be calculated based on budgeted costs and estimated MWhs of Transmission Service, less the number of MWhs derived pursuant to Schedule 10-A. Section II, Schedule 10-B Section II and Schedule 10-C Section II of the MISO Tariff, which will be trued up in the following month's calculation to reflect actual costs and actual MWhs of Transmission Service.

#### B. Charges

The Schedule 10 charges for Transmission Customers taking Point-to-Point Transmission Service under Part III of the Tariff shall be calculated as follows:

$$PtP_t = (ER_t \times ES_t) + (CR_t \times RC_t \times HR_t); \text{ where;}$$

$t$  = Effective month

PtP = Schedule 10 charge associated with Point-to-Point Transmission Service

reservation

ER = Energy Rate established by the Contractor in accordance with Part II, Section A of this Schedule 10

CR = Reserved Capacity Rate established by the Contractor in accordance with Part II, Section A of this Schedule 10

ES = MWhs of energy for the Point-to-Point Transmission Service reservation

RC = Reserved Capacity of Point-to-Point Transmission Service reservation.

HR = the duration, in hours, of the reservation within the month.

The charges under this Schedule shall be waived by the Transmission Provider for Transmission Customers who are taking Transmission Service from a Point of Receipt in the Manitoba Hydro Zone to the Canada-US international boundary as the designated Point of Delivery in order to serve load in the MISO Tariff Zone.

Confirmed Point-to-Point Transmission Service reservations made by a Transmission Customer shall be exempt from Schedule 10 charges if such reservations sink in the Manitoba Hydro Zone and serve load through Network Integration Transmission Service under this Tariff.

The Transmission Customer shall compensate the Transmission Provider for the sum of the applicable charges set forth in this Schedule in addition to other applicable charges set forth in the Tariff.

## **SCHEDULE 11-MH**

### **NEB Cost Adder**

#### **I. GENERAL**

The Transmission Provider, as an owner of international power lines, pays a cost recovery charge to the National Energy Board (“NEB”) on an annual basis, representing the Transmission Provider’s share of the NEB’s costs to regulate the Canadian electricity industry, pursuant to the provisions of The National Energy Board Cost Recovery Regulations (“NEB Cost Recovery Charge”). The Transmission Provider shall recover its NEB Cost Recovery Charge from applicable Point-to-Point Transmission Customers pursuant to this Schedule.

#### **II. IMPOSITION OF CHARGE**

The Transmission Provider shall impose an NEB Cost Adder on Transmission Customers that reserve Transmission Service for the export or import of electricity to or from Canada or the United States of America on a monthly basis.

#### **III. DETERMINATION OF NEB COST ADDER**

A. The NEB Cost Adder shall be calculated as follows:  $\text{NEB Cost Adder} = \text{NEB Cost Recovery Rate (calculated in accordance with Section III.B of this Schedule)} \times \text{MWhs of scheduled energy imported or exported to or from Canada or the United States of America.}$

B. The Transmission Provider shall determine the NEB Cost Recovery Rate for the upcoming calendar year annually in the preceding November. The annual NEB Cost Recovery Rate shall be calculated as follows:  $A \div B$ , where

A = The NEB Cost Recovery Charge for the applicable year, as determined by the National Energy Board, including any true-ups applicable to the previous calendar year;

B = Forecast of Transmissions for the applicable year, as determined by the Transmission Provider in accordance with the National Energy Board Cost Recovery Regulations.

C. The NEB Cost Recovery Charge is \$887, 227.00for the 2018 calendar year.

The Transmission Customer shall compensate the Transmission Provider for the sum of the applicable charges set forth in this Schedule in addition to other applicable charges set forth in the Tariff.

## **ATTACHMENT A**

### **Form of Service Agreement for Long-Term Firm Point-to-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Manitoba Hydro (the 'Transmission Provider'), and (the 'Transmission Customer').
- 2.0 The Transmission Customer has been determined by the Contractor to have a Completed Application for Long-Term Firm Point-to-Point Transmission Service and an approved Application for Eligible Customer Status under the Tariff.
- 3.0 Reserved.
- 4.0 The Transmission Customer has provided to the Contractor an Application deposit in accordance with the provisions of Section 17.3 of the Tariff, if required.
- 5.0 Service under this agreement shall commence on the later of: (1) the requested service commencement date; or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as set forth in Section 1.0 of the attached Specifications for Long-Term Firm Point-to-Point Transmission Service incorporated herein, subject to Section 11.6 of said Specifications.
- 6.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-to-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 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 No failure by the Transmission Provider or the Transmission Customer at any time or from time to time to enforce or require a strict observance of any of the provisions of this Service Agreement shall constitute a waiver of the provision or affect or impair such provisions or the right of the Transmission Provider or the Transmission Customer at any time to enforce such provisions or to avail itself of any remedy it may have.
- 9.0 This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and any Assignees of the Transmission Customer authorized pursuant to s.23.1 of the Tariff.
- 10.0 The Tariff and the attached Specifications for Long-Term Firm Point-to-Point Transmission Service are incorporated herein and made a part hereof.
- 11.0 Applicable taxes shall be added to all charges set forth in the Tariff.
- 12.0 The Transmission Customer shall not use transmission service provided pursuant to this Agreement for the purpose of exporting electricity from Canada to the United States of America without first providing the Transmission Provider with a copy of the export permit or license granted by the National Energy Board of Canada authorizing the proposed export of electricity. The Transmission Customer shall provide the Transmission Provider with the appropriate National Energy Board permit or license

number at the time of submitting schedules for exports pursuant to this Agreement.

13.0 At the termination of this Service Agreement up to      MW of transmission capacity may be available for the exercising of reservation priority rights pursuant to Section 2.2 of the Tariff.

14.0 a) **THE TRANSMISSION PROVIDER SHALL NOT BE LIABLE, WHETHER BASED ON CONTRACT, INDEMNIFICATION, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE TO ANY TRANSMISSION CUSTOMER OR ANY THIRD PARTY FOR ANY DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION, DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES ARISING OR RESULTING FROM ANY ACT OR OMISSION IN ANY WAY ASSOCIATED WITH SERVICE PROVIDED UNDER THIS TARIFF, INCLUDING BUT NOT LIMITED TO ANY ACT OR OMISSION THAT RESULTS IN AN INTERRUPTION, DEFICIENCY OR IMPERFECTION OF SERVICE, EXCEPT TO THE EXTENT THAT THE TRANSMISSION PROVIDER IS FOUND LIABLE FOR GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT, IN WHICH CASE THE TRANSMISSION PROVIDER SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES.**

b) **THE TRANSMISSION PROVIDER SHALL NOT BE LIABLE FOR DAMAGES ARISING OUT OF SERVICES PROVIDED UNDER THIS TARIFF, INCLUDING BUT NOT LIMITED TO, ANY ACT OR OMISSION THAT RESULTS IN AN INTERRUPTION, DEFICIENCY OR IMPERFECTION OF SERVICE OCCURRING AS A RESULT OF CONDITIONS OR CIRCUMSTANCES RESULTING FROM ELECTRIC SYSTEM DESIGN**



**COMMON TO THE NORTH AMERICAN ELECTRIC UTILITY INDUSTRY OR  
ELECTRIC SYSTEM OPERATION PRACTICES OR CONDITIONS COMMON  
TO THE NORTH AMERICAN ELECTRIC UTILITY INDUSTRY.**

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

Transmission Provider:

By:                      Name                      Title                      Date                      Signed at

Transmission Customer:

By:                      Name                      Title                      Date                      Signed at

**Specifications for Long-Term Firm Point-to-Point  
Transmission Service**

- 1.0 Term of Transaction:  
Start Date:  
Termination Date:
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Control Area in which the transaction originates.
- 3.0 Point(s) of Receipt:  
Delivering Party:
- 4.0 Point(s) of Delivery:  
Receiving Party:
- 5.0 Location of generating facilities supplying capacity and energy:
- 6.0 Location of load:
- 7.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):
- 8.0 Service conditions pursuant to Section 13.5 of the Tariff, if applicable:
- 9.0 Designation of party(ies) subject to reciprocal service obligation:
- 10.0 Name(s) of any Intervening Systems providing transmission service:
- 11.0 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).

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

11.2 Network Upgrade Charge:

11.3 Direct Assignment Facilities Charge:

11.4 Applicable Service Charges:

- ☐ Schedule 1: Scheduling, System Control and Dispatch Service
- ☐ Schedule 2: Reactive Supply and Voltage Control from Generation Sources
- ☐ Schedule 3: Regulation and Frequency Response Service
- ☐ Schedule 4: Energy Imbalance Service
- ☐ Schedule 5: Operating Reserve – Spinning Reserve Service
- ☐ Schedule 6: Operating Reserve – Supplemental Reserve Service
- ☐ Schedule 7: Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service
- ☐ Schedule 8: Non-Firm Point-to-Point Transmission Service
- ☐ Schedule 9A: Real Power Loss Factors
- ☐ Schedule 9B: Generator Imbalance Service
- ☐ Schedule 10: Cost Recovery Adder
- ☐ Schedule 11-MH: NEB Cost Adder

11.5 Future Additional Charges or Restrictions: (check if applicable)

- ☐ The Term of the service request extends beyond the Transmission Provider's study horizon that was used in the System Impact or Facilities Study. Accordingly, after \_\_\_\_\_ (date) the Transmission Provider may conduct a new study of the request and may terminate this Service Agreement on reasonable notice and either:
- (i) Offer service subject to conditions in accordance with Section 13.5 of the Tariff pursuant to a new Service Agreement for the remainder of the term; or
  - (ii) assess additional Network Upgrade Charges and/or Direct Assignment Facilities Charges pursuant to a new Service Agreement for the remainder of the term.

## **ATTACHMENT A-1**

### **Form of Service Agreement for the Resale 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 Reseller) 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 transactions 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, and the Assignee (pursuant to Section 23.1 of this Tariff) and appropriately specified in this Service Agreement. Such negotiated terms and conditions include: contract effective and termination dates, the amount of resold 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 Assignee shall pay the Transmission Provider for the amount of resold capacity at the Resale Charge specified in Section 8.1 of the Specifications of this Agreement. The Transmission Provider shall credit or charge the Reseller, as appropriate, for any difference between the price reflected in this Agreement or the associated OASIS schedule and the Reseller's Service Agreement with the Transmission Provider. Notwithstanding the Reseller's resale of Transmission Service, Reseller shall remain liable under its original Service Agreement for all reserved capacity.

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 Signed at

Assignee:

By: \_\_\_\_\_  
Name Title Date Signed at

Reseller:

By: \_\_\_\_\_  
Name Title Date Signed at

Specifications for the Resale of 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 resold capacity: \_\_\_\_\_
- 6.0 Designation of party(ies) subject to reciprocal service obligation: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- 7.0 Names(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 Resale Charge: \_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_

8.3 Direct Assignment Facilities Charge: \_\_\_\_\_

\_\_\_\_\_

8.4 Ancillary Services Charges: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



## **ATTACHMENT B**

### **Umbrella Agreement for Short-Term Firm or Non-Firm Point-to-Point Transmission Service**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Manitoba Hydro (the "Transmission Provider"), and (the "Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Contractor to be a Transmission Customer under Part II of the Tariff and has submitted a Completed Application for Short-Term Firm or Non-Firm Point-to-Point Transmission Service in accordance with the Tariff.
- 3.0 This Agreement shall come into force upon execution by both Parties. During the term of this Service Agreement, the Transmission Customer shall be entitled to arrange Short-Term Firm or Non-Firm Point-to-Point Transmission Service over the OASIS used by the Transmission Provider provided that such transactions do not exceed \$\_\_\_\_\_ in any calendar month. The Transmission Provider reserves the right to consent to larger monthly transactions on a case-by-case basis.
- 4.0 The Transmission Customer shall include a written list of any affiliates that own, control or operate any transmission facilities. If there are none, the Transmission Customer shall include a sworn statement pursuant to Section 6.0 of the Tariff.
- 5.0 This Service Agreement shall remain in effect for a period of three years from the date of execution.

6.0 Conditions Precedent

- 6.1 Unless a System Impact Study is required, service under this Agreement shall be provided by the Transmission Provider following: 1) the submission, by entry on the OASIS, of a Completed Application for Short-Term Firm or Non-Firm Point-to-Point Transmission Service by an authorized representative of the Transmission Customer; 2) the Contractor's signification on the OASIS that the Completed Application has been accepted; 3) confirmation by the Transmission Customer on the OASIS within the time frames specified herein, unless the Transmission Customer designates that the transaction is preconfirmed.
- 6.2 Where a System Impact Study must be performed for Short-Term Firm Point-to-Point Transmission Service and the Transmission Customer executes a System Impact Study Agreement, if the Study indicates that new facilities are not required, Transmission Service shall be provided upon confirmation by the Transmission Customer on the OASIS of the Transmission Provider's acceptance of the request, within the time frames specified herein, unless the Transmission Customer designates that the transaction is pre-confirmed.
- 6.3 Where a Facilities Study must be performed for Short Term Firm Point-to-Point Transmission Service and the Transmission Customer executes a Facilities Study Agreement, Transmission Service shall be provided by the Transmission Provider if after receiving the Facilities Study, the Transmission Customer provides written confirmation to the Transmission Provider that the Transmission Customer is willing to pay for the costs of any required Network Upgrades and/or Direct Assignment Facilities and provides the necessary security in accordance with sections [19.8] of the Tariff.

- 7.0 The Transmission Customer agrees to supply information the Transmission Provider or Contractor deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 8.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Short-Term Firm or Non-Firm Point-to-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 9.0 Any notice or request made to or by either Party regarding this Service Agreement shall be sent by courier or registered mail to the representative of the other Party as indicated below.

Transmission Provider:

Transmission Customer:

- 10.0 No failure by the Transmission Provider or the Transmission Customer at any time or from time to time to enforce or require a strict observance of any of the provisions of this Service Agreement shall constitute a waiver of the provision or affect or impair such provisions or the right of the Transmission Provider or the Transmission Customer at any time to enforce such provisions or to avail itself of any remedy it may have.
- 11.0 This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and any Assignees of the Transmission Customer authorized pursuant to s.23.1 of the Tariff.

- 12.0 The Tariff is incorporated herein and made a part hereof.
- 13.0 The Transmission Provider shall archive records of digitally transmitted information submitted pursuant to this Service Agreement. Such records shall be treated as accurate records of the transactions hereunder for the purposes of admission in to evidence in any dispute resolution proceedings conducted pursuant to this Service Agreement.
- 14.0 Applicable taxes shall be added to all charges set forth in the Tariff.
- 15.0 The Transmission Customer shall not use transmission service provided pursuant to this Agreement for the purpose of exporting electricity from Canada to the United States without first providing the Transmission Provider with a copy of the export permit or license granted by the National Energy Board of Canada authorizing the proposed export of electricity. The Transmission Customer shall provide the Transmission Provider with the appropriate National Energy Board permit or license number at the time of submitting schedules for exports pursuant to this Agreement.
- 16.0 a) **THE TRANSMISSION PROVIDER SHALL NOT BE LIABLE, WHETHER BASED ON CONTRACT, INDEMNIFICATION, WARRANTY, TORT, STRICT LIABILITY OR OTHERWISE TO ANY TRANSMISSION CUSTOMER OR ANY THIRD PARTY FOR ANY DAMAGES WHATSOEVER, INCLUDING WITHOUT LIMITATION, DIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES ARISING OR RESULTING FROM ANY ACT OR OMISSION IN ANY WAY ASSOCIATED WITH SERVICE PROVIDED UNDER THIS TARIFF, INCLUDING BUT NOT LIMITED TO ANY ACT OR OMISSION THAT RESULTS IN AN INTERRUPTION, DEFICIENCY OR IMPERFECTION OF SERVICE, EXCEPT TO THE EXTENT THAT THE TRANSMISSION**

**PROVIDER IS FOUND LIABLE FOR GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT, IN WHICH CASE THE TRANSMISSION PROVIDER SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES.**

**b) THE TRANSMISSION PROVIDER SHALL NOT BE LIABLE FOR DAMAGES ARISING OUT OF SERVICES PROVIDED UNDER THIS TARIFF, INCLUDING BUT NOT LIMITED TO, ANY ACT OR OMISSION THAT RESULTS IN AN INTERRUPTION, DEFICIENCY OR IMPERFECTION OF SERVICE OCCURRING AS A RESULT OF CONDITIONS OR CIRCUMSTANCES RESULTING FROM ELECTRIC SYSTEM DESIGN COMMON TO THE NORTH AMERICAN ELECTRIC UTILITY INDUSTRY OR ELECTRIC SYSTEM OPERATION PRACTICES OR CONDITIONS COMMON TO THE NORTH AMERICAN ELECTRIC UTILITY INDUSTRY.**

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

Transmission Provider:

_____	_____	_____	_____
Name	Title	Date	Signed at

Transmission Customer:

By:

_____	_____	_____	_____
Name	Title	Date	Signed at

## **ATTACHMENT C**

### **Methodology to Assess Available Transfer Capability**

The Transmission Provider's methodology for assessing available transfer capability is set forth in the Manitoba Hydro Available Transfer Capability Implementation Document which is available at the following link:

<http://www.oasis.oati.com/woa/docs/MHEB/MHEBdocs/ATCID-V4.pdf>

## **ATTACHMENT D**

### **Methodology for Completing a System Impact Study**

If the Contractor determines that existing ATC is insufficient to provide the requested service, or if the request is for Long-Term Firm Point-to-Point Transmission Service or Network Integration Transmission Service, the Contractor or Transmission Provider, as applicable, will notify the Eligible Customer that a System Impact Study is necessary. The Transmission Provider will tender a System Impact Study Agreement ("Study Agreement") to the Eligible Customer for a System Impact Study in accordance with Section 19.2 or 19.3.5 of the Tariff as applicable.

Upon receipt of a completed Study Agreement, the Transmission Provider will perform a System Impact Study to determine whether the request for transmission service can be accommodated through construction of Direct Assignment Facilities or Network Upgrades or through redispatch, if available. The System Impact Study will be performed using all applicable criteria and standards and taking into consideration any potential constraints.

If the studies predict that a constraint will occur in the system of a utility other than the Transmission Provider, the Transmission Provider will so inform the Eligible Customer requesting service. The Transmission Provider and Eligible Customer will need to work with the appropriate third parties to determine if the limitation is valid and to determine the facility additions or redispatch that may be required by third parties to support the transfer. The Eligible Customer requesting service shall have the option to reduce the request to a level that can be sustained without experiencing the constraint.

## **ATTACHMENT D-1**

### **Form Of System Impact Study Agreement**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, [corporate description of Eligible Customer] existing under the laws of \_\_\_\_\_, sometimes hereinafter referred to as “Eligible Customer,” and Manitoba Hydro, a Crown Corporation incorporated pursuant to The Manitoba Hydro Act, R.S.M. 1987, c.H190. Eligible Customer and Manitoba Hydro each may be referred to as a “Party,” or collectively as the “Parties.”

### **RECITALS**

**WHEREAS**, Eligible Customer has submitted a Completed Application (the “Application”) for Firm Point-To-Point Transmission Service pursuant to Section 17.2 of the Manitoba Hydro Open Access Transmission Tariff (the “Tariff”) or for Network Integration Transmission Service pursuant to Section 29.2 of the Tariff;

**WHEREAS**, Eligible Customer has received notice from Manitoba Hydro that a System Impact Study is necessary to accommodate the service requested in the Application; and

**WHEREAS**, Eligible Customer has requested that Manitoba Hydro prepare a System Impact Study to assess the adequacy of the Transmission System and any other affected systems to accommodate the Application.

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein, it is agreed:

### **ARTICLE 1**

#### **DEFINITIONS**

The terms used in this Agreement with initial capitalization shall have the meanings specified in the Tariff.



## ARTICLE 2

### TERMINATION

- 2.1 Effective Date.** This Agreement shall become effective on the date on which this Agreement is made and entered into by the Parties.
- 2.2 Term.** This Agreement shall become effective as provided in Section 2.1 and shall continue in full force and effect until (i) the Parties agree to mutually terminate this Agreement, (ii) \_\_\_\_\_ months after the date of this Agreement; or (iii) earlier termination as provided for under this Agreement.
- 2.3 Termination for Breach.** Either Party may terminate this Agreement upon \_\_\_\_\_ days notice to the other Party of a breach by the other Party of this Agreement provided that such breach remains uncured during such \_\_\_\_ day period and further, provided that such terminating Party complies with any and all applicable laws, rules and regulations relating to such termination.
- 2.4 Liability on Termination.** Eligible Customer shall remain liable to Manitoba Hydro for costs of the System Impact Study already incurred, costs of the System Impact Study that cannot be reasonably avoided and for the costs of terminating the System Impact Study.

## ARTICLE 3

### STUDY

- 3.1 Study.** Manitoba Hydro shall perform a System Impact Study in accordance with the applicable provisions of the Tariff. Manitoba Hydro shall rely on existing transmission planning studies as provided in Section 19 or 32 of the Tariff. All terms and conditions of the Tariff are incorporated herein by reference.

**3.2 Scope.** The scope of the System Impact Study shall be as set forth in the Tariff and shall be subject to the data and other information provided in the Application and any additional information, assumptions or procedures set forth in Exhibit A of this Agreement. Eligible Customer shall review the data and information that it has provided to Manitoba Hydro and provide updated data and information upon request of Manitoba Hydro. Manitoba Hydro will advise Eligible Customer of additional information as may be reasonably deemed necessary by Manitoba Hydro to complete the System Impact Study. Such additional information shall be obtained only if required by Good Utility Practice and shall be subject to the consent of Eligible Customer, not to be unreasonably withheld, conditional or delayed.

**3.3 Report.** The final report of the System Impact Study shall provide the following information:

3.3.1 Any system constraints due to thermal overload, voltage limit violations, or instability or inadequately damped response to system disturbances resulting from the service requested by the Application.

3.3.2 A preliminary estimate of the scope of any Direct Assignment Facilities or Network Upgrades required to accommodate the Application.

3.3.3 A rough non-binding estimate of the costs associated with any identified Direct Assignment Facilities or Network Upgrades.

Together with a copy of the final report, the related work papers shall be made available to the Eligible Customer.

3.3.4 Any service condition options identified pursuant to Section 13.5 of the Tariff.

**3.4 Coordination.** Manitoba Hydro will coordinate the System Impact Study with all affected transmission owner(s) and/or their respective Regional Transmission Organizations. If the required study coordination effort increases the expected study scope, study cost or delays the expected completion date, Manitoba Hydro will inform the Eligible Customer. Eligible Customer acknowledges and agrees that Manitoba Hydro will provide all Confidential Information and/or study data that is reasonably needed by transmission owners participating in the System Impact Study to any affected

RTO's, and to other parties as may be required by the Tariff or applicable federal, provincial, or local law, rule or regulation.

**3.5 Estimated Time.** Manitoba Hydro estimates that it will be able to complete the System Impact Study on or before \_\_\_\_\_. Manitoba Hydro shall use due diligence to complete the System Impact Study within the estimated time.

**3.6 Representative.** Eligible Customer shall appoint and make available to Manitoba Hydro a designated and authorized representative through which Manitoba Hydro can coordinate work pertaining to the System Impact Study.

## **ARTICLE 4**

### **COSTS AND PAYMENT**

**4.1 Estimated Cost.** The estimated cost for performance of the System Impact Study is \$\_\_\_\_\_. The estimated cost is Manitoba Hydro's good faith estimate of its costs to perform the System Impact Study. The estimated cost does not include \_\_\_\_\_.

**4.2 Reimbursement.** Eligible Customer shall reimburse Manitoba Hydro in full for performing the System Impact Study. This reimbursement shall include payment for all actual costs of the System Impact Study. As provided in the Tariff, Eligible Customer shall not be charged for existing transmission planning studies, but will be responsible for charges associated with modifications to the existing transmission planning studies that are reasonable necessary to evaluate the impact of the Application.

**4.3 Deposit and Payment.** The Eligible Customer shall submit with this System Impact Study Agreement a refundable deposit in the amount of \$\_\_\_\_\_ (the "Deposit"), representing the estimated cost identified in Section 4.1 of this Agreement, less any unused deposit provided with a Completed Application pursuant to Section 17.3 of the

Tariff. The Deposit will be applied toward the costs of the System Impact Study to be reimbursed by the Eligible Customer pursuant to Paragraph 4.2 of this Agreement. Manitoba Hydro shall refund to the Eligible Customer any portion of the Deposit that exceeds the amount of the costs to be reimbursed pursuant to Paragraph 4.2, and shall invoice the Eligible Customer, from time to time, for the amount(s) by which costs to be reimbursed pursuant to Paragraph 4.2 exceed the amount of the Deposit and any prepayments. The Eligible Customer shall pay any such invoice within \_\_\_\_\_ days of receipt.

**5.0** All products of, or resulting from, the performance of the System Impact Study and preparation of the System Impact Study Report by Manitoba Hydro in the course of performing this Agreement, including but not limited to, all information, drawings, Reports, records, documents, research notes, data, photographs, maps, materials, drafts, working drafts, documents or tangible assets and any intellectual property therein, including patent, trademark, copyrights, design and trade secrets (hereinafter collectively referred to as "Service Product") shall become the exclusive property of Manitoba Hydro immediately upon creation or assembly, notwithstanding the fact that all or a portion of the data provided by Eligible Customer may be incorporated within the Service Product. The Eligible Customer shall have no right to copy, modify, amend, alter, sell, lend or dispense of any such Service Products in any manner for any reason.

**6.0** The Eligible Customer shall have no right to use the Service Products except for the purpose of determining whether the Eligible Customer shall proceed with having Manitoba Hydro perform a Facilities Study.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**Manitoba Hydro**

**[Insert name of Eligible Customer]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name (typed or printed): \_\_\_\_\_

Title: \_\_\_\_\_

Signed at: \_\_\_\_\_

Name (typed or printed): \_\_\_\_\_

Title: \_\_\_\_\_

Signed at: \_\_\_\_\_

**EXHIBIT A**  
**to**  
**System Impact Study Agreement**

The System Impact Study will be based upon the following information, assumptions and procedures, in addition to the information provided in the Completed Application:

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## ATTACHMENT D-1(G)

### FORM OF GROUP SYSTEM IMPACT STUDY AGREEMENT

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, [corporate description of Eligible Customer] existing under the laws of the Province of \_\_\_\_\_, sometimes hereinafter referred to as "Eligible Customer," and Manitoba Hydro, a corporation incorporated pursuant to the provisions of *The Manitoba Hydro Act*, C.C.S.M. c.H190. Eligible Customer and Manitoba Hydro each may be referred to as a "Party," or collectively as the "Parties."

### RECITALS

**WHEREAS**, Eligible Customer has submitted (a) Completed Application(s) for (Firm Point-to-Point or Network Integration) Transmission Service ("Transmission Service Request(s)") to Manitoba Hydro pursuant to the terms and conditions of the Manitoba Hydro Open Access Transmission Tariff for \_\_\_\_\_ MW of transmission capacity, with the following specifications:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**AND WHEREAS** Eligible Customer has received notice from Manitoba Hydro that a System Impact Study is necessary to determine if the Transmission Service Request(s) can be accommodated;

**AND WHEREAS**, Eligible Customer has requested that Manitoba Hydro prepare a Group System Impact Study in lieu of an individual System Impact Study to assess the impact of its Transmission Service Request(s), [and other Transmission Service Requests that are part of the Group Study], on the reliability of the Transmission System, and of any other affected systems;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein, it is agreed as follows:

- 1.0 The terms used in this Agreement shall have the meanings specified in the Manitoba Hydro Open Access Transmission Tariff.
- 2.0 Manitoba Hydro shall perform or cause to be performed a Group System Impact Study and prepare a Group System Impact Study Report in accordance with the Manitoba Hydro Open Access Transmission Tariff.
- 3.0 Manitoba Hydro estimates that it will be able to complete the Group System Impact Study Report on or before \_\_\_\_\_.
- 4.0 The estimated cost for performance of the Group System Impact Study is \$\_\_\_\_\_. The estimated cost is Manitoba Hydro's good faith estimate of its costs to perform the Group System Impact Study. The estimated cost does not include \_\_\_\_\_.

- 5.0 The scope of the Group System Impact Study ("Group Study") shall be as set forth in the Manitoba Hydro Open Access Transmission Tariff subject to the assumptions set forth in Exhibit A of this Agreement as determined by Manitoba Hydro in consultation with the Eligible Customer(s) participating in the Group Study.
- 6.0 The Study shall be based on the technical information provided by the Eligible Customer in Exhibit B to this Agreement. Manitoba Hydro reserves the right to request additional technical information from Eligible Customer as may become necessary during the course of the Group System Impact Study. If the technical information provided in Exhibit B to any of the Group Study Agreements is modified, incomplete, or inaccurate, the time to complete the Group System Impact Study may be extended and/or the results may be inaccurate.
- 7.0 The Group System Impact Study Report ("Group Study Report") shall provide the following information:
- (i) Identification of any system constraints due to thermal overload or voltage limit violations resulting from the Transmission Service Request.
  - (ii) Identification of any instability or inadequately damped response to system disturbances resulting from the Transmission Service Request(s).
  - (iii) A preliminary identification of the scope of any Direct Assignment Facilities and/or Network Upgrades required to accommodate the Transmission Service Request(s).
  - (iv) A rough non-binding estimate of any identified Direct Assignment Facilities or Network Upgrades.
  - (v) Any service condition options identified pursuant to Section 13.5 of the Tariff.
- 8.0 All Eligible Customers participating in a Group Study shall share equally in the costs of performing a Group System Impact Study. Eligible Customer shall make an initial payment of its portion of the estimated cost for performance of the Group Study and preparation of the Group Study Report in the amount of \$\_\_\_\_\_ (representing the Eligible Customer's share of the estimated cost of the Group System Impact Study and Report identified in Section 4.0, less any unused deposit provided pursuant to Section 17.3 of the Tariff) at the time of delivering the executed Agreement to Manitoba Hydro. Manitoba Hydro shall charge and Eligible Customer shall pay for an equal portion of all actual costs of the Group Study and Group Study Report (including the provision of supporting documentation) in excess of the deposit paid by Eligible Customer (at the time of submitting its Transmission Service Request) after completion of the Group Study Report. Such payment shall be due and payable within 30 days of the Eligible Customer being invoiced. If after completion of the Group Study Report, the deposit paid by Eligible Customer exceeds the actual costs of the Group Study and preparation of the Group Study Report, Manitoba Hydro shall refund



the excess amount to the Eligible Customer within 30 days or, at the direction of the Eligible Customer, apply the excess amount towards the costs of a Facilities Study.

- 9.0 This Agreement is subject to the provisions of the Manitoba Hydro Open Access Transmission Tariff and the provisions of said Tariff are incorporated by reference herein.
- 10.0 This Agreement shall be governed and interpreted in accordance with the laws of the Province of Manitoba.
- 11.0 This Agreement shall not be assigned without the prior written consent of the other Party.
- 12.0 Any amendments to this Agreement shall be in writing and signed by the Parties.
- 13.0 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and terminates and supersedes all prior oral and written representations. There are no representations, conditions, warranties or agreements, express or implied, with respect to or collateral to this Agreement other than those contained or expressly incorporated herein.
- 14.0 Manitoba Hydro is an independent contractor. This Agreement shall not create the relationship of employer and employee, principal and agent, partnership or joint venture between Manitoba Hydro and Eligible Customer or between Eligible Customer and any officers, employees or agents of Manitoba Hydro.
- 15.0 Eligible Customer acknowledges that Manitoba Hydro is relying upon information provided by the Eligible Customer and other parties in the preparation of the Group Study and Group Study Report.
- 16.0 Manitoba Hydro makes no representations or warranties with respect to the accuracy, completeness, reliability or suitability of the Group Study and Group Study Report. Eligible Customer assumes any and all risk and responsibility for use of, and reliance on, the Group Study and Group Study Report. Eligible Customer disclaims and waives any rights or remedies that it might otherwise have against Manitoba Hydro in contract, tort, equity or other legal cause of action for faults, errors, defects, inaccuracies, omissions, suitability or reliability of the Group Study and Group Study Report.
- 17.0 Eligible Customer agrees to indemnify and hold harmless Manitoba Hydro and its successors and assigns from and against all actions, causes of action, claims, damages, costs, liability, debts, demands, damage to property or persons, including damages, costs and losses suffered by Manitoba Hydro and claims brought against Manitoba Hydro by any third party whatsoever, in respect of, or arising directly or indirectly out of this Agreement.
- 18.0 All products of, or resulting from, the performance of the Group Study and preparation of the Group Study Report by Manitoba Hydro in the course of performing this Agreement, including but not limited to, all information, drawings,

Reports, records, documents, research notes, data, photographs, maps, materials, drafts, working drafts, documents or tangible assets and any intellectual property therein, including patent, trademark, copyrights, design and trade secrets (hereinafter collectively referred to as "Service Product") shall become the exclusive property of Manitoba Hydro immediately upon creation or assembly, notwithstanding the fact that all or a portion of the data provided by Eligible Customer may be incorporated within the Service Product. The Eligible Customer shall have no right to copy, modify, amend, alter, sell, lend or dispense of any such Service Products in any manner for any reason.

- 19.0 The Eligible Customer shall have no right to use the Service Products except for the purpose of determining whether the Eligible Customer shall proceed with having Manitoba Hydro perform a Facilities Study either individually or as part of a Group Study.
- 20.0 Neither Party shall be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement. Neither Party shall be relieved of liability for failure of performance to the extent that such failure is due to a remediable cause which it fails to remove or remedy within a reasonable period of time.
- 20.1 In this Agreement, an event of "Force Majeure" means any act of God, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's reasonable control which cause could not have been avoided by the exercise of Good Utility Practice. A Force Majeure event does not include an act of negligence or intentional wrongdoing or economic hardship or insolvency.
- 20.2 If there is a Force Majeure event that has affected a Party's ability to perform its obligations under this Agreement the Party shall forthwith (and in any event no later than the end of the next business day after it first becomes aware that an occurrence constitutes a Force Majeure event) notify the other Party in writing of the reasons why it believes the occurrence constitutes a Force Majeure event, identifying the nature of the event, its expected duration, and the particulars of the obligations affected by the event, and furnish to the other Party reports with respect to the Force Majeure event at such intervals as the other Party may reasonably request during the continuance of the Force Majeure event.
- 20.3 If there is a Force Majeure event affecting a Party's ability to perform its obligations under this Agreement, the Party shall be prompt and diligent in removing, if practicable, the cause of such inability to perform, but nothing in this Agreement shall be construed as permitting a Party to continue to fail to perform after said cause has been removed. Notwithstanding the foregoing, a Party shall not be obligated to agree to any settlement of a strike or labour dispute which, in that Party's sole opinion, may be inadvisable or detrimental.

- 21.0 This Agreement shall become effective upon execution and shall continue in full force and effect until the earlier of: (i) the Parties mutual agreement to terminate this Agreement; (ii) termination for breach pursuant to Section 22.0 of this Agreement; or (iii) completion of the Parties' obligations hereunder. Notwithstanding the foregoing, Sections 14.0 through and including 19.0 shall survive termination of this Agreement.
- 22.0 Either Party may terminate this Agreement upon \_\_\_ days notice to the other Party of a breach by the other Party of this Agreement provided that such breach remains uncured during such \_\_\_\_\_ day period and further, provided that such terminating Party complies with any and all applicable laws, rules and regulations relating to such termination.
- 23.0 Eligible Customer shall remain liable to Manitoba Hydro for costs of the Group Study already incurred, costs of the Group Study that cannot be reasonably avoided and for the costs of terminating the Group Study.
- 24.0 This Agreement may be executed in any number of counterparts, including counterparts signed by facsimile or electronic mail, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. A photocopied and/or electronic copy and/or facsimile copy of this Agreement bearing a signature of each Party, in a single document or as counterparts thereof as provided for herein, shall be deemed an original executed version of this Agreement and shall have the same force and effect.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**Manitoba Hydro**

**[Insert name of Eligible Customer]**

By: _____	By: _____
Name (typed or printed): _____	Name (typed or printed): _____
Title: _____	Title: _____
Signed at: _____	Signed at: _____

*EXHIBIT A*  
**to**  
**GROUP SYSTEM IMPACT STUDY AGREEMENT**

**EXHIBIT B**  
**TO**  
**GROUP SYSTEM IMPACT STUDY AGREEMENT**

## **ATTACHMENT D-2**

### **Form of Facilities Study Agreement**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, [corporate description of Eligible Customer] existing under the laws of \_\_\_\_\_, sometimes hereinafter referred to as “Eligible Customer,” and Manitoba Hydro, a Crown Corporation incorporated pursuant to The Manitoba Hydro Act, R.S.M. 1987, c.H190. Eligible Customer and Manitoba Hydro each may be referred to as a “Party,” or collectively as the “Parties.”

### **RECITALS**

**WHEREAS**, Eligible Customer has submitted a Completed Application (the “Application”) for Firm Point-To-Point Transmission Service pursuant to Section 17.2 of the Manitoba Hydro Open Access Transmission Tariff (the “Tariff”) or for Network Integration Transmission Service pursuant to Section 29.2 of the Tariff;

**WHEREAS**, the System Impact Study by Manitoba Hydro indicated that additions or upgrades to the Transmission System are needed to supply the service requested in the Application; and

**WHEREAS**, Eligible Customer has requested that Manitoba Hydro prepare a Facilities Study to review alternatives and detail the facilities identified in the System Impact Study as needed to reliably satisfy the Eligible Customer’s request for service;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein, it is agreed:

### **ARTICLE 1**

#### **DEFINITIONS**

The terms used in this Agreement with initial capitalization shall have the meanings specified in

the Tariff.

## ARTICLE 2

### TERM AND TERMINATION

- 2.1 Effective Date.** This Agreement shall become effective on the date on which this Agreement is made and entered into by the Parties.
- 2.2 Term.** This Agreement shall become effective as provided in Section 2.1 and shall continue in full force and effect until (i) the Parties agree to mutually terminate this Agreement, (ii) \_\_\_\_\_ months after the date of this Agreement; or (iii) earlier termination as provided for under this Agreement.
- 2.3 Termination for Breach.** Either Party may terminate this Agreement upon \_\_\_\_\_ days notice to the other Party of a breach by the other Party of this Agreement provided that such breach remains uncured during such \_\_\_\_ day period and further, provided that such terminating Party complies with any and all applicable laws, rules and regulations relating to such termination.
- 2.4 Liability on Termination.** Eligible Customer shall remain liable to Manitoba Hydro for costs of the Facilities Study already incurred, costs of the Facilities Study that cannot be reasonably avoided and for the costs of terminating the Facilities Study.

## ARTICLE 3

### STUDY

- 3.1 Study.** Manitoba Hydro shall perform a Facilities Study in accordance with the applicable provisions of the Tariff. All terms and conditions of the Tariff are incorporated herein by reference.

- 3.2 Scope.** The scope of the Facilities Study shall be as set forth in the Tariff and shall be subject to the data and other information provided in the Application. The data and other information provided in connection with the System Impact Study Agreement, any additional information, assumptions or procedures set forth in Exhibit A of this Agreement, the results of the System Impact Study attached as Exhibit B of this Agreement, and any additional information provided pursuant to this Agreement. Eligible Customer shall review the data and information that it has provided to Manitoba Hydro and provide updated data and information upon request of Manitoba Hydro. Manitoba Hydro will advise Eligible Customer of additional information as may be reasonably deemed necessary by Manitoba Hydro to complete the Facilities Study. Such additional information shall be obtained only if required by Good Utility Practice and shall be subject to the consent of Eligible Customer, not to be unreasonably withheld, conditional or delayed.
- 3.3 Coordination.** Manitoba Hydro will coordinate the Facilities Study with all affected transmission owner(s) and/or their respective Regional Transmission Organizations. If the required study coordination effort increases the expected study scope, study cost or delays the expected completion date, Manitoba Hydro will inform the Eligible Customer. Eligible Customer acknowledges and agrees that Manitoba Hydro will provide all Confidential Information and/or study data that is reasonably needed by transmission owners participating in the Facilities Study to any affected RTO's, and to other parties as may be required by the Tariff or applicable federal, provincial or local law, rule or regulation.
- 3.4 Estimated Time.** Manitoba Hydro estimates that it will be able to complete the Facilities Study on or before \_\_\_\_\_. Manitoba Hydro shall use due diligence to complete the Facilities Study within the estimated time.



- 3.5 Representative.** Eligible Customer shall appoint and make available to Manitoba Hydro a designated and authorized representative through which Manitoba Hydro can coordinate work pertaining to the Facilities Study.

## **ARTICLE 4**

### **COSTS AND PAYMENTS**

- 4.1 Estimated Cost.** The estimated cost for performance of the Facilities Study is \$\_\_\_\_\_. The estimated cost is Manitoba Hydro's good faith estimate of its costs to perform the Facilities Study. The estimated cost does not include \_\_\_\_\_. Eligible Customer acknowledges that the estimate may be revised as provided in Section 19.5 of the Tariff. Eligible Customer shall reimburse Manitoba Hydro in full for performing the Facilities Study. These reimbursements shall include payment for all actual costs of the Facilities Study.
- 4.2 Deposit and Payment.** The Eligible Customer shall submit with this Facilities Study Agreement a refundable deposit in the amount of \$\_\_\_\_\_ (the "Deposit") representing the estimated cost identified in Section 4.1 of this Agreement, less the amount of \$\_\_\_\_\_ representing the unused deposit provided with a Completed Application pursuant to Section 17.3 of the Tariff. The Deposit will be applied toward the costs of the Facilities Study to be reimbursed by the Eligible Customer pursuant to Paragraph 4.1 of this Agreement. Manitoba Hydro shall refund to the Eligible Customer any portion of the Deposit that exceeds the amount of the costs to be reimbursed pursuant to Paragraph 4.1, and shall invoice the Eligible Customer, from time to time, for the amount(s) by which costs to be reimbursed pursuant to Paragraph 4.1 exceed the amount of the Deposit and any prepayments. The Eligible Customer shall pay any such invoice within \_\_\_\_\_ days of receipt.
- 5.0** All products of, or resulting from, the performance of the Facilities Study and preparation of the Facilities Study Report by Manitoba Hydro in the course of performing this Agreement, including but not limited to, all information, drawings, Reports, records,

documents, research notes, data, photographs, maps, materials, drafts, working drafts, documents or tangible assets and any intellectual property therein, including patent, trademark, copyrights, design and trade secrets (hereinafter collectively referred to as "Service Product") shall become the exclusive property of Manitoba Hydro immediately upon creation or assembly, notwithstanding the fact that all or a portion of the data provided by the Eligible Customer may be incorporated within the Service Product. The Eligible Customer shall have no right to copy, modify, amend, alter, sell, lend or dispense of any such Service Products in any manner for any reason.

- 6.0** The Eligible Customer shall have no right to use the Service Products except for the purpose of determining whether the Eligible Customer shall proceed with having Manitoba Hydro construct the necessary facilities and/or upgrades to provide the requested Transmission Service pursuant to a Facilities Construction Agreement or for the purpose of fulfilling the Eligible Customer's obligations pursuant to a Facilities Construction Agreement.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**Manitoba Hydro**

**[Insert name of Eligible Customer]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name (typed or printed): \_\_\_\_\_

Name (typed or printed): \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Signed at: \_\_\_\_\_

Signed at: \_\_\_\_\_

**EXHIBIT A**  
**to**  
**Facilities Study Agreement**

The Facilities Study will be based upon the following additional information, assumptions and simulated reliability test procedures:

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## ATTACHMENT D-2(G)

### FORM OF GROUP FACILITIES STUDY AGREEMENT

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, [corporate description of Eligible Customer] existing under the laws of the Province of \_\_\_\_\_, sometimes hereinafter referred to as "Eligible Customer," and Manitoba Hydro, a corporation incorporated pursuant to the provisions of *The Manitoba Hydro Act*, C.C.S.M. c.H190. Eligible Customer and Manitoba Hydro each may be referred to as a "Party," or collectively as the "Parties."

### RECITALS

**WHEREAS**, Eligible Customer has submitted (a) Completed Application(s) for (Firm Point-to-Point or Network Integration) Transmission Service ("Transmission Service Request(s)") to Manitoba Hydro pursuant to the terms and conditions of the Manitoba Hydro Open Access Transmission Tariff for \_\_\_\_ MW of transmission capacity with the following specifications:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**AND WHEREAS** the Group System Impact Study provided by Manitoba Hydro indicated that additions or upgrades to the Transmission System are needed to accommodate the Transmission Service Request(s);

**AND WHEREAS**, the Eligible Customer has requested that Manitoba Hydro prepare a Group Facilities Study, in lieu of an individual Facilities Study, to determine the facilities necessary to accommodate the Transmission Service Request(s), and to address any reliability problems identified in the Group System Impact Study;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein, it is agreed as follows:

- 1.0 The terms used in this Agreement with initial capitalization shall have the meanings specified in the Manitoba Hydro Open Access Transmission Tariff.
- 2.0 Manitoba Hydro shall perform or cause to be performed a Group Facilities Study ("Study") and prepare a Group Facilities Study Report in accordance with the Manitoba Hydro Open Access Transmission Tariff, subject to the assumptions set forth in Exhibit A of this Agreement .
- 2.1 The scope of the Group Facilities Study shall be as set forth in the Tariff and shall be subject to the data and other information provided in the Transmission Service Request, the data and other information provided in connection with the

System Impact Study Agreement, any additional information, assumptions or procedures set forth in Exhibit A of this Agreement, the results of the System Impact Study attached as Exhibit B of this Agreement, and any additional information provided pursuant to this Agreement. Eligible Customer shall review the data and information that it has provided to Manitoba Hydro and provide updated data and information upon request of Manitoba Hydro. Manitoba Hydro will advise Eligible Customer of additional information as may be reasonably deemed necessary by Manitoba Hydro to complete the Group Facilities Study. Such additional information shall be obtained only if required by Good Utility Practice and shall be subject to the consent of Eligible Customer, not to be unreasonably withheld, conditional or delayed.

- 2.2 Manitoba Hydro shall coordinate the Facilities Study with all affected transmission owner(s) and/or their respective Regional Transmission Organizations. If the required study coordination effort increases the expected study scope, study cost or delays the expected completion date, Manitoba Hydro will inform the Eligible Customer. Eligible Customer acknowledges and agrees that Manitoba Hydro will provide all Confidential Information and/or study data that is reasonably needed by transmission owners participating in the Group Facilities Study ("Group Study") to any affected RTOs, and to other parties as may be required by the Tariff or applicable federal, provincial or local law, rule or regulation.
- 2.3 Manitoba Hydro estimates that the Group Facilities Study Report ("Group Study Report") will be complete on or before \_\_\_\_\_.
- 2.4 The estimated cost for performance of the Group Facilities Study is \$\_\_\_\_\_. The estimated cost is Manitoba Hydro's good faith estimate of its costs to perform the Facilities Study. The estimated cost does not include: \_\_\_\_\_.
- 3.0 The Group Study shall be based on the results of the Group System Impact Study performed for the Transmission Service Request(s). Manitoba Hydro reserves the right to request additional technical information from the Eligible Customer as may become necessary during the course of the Group Study. If technical information provided by the Eligible Customer or other Eligible Customers participating in the Group Study is modified, incomplete, or inaccurate, the time to complete the Group Study may be extended and/or the results may be inaccurate.
- 4.0 The final Group Study Report shall provide the following information for each Eligible Customer participating in the Group Study:
  - (i) Identification of the Direct Assignment Facilities and Network Upgrades;

- (ii) A non-binding good faith estimate of the total cost and each Eligible Customer's allocation of said total cost to install the Direct Facilities and/or Network Upgrades;
- (iii) A good faith estimate of the schedule to complete the installation of the Direct Assignment Facilities and/or Network Upgrades and provide the requested Transmission Service.

5.0 All Eligible Customers participating in a Group Study shall share equally in the Group Study cost. Eligible Customer shall make an initial payment of its portion of the estimated cost for performance of the Group Study and preparation of the Group Study Report in the amount of \$\_\_\_\_\_ representing the estimated costs to perform in the Group Study identified in Section 2.4 of this Agreement, less the amount of \$\_\_\_\_\_ representing the unused deposit provided with a Completed Application pursuant to Section 17.3 of the Tariff at the time of delivering the executed Agreement to Manitoba Hydro. Manitoba Hydro shall charge and Eligible Customer shall pay its allocated share of all actual costs of the Group Study and Study Report after completion of the Group Study Report. Such payment shall be due and payable within 30 days of the Eligible Customer being invoiced.

If after completion of the Group Study Report, the deposit paid by the Eligible Customer exceeds the actual costs of the Group Study and preparation of the Group Study Report, Manitoba Hydro shall refund the excess amount to the Eligible Customer within 30 days or, at the direction of the Eligible Customer, apply the excess amount towards the costs to be paid by the Eligible Customer pursuant to a Facilities Construction Agreement.

- 6.0 This Agreement is subject to the provisions of the Manitoba Hydro Open Access Transmission Tariff and the provisions of said Tariff are incorporated by reference herein.
- 7.0 This Agreement shall be governed and interpreted in accordance with the laws of the Province of Manitoba.
- 8.0 This Agreement shall not be assigned without the prior written consent of the other Party.
- 9.0 Any amendments to this Agreement shall be in writing and signed by the Parties.
- 10.0 This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and terminates and supersedes all prior oral and written representations. There are no representations, conditions, warranties or agreements, express or implied, with respect to or collateral to this Agreement other than those contained or expressly incorporated herein.
- 11.0 Manitoba Hydro is an independent contractor. This Agreement shall not create

the relationship of employer and employee, principal and agent, partnership or joint venture between Manitoba Hydro and the Eligible Customer or between the Eligible Customer and any officers, employees or agents of Manitoba Hydro.

- 12.0 Eligible Customer acknowledges that Manitoba Hydro is relying upon information provided by the Eligible Customer and other parties in the preparation of the Group Study and Group Study Report.
- 13.0 Manitoba Hydro makes no representations or warranties with respect to the accuracy, completeness, reliability or suitability of the Group Study and Group Study Report. Eligible Customer assumes any and all risk and responsibility for use of, and reliance on, the Group Study and Group Study Report. Eligible Customer disclaims and waives any rights or remedies that it might otherwise have against Manitoba Hydro in contract, tort, equity or other legal cause of action for faults, errors, defects, inaccuracies, omissions, suitability or reliability of the Group Study and Group Study Report.
- 14.0 Eligible Customer agrees to indemnify and hold harmless Manitoba Hydro and its successors and assigns from and against all actions, causes of action, claims, damages, costs, liability, debts, demands, damage to property or persons, including damages, costs and losses suffered by Manitoba Hydro and claims brought against Manitoba Hydro by any third party whatsoever, in respect of, or arising directly or indirectly out of this Agreement.
- 15.0 All products of, or resulting from, the performance of the Group Study and preparation of the Group Study Report by Manitoba Hydro in the course of performing this Agreement, including but not limited to, all information, drawings, Reports, records, documents, research notes, data, photographs, maps, materials, drafts, working drafts, documents or tangible assets and any intellectual property therein, including patent, trademark, copyrights, design and trade secrets (hereinafter collectively referred to as "Service Product") shall become the exclusive property of Manitoba Hydro immediately upon creation or assembly, notwithstanding the fact that all or a portion of the data provided by the Eligible Customer may be incorporated within the Service Product. The Eligible Customer shall have no right to copy, modify, amend, alter, sell, lend or dispense of any such Service Products in any manner for any reason.
- 16.0 The Eligible Customer shall have no right to use the Service Products except for the purpose of determining whether the Eligible Customer shall proceed with having Manitoba Hydro construct the necessary facilities and/or upgrades to provide the requested Transmission Service pursuant to a Facilities Construction Agreement or for the purpose of fulfilling the Eligible Customer's obligations pursuant to a Facilities Construction Agreement.
- 17.0 Neither Party shall be considered in default as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Agreement is

hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Agreement. Neither Party shall be relieved of liability for failure of performance to the extent that such failure is due to a remediable cause which it fails to remove or remedy within a reasonable period of time.

- 17.1 In this Agreement, an event of "Force Majeure" means any act of God, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's reasonable control which cause could not have been avoided by the exercise of Good Utility Practice. A Force Majeure event does not include an act of negligence or intentional wrongdoing or economic hardship or insolvency.
- 17.2 If there is a Force Majeure event that has affected a Party's ability to perform its obligation under this Agreement the Party shall forthwith (and in any event no later than the end of the next business day after it first becomes aware that an occurrence constitutes a Force Majeure event) notify the other Party in writing of the reasons why it believes the occurrence constitutes a Force Majeure event, identifying the nature of the event, its expected duration, and the particulars of the obligations affected by the event, and furnish to the other Party reports with respect to the Force Majeure event at such intervals as the other Party may reasonably request during the continuance of the Force Majeure event.
- 17.3 If there is a Force Majeure event affecting a Party's ability to perform its obligations under this Agreement, the Party shall be prompt and diligent in removing, if practicable, the cause of such inability to perform, but nothing in this Agreement shall be construed as permitting a Party to continue to fail to perform after said cause has been removed. Notwithstanding the foregoing, a Party shall not be obligated to agree to any settlement of a strike or labour dispute which, in that Party's sole opinion, may be inadvisable or detrimental.
- 18.0 This Agreement shall become effective upon execution and shall continue in full force and effect until the earlier of: (i) the Parties mutual agreement to terminate this Agreement; or (ii) termination for breach as provided in Section 18.1 of this Agreement; or (iii) completion of the Parties' obligations hereunder. Notwithstanding the foregoing, Sections 11.0 through and including 16.0 shall survive termination of this Agreement.
- 18.1 Either Party may terminate this Agreement upon \_\_\_ days notice to the other Party of a breach by the other Party of this Agreement provided that such breach remains uncured during such \_\_\_\_\_ day period and further provided that such terminating Party complies with any and all applicable laws, rules and regulations relating to such termination.
- 18.2 Eligible Customer shall remain liable to Manitoba Hydro for costs of the Group



Facilities Study already incurred, costs of the Group Facilities Study that cannot be avoided and for the costs of terminating the Group Facilities Study.

19.0 This Agreement may be executed in any number of counterparts, including counterparts signed by facsimile or electronic mail, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. A photocopied and/or electronic copy and/or facsimile copy of this Agreement bearing a signature of each Party, in a single document or as counterparts thereof as provided for herein, shall be deemed an original executed version of this Agreement and shall have the same force and effect.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**Manitoba Hydro**

**[Insert name of Eligible Customer]**

By: \_\_\_\_\_  
Name (typed or printed): \_\_\_\_\_  
Title: \_\_\_\_\_  
Signed at: \_\_\_\_\_

By: \_\_\_\_\_  
Name (typed or printed): \_\_\_\_\_  
Title: \_\_\_\_\_  
Signed at: \_\_\_\_\_

**Exhibit A**  
**to**  
**Group Facilities Study Agreement For \_\_\_\_\_ (name of Eligible**  
**Customer)**

The Group Facilities Study will be based on the following assumptions:

**Exhibit B**  
**System Impact Study**

## ATTACHMENT E

### Facilities Construction Agreement

This Facilities Construction Agreement, dated as of \_\_\_\_\_, is entered into by and between Manitoba Hydro (the "Transmission Provider"), and \_\_\_\_\_ (the "Transmission Customer").

**WHEREAS** the Transmission Customer submitted a Transmission Service request on \_\_\_\_\_ (date) for \_\_\_\_\_ MW of Firm Point-to-Point Transmission Service (or Network Integration Transmission Service) from \_\_\_\_\_ to \_\_\_\_\_ (term of service), pursuant to the Manitoba Hydro Open Access Transmission Tariff ("Tariff");

**AND WHEREAS** the Transmission Provider has determined that the construction of Direct Assignment Facilities and/or Network Upgrades ("Facilities") are required in order to provide the requested Transmission Service, as specified in the Facilities Study dated \_\_\_\_\_ provided to the Transmission Customer;

**AND WHEREAS** pursuant to Section 19.8 of the Tariff, the Transmission Customer has executed a Service Agreement for Long Term Firm Point-to-Point Transmission Service (or has provided written confirmation to the Transmission Provider pursuant to the terms of an executed Umbrella Agreement); agreeing to take and pay for the requested Firm Point-to-Point Transmission Service in accordance with the provisions of Part II of the Tariff;

or

**AND WHEREAS** pursuant to Section 32.4 of the Tariff, the Transmission Customer has executed a Service Agreement for Network Integration Transmission Service, in accordance with the provisions of Part III of the Tariff;

**AND WHEREAS** Section (19.8 or 32.4) of the Tariff also requires the execution of a Facilities Construction Agreement by the Transmission Customer in order for the requested Transmission Service to be provided;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein, the Transmission Provider and Transmission Customer (the "Parties") agree as follows:

### ARTICLE I INTERPRETATION

1.1 Terms used in this Agreement with initial capitalization that are not otherwise defined in this Agreement shall have the meanings specified in Part I of the Tariff in effect as of the date that Transmission Service was requested by the Transmission Customer.

- 1.2 Terms that do not have initial capitalization and that have well known and generally accepted technical meanings shall be interpreted in accordance with such recognized meanings.
- 1.3 This Agreement shall be interpreted in accordance with and governed by the laws of the Province of Manitoba and the laws of Canada applicable therein.
- 1.4 Any reference in this Agreement to any legislation or any section thereof shall be deemed to be a reference to such legislation or section as amended from time to time.
- 1.5 **Defined Terms**
- 1.5.1 "Breach" shall mean subject to Section 7.1, the failure of a Party to perform or observe any term or condition of this agreement.
- 1.5.2 "Default" shall have the meaning specified in Section 6.2.
- 1.5.3 "Facilities" shall mean the Direct Assignment Facilities and/or Network Upgrades identified in Appendix E-1 to this Agreement.
- 1.5.4 "Facilities Study" shall mean the Facilities Study prepared by the Transmission Provider for the Transmission Customer dated \_\_\_\_.
- 1.5.5 "NERC Standards" shall mean the reliability standards adopted by the North American Electric Reliability Corporation Inc. that are in force in the province of Manitoba.

## **ARTICLE II CONSTRUCTION OF FACILITIES**

### **2.1 Obligation to Construct**

Subject to Section 2.4, the Transmission Provider shall design, construct and install the Facilities in accordance with this Agreement and the Facilities Study Report.

### **2.2 Government Approvals**

The Transmission Provider shall be responsible for obtaining all necessary government approvals, including regulatory approvals, required for the design, construction and installation of the Facilities. The Transmission Customer shall cooperate in good faith with the Transmission Provider in obtaining government approvals.

### **2.3 Third Party System Additions**

The Transmission Customer acknowledges that the Transmission Customer is responsible for making contractual or other arrangements and paying for any necessary

engineering, permitting and construction of transmission or distribution facilities on the system(s) of any other entity required to provide the requested Transmission Service, including, but not limited to, obtaining any government approval for such facilities.

## 2.4 Conditions Precedent

The Transmission Provider shall not:

- (i) design, construct or install the Facilities until the Transmission Customer has provided the Transmission Provider with Performance Assurance in accordance with Section 5.2;
- (ii) design, construct or install the Facilities until the Transmission Provider has received the necessary government approvals as specified in Appendix E-2 attached hereto;
- (iii) construct or install the Facilities until the Transmission Provider has obtained the real property rights required for construction and installation of the Facilities;
- (iv) design, construct or install the Facilities until the Transmission Provider has received written authorization to proceed from the Transmission Customer; *(and)*
- (v) construct or install the Facilities until the Transmission Customer has, in the Transmission Provider's reasonable judgment, made the necessary contractual arrangements with third parties specifically with \_\_\_\_\_ dated \_\_\_\_\_ for the construction of, and payment for, any facilities and upgrades to systems outside of the Transmission Provider's Control Area that are necessary to support the requested Transmission Service; *(and)*
- (vi) *(design, construct or install the Facilities until \_\_\_\_\_*

\_\_\_\_\_  
*(any other required approvals or actions that will be a conditions precedent - for example, an Order in Council, the entering into of interconnection agreements, regulatory or governmental action not already covered in (ii), etc).*

## 2.5 Coordination with Other Systems

**2.5.1** In cases where third party system additions are required, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by third parties.

**2.5.2** The Transmission Provider, after consultation with the Transmission Customer and representatives of third parties' systems, may defer construction of the Facilities if the facilities or upgrades required on the third party's system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems

which must be resolved before the Transmission Provider will initiate or resume construction of the Facilities. Within sixty (60) days of receiving such notice, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 12 of the Tariff.

## **2.6 Construction Standards**

The Transmission Provider shall design, construct and install the Facilities in accordance with all applicable laws and regulations and NERC Standards.

### **ARTICLE III COMPLETION OF FACILITIES, PLACEMENT IN SERVICE**

## **3.1 In-Service Date**

The Transmission Provider shall use due diligence to complete the Facilities within a reasonable period of time once construction is commenced.

## **3.2 Construction Status Reports**

The Transmission Provider shall inform the Transmission Customer on a regular basis, and at such other times as the Transmission Customer reasonably requests, of the status of the construction and installation of the Facilities. Such informational reports shall include the following:

- (i) progress to date;
- (ii) a description of scheduled activities for the next period;
- (iii) the delivery status of all equipment ordered; and
- (iv) the identification of any event which the Transmission Provider reasonably expects may delay construction or may increase the cost of the Facilities by ten percent (10%) or more.

## **3.3 Delays**

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

## **3.4 Alternative Facilities**

If it is determined, through a Meeting conducted pursuant to Section 3.3 of this Agreement, that alternatives to the planned Facilities identified in Appendix E-1 to this Agreement are available ("Alternative Facilities"), and the Transmission Customer desires to construct the Alternative Facilities, the Transmission Provider shall provide the Transmission Customer with a revised Service Agreement and a revised Facilities Construction Agreement. If the Transmission Provider determines that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek dispute resolution pursuant to Section 12 of the Tariff.

### **3.5 Unfinished Facilities**

If the Transmission Provider and the Transmission Customer mutually agree that no reasonable alternatives exist and the requested Transmission Service cannot be provided by the service commencement date and the Transmission Customer is unwilling to postpone service, the obligation to provide the requested Transmission Service shall terminate and any deposit made by the Transmission Customer shall be refunded pursuant to Section 17.3 of the Tariff. The Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider for the design, construction, installation and testing of the unfinished Facilities and any costs incurred by the Transmission Provider to modify or remove the unfinished Facilities to ensure the safety of persons or property or to preserve the integrity of the Transmission Provider's system.

### **3.6 Right to Suspend Due to Default**

Upon the occurrence of a Default by the Transmission Customer pursuant to Section 6.2, the Transmission Provider reserves the right, upon written notice to the Transmission Customer, to suspend work by the Transmission Provider and the incurrence of additional expenses associated with construction and installation of the Facilities. Upon such suspension, the Transmission Customer shall be responsible for any costs incurred by the Transmission Provider to modify or remove any unfinished Facilities to ensure the safety of persons or property to preserve the integrity of the Transmission Provider's system.

### **3.7 Testing Prior to Operation**

After completion of construction of the Facilities and prior to commencement of operation, the Transmission Provider shall perform pre-operation testing of the Facilities to ensure, to the Transmission Provider's satisfaction, their safe and reliable operation in accordance with applicable law and the commissioning tests determined by the Transmission Provider.

### **3.8 Notification of Facilities In Service**

The Transmission Provider shall notify the Transmission Customer in writing when the Facilities are in service and the requested Transmission Service can be provided. The



Transmission Customer shall not commence commercial operation of the Facilities until the in-service date specified in such notice.

#### **ARTICLE IV OWNERSHIP, OPERATION AND MAINTENANCE**

- 4.1** The Transmission Provider shall own the Facilities and any modifications made to the Facilities.
- 4.2** The Transmission Provider shall be responsible for operating and maintaining the Facilities.

#### **ARTICLE V CREDITWORTHINESS, BILLING AND PAYMENTS**

**5.1 Responsibility for Costs**

The Transmission Customer shall be responsible for all actual costs associated with the design, construction, installation and pre-operation testing of the Facilities, including but not limited to any costs incurred by the Transmission Provider for outages that are necessary to construct, install or perform pre-operation testing of the Facilities, taxes, amounts in lieu of taxes, interest and financing costs.

**5.2 Performance Assurance**

Thirty days prior to the first payment due date provided in the payment schedule attached as Appendix E-3, the Transmission Customer shall provide the Transmission Provider with Performance Assurance in the following amount and form: \_\_\_\_\_

\_\_\_\_\_. Performance Assurance shall remain in place until the Transmission Customer is notified that the Facilities are in service.

**5.3 Advance Payments**

The Transmission Customer shall provide the Transmission Provider with monthly cash deposits by wire transfer to the bank designated by the Transmission Provider in Appendix E-4, or by other method acceptable to the Transmission Provider, in amounts to be determined by the Transmission Provider, based on estimated costs, in accordance with the payment schedule attached as Appendix E-3. The Transmission Provider shall have the right to unilaterally adjust the payment schedule as construction advances if actual Construction Expenditures begin to exceed the estimated expenditures.

**5.4 Monthly Invoices**

The Transmission Provider shall provide the Transmission Customer with monthly

invoices itemizing the construction expenditures which have been drawn against the Transmission Customer's cash deposited.

## **5.5 Final Reconciliation**

Within one year of placing the Facilities in service, the Transmission Provider shall provide the Transmission Customer with a final reconciliation of the construction expenditures for the Facilities.

## **5.6 Final Payment or Refund**

To the extent that the final actual construction expenditures that the Transmission Customer is obligated to pay for the Facilities exceeds the estimated costs already paid by the Transmission Customer, the Transmission Customer shall reimburse the Transmission Provider for the amount of such difference within thirty (30) days of receipt of an invoice. Payment shall be made in immediately available funds payable to the Transmission Provider or by wire transfer to the bank designated by the Transmission Provider in Appendix E-4. To the extent that the estimated costs already paid by the Transmission Customer exceed the final, actual costs that the Transmission Customer is obligated to pay pursuant to Section 5.1, the Transmission Provider shall refund to the Transmission Customer an amount equal to the difference within thirty (30) days of the issuance of the final invoice.

## **5.7 Unpaid Amounts**

Interest on any unpaid amounts owing pursuant to Sections 5.3 or 5.6 shall be calculated daily at the Prime Lending Rate plus two percent (2%) per annum, or the maximum rate permitted by applicable law, whichever is less, from the date due until the date upon which payment is made.

## **5.8 Continuing Creditworthiness**

The Transmission Provider shall continue to monitor the Transmission Customer's creditworthiness throughout the term of this Agreement and has the right to modify Performance Assurance requirements in accordance with the terms and conditions of Attachment L-1 of the Tariff.

## **5.9 Billing Disputes**

In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider shall continue to perform its obligations under this Agreement, provided the Transmission Customer pays disputed amounts on or before the due date. If the Transmission Customer fails to meet this requirement, the Transmission Provider may provide notice to the Transmission Customer of a breach pursuant to Section 6.1. If the dispute is resolved in favour of the Transmission Customer, the Transmission Provider shall make payment to the Transmission Customer within thirty (30) days of the resolution, with interest calculated

in accordance with Section 5.7.

#### **5.10 Credits**

Credits to the Transmission Customer, if any, for amounts paid by the Transmission Customer for the Facilities, less any amounts refunded pursuant to Section 5.11, shall be provided against the Transmission Customer's Transmission Service Charges under the Tariff for use of the Facilities if:

- (i) the Transmission Customer has in place a Long-Term Firm Point-to-Point Transmission Service Agreement or Network Integration Transmission Service Agreement of five years or longer; and
- (ii) the Transmission Customer meets all of the requirements for credits specified in Board policy governing the Transmission Provider, as revised from time to time.

#### **5.11 Refunds**

A Transmission Customer that advances Facilities that are or become part of the Transmission Provider's transmission expansion plan shall be entitled to a lump sum refund equal to the depreciated value of the advanced Facilities as at the date of refund, payable within thirty (30) days of the date when the costs of said Facilities are included within the Transmission Provider's retail electricity rates, provided that such inclusion in retail rates occurs within twenty years of the Transmission Customer's Service Commencement Date..

### **ARTICLE VI BREACH, DEFAULT AND TERMINATION**

#### **6.1 Notice of Breach**

Upon the occurrence of an event of Breach, the Party not in Breach, when it becomes aware of the Breach, shall give written notice of the Breach to the Breaching Party and to any other person that a Party has identified in writing in advance to the other Party. Such notice of Breach shall set forth in detail the nature of the Breach and, if the Breach is curable, the steps necessary to cure the Breach. If such Breach is curable, after receiving written notice of the Breach, the Breaching Party is obligated to cure such Breach within the time period specified in the notice, unless the Breach is a failure to pay any amount when due, in which case the cure period shall be five (5) days. Notwithstanding the foregoing, a failure of the Transmission Customer to provide Performance Assurance within seven (7) days of demand pursuant to Section 5.8 shall be considered an incurable Breach.

#### **6.2 Default**

A Party shall be considered in Default if:

- i) the Breaching Party commits an incurable Breach; or

- ii) the Breaching Party fails to cure the Breach in accordance with Section 6.1; or
- iii) that Party: (a) is adjudicated bankrupt; or (b) files a voluntary petition in bankruptcy under any provision of any bankruptcy law or becomes subject to the filing of any bankruptcy or reorganization petition against it under any similar law; or (c) makes a general assignment for the benefit of its creditors; or (d) has a receiver, trustee or liquidator appointed with respect to its assets; or
- iv) the Party fails to provide assurance of payment in accordance with Section 5.8.

### **6.3 Acceleration**

Notwithstanding any other provision of this Agreement, on Default of the Transmission Customer, all expenditures for which the Transmission Customer is liable shall become immediately due and payable.

### **6.4 Rights on Default**

Upon a Party being in Default, the non-Defaulting Party shall be entitled to:

- (i) commence an action for breach of contract; and/or
- (ii) terminate this Agreement upon giving a minimum of three (3) days written notice of termination to the Defaulting Party; and/or
- (iii) exercise any other rights available in equity or law.

## **ARTICLE VII FORCE MAJEURE**

### **7.1 No Liability**

Except as provided in Section 7.2, no Party shall be considered in Breach as to any obligation under this Agreement if prevented from fulfilling the obligation due to an event of Force Majeure. A Party shall be excused from performance of the affected obligation only for the duration of the Force Majeure and while the Party exercises reasonable efforts to alleviate such situation.

### **7.2 Obligation to Make Payments**

A Party's obligation to make payments under this Agreement shall not be suspended by Force Majeure.

### **7.3 Notice of Force Majeure**

A Party unable to carry out an obligation imposed on it by this Agreement due to Force Majeure shall notify the other Party in writing or by telephone as soon as reasonably practicable after the Party becomes aware of the occurrence of the Force Majeure.

Telephone notice given pursuant to this Section shall be confirmed in writing as soon as reasonably possible. Written notices shall state full particulars of the Force Majeure, the time and date of occurrence and when the Force Majeure is reasonably expected to cease. As soon as the non-Performing Party is able to resume performance of its obligations excused as a result of Force Majeure, such Party shall give prompt written notice to the other Party.

## **ARTICLE VIII GENERAL**

### **8.1 Term**

This Agreement shall take effect upon execution and shall remain in effect until fully performed by the Parties unless terminated earlier pursuant to Section 6.4.

### **8.2 Waiver**

Any waiver at any time by a Party of its rights with respect to a Default under this Agreement, or with respect to any other matters arising in connection with this Agreement, shall not be deemed a waiver or continuing waiver with respect to any subsequent Default or other matter.

### **8.3 Amendments**

Subject to Section 5.3, this Agreement may be amended by and only by a written instrument duly executed by the Parties. Upon satisfaction of all applicable laws, an amendment to this Agreement shall become effective and a part of this Agreement.

### **8.4 Entire Agreement**

This Agreement constitutes the entire agreements among the Parties hereto with reference to the subject matter hereof and supercedes all prior oral and written communications pertaining hereto, except as specifically incorporated herein.

### **8.5 Counterparts**

This Agreement may be executed in any number of counterparts, including counterparts signed by facsimile or electronic mail, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. A photocopied and/or electronic copy and/or facsimile copy of this Agreement bearing a signature of each Party, in a single document or as counterparts thereof as provided for herein, shall be deemed an original executed version of this Agreement and shall have the same force and effect.

### **8.6 Binding Effects**

This Agreement and the rights and obligations hereof, shall be binding upon and shall

inure to the benefit of the successors and assigns of the Parties hereto.

## **8.7 Conflicts**

In the event of a conflict between the body of this Agreement and any Appendix hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed to be the final intent of the Parties.

## **8.8 Regulatory Requirements**

The Transmission Provider's obligations under this Agreement shall be subject to its receipt and the continued effectiveness of any required approval or certificate from one or more governmental authorities in the form and substance satisfactory to the Transmission Provider. The Transmission Provider shall in good faith seek such approvals as soon as is reasonably practicable.

## **8.9 Assignment**

Neither Party shall assign this Agreement without the written consent of the other Party.

## **8.10 Indemnification and Limitation of Liability**

The Parties acknowledge that Sections 10.2 and 10.3 of the Tariff apply to the construction of Facilities under this Agreement.

## **8.11 Dispute Resolution**

The Parties acknowledge that Section 12 of the Tariff shall govern the resolution of disputes with respect to this Agreement.

## **8.12 Notices**

**8.12.1** Any notice, demand or request required or permitted to be given by a Party to the other and any instrument required or permitted to be tendered or delivered by a Party in writing to the other may be so given, tendered or delivered, as the case may be, by depositing the same with Canada Post with postage prepaid, for transmission by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out below or may be delivered electronically to the address set forth in Section 8.12.2:

To Transmission Provider:

Or by courier to:

To Transmission Customer:

[Insert preferred Transmission Customer Contact Information]

**8.12.2** Alternative Forms of Notice. Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out below:

To Transmission Provider:

Voice telephone - 204-  
Facsimile telephone - 204-  
Email address -

To Transmission Customer:

[Insert preferred Transmission Customer contact information]

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**Manitoba Hydro**

**[Insert name of Transmission Customer]**

By: \_\_\_\_\_  
Name (typed or printed): \_\_\_\_\_  
Title: \_\_\_\_\_  
Signed at: \_\_\_\_\_

By: \_\_\_\_\_  
Name (typed or printed): \_\_\_\_\_  
Title: \_\_\_\_\_  
Signed at: \_\_\_\_\_

**APPENDIX E-1**

**DESCRIPTION OF DIRECT ASSIGNMENT FACILITIES  
AND NETWORK UPGRADES**



**APPENDIX E-2**  
**LIST OF GOVERNMENT APPROVALS**

**APPENDIX E-3**  
**PAYMENT SCHEDULE**

**APPENDIX E-4**  
**WIRE TRANSFER ARRANGEMENTS**

## **ATTACHMENT F-1**

### **Service Agreement for Network Integration Transmission Service From On-System Network Resources**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Manitoba Hydro (the "Transmission Provider"), and \_\_\_\_\_ (the "Network Customer").
- 2.0 The Network Customer has been determined by the Transmission Provider to have a Completed Application on OASIS and Specifications for Network Integration Transmission Service from On-System Network Resources that comply with Section 29.2(a) of the Tariff.
- 3.0 The Network Customer has provided to the Transmission Provider an Application deposit in the amount of \$\_\_\_\_\_, in accordance with the provisions of Section 29.2 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of: (1) the requested Service Commencement Date; or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or Network Upgrades are completed; or (3) the date on which a Network Operating Agreement is executed, if applicable under s.35.1 of the Tariff, and all requirements of said Agreement have been completed. Service under this agreement shall terminate on \_\_\_\_\_.
- 5.0 Service Conditions
- 5.1 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff and this Service Agreement.

5.2 The following conditions of service are imposed pursuant to Section 32.3 of the Tariff: \_\_\_\_\_

\_\_\_\_\_.

5.3 The Network Customer acknowledges that the term of its service request extends beyond the Transmission Provider's study horizon that was used in the System Impact Study and/or Facilities Study and that after the following date \_\_\_\_\_, the Transmission Provider will restudy the request and may either: (i) offer service condition options in accordance with Section 32.3 of the Tariff pursuant to an amended Service Agreement; or (ii) assess additional Network Upgrade charges and/or Direct Assignment Facilities charges pursuant to an amended Service Agreement; or (iii) give written notice to terminate this Agreement.

6.0 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:

Network Customer:

7.0 No failure by the Transmission Provider or the Network Customer at any time or from time to time to enforce or require a strict observance of any of the provisions of this Service Agreement shall constitute a waiver of the provision or affect or impair such provisions or the right of the Transmission Provider or the Transmission Customer at any time to enforce such provisions or to avail itself of any remedy it may have.

- 8.0 The Tariff, the attached Specifications for Network Integration Transmission Service From On-System Network Resources, and the Network Operating Agreement between the Transmission Provider and the Network Customer are incorporated herein and made a part hereof.
- 9.0 For third party Network Customers, calculation of Load Ratio Share:
- 10.0 Description of required Direct Assignment Facilities:
- 11.0 In addition to the Monthly Demand Charge, if applicable, and charges for ancillary services, if applicable, the Network Customer will be subject to the following charges:
  - 11.1 Direct Assignment Facilities charge:
  - 11.2 Network Upgrades Charge:
  - 11.3 Redispatch charges:
  - 11.4 Ancillary Service charges:
- 12.0 Applicable taxes shall be added to all charges set forth in the Tariff.
- 13.0 This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by either Party without the written consent of the other Party.
- 14.0 Network Customer acknowledges that the signatory to this Agreement identified below is an authorized signing officer of the Network Customer.

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

Transmission Provider:

By:

_____	_____	_____	_____
Name	Title	Date	Signed at

Network Customer:

By:

_____	_____	_____	_____
Name	Title	Date	Signed at

**Specifications for Network Integration**  
**Transmission Service From On-System Network Resources**

1.0 Description of Network Customer

Name:

Address:

Contact Person:

Email:

Phone:

Fax:

2.0 Term of Requested Service

Service Commencement Date:

Description of the seasons for which the Network Resource is available throughout the term, if applicable :

Termination Date:

Corresponding TSR Number:

3.0 The Network Customer represents that it is or will be upon commencement of service, an Eligible Customer under the Tariff.

4.0 Description and Forecast of Network Load Pursuant to Section 29.2(a) of Tariff

- a) Total Network Load:
- b) Ten year forecast of quantity of Network Load (summer and winter) at each transmission voltage level:
- c) For third party Network Customers, ten year forecast of quantity of Network Load (summer and winter) at each delivery point.



## 5.0 Interruptible loads included in the Network Load.

Specify the following:

- (i) ten year forecast of amount (summer and winter);
- (ii) name of retail customer;
- (iii) location (by nearest city/town);
- (iv) conditions for interruption;
- (v) limits on amount and/or frequency of interruption;
- (vi) amount of interruptible load included in s.4.0 of these Specifications.

## 6.0 Detailed description of each On-System Network Resource

For each Network Resource, provide the following:

- a. ☐ Generating Facility owned by Network Customer  
☐ New ☐ Upgrade to Existing Facility  
☐ Power Purchase Agreement for output of generating facility  
(attach to Application if executed)
- b. Has an Interconnection Request been submitted with respect to the facility pursuant to the terms of the Manitoba Hydro Open Access Interconnection Tariff? \_\_\_\_\_ Date of Interconnection Request \_\_\_\_  
\_\_\_\_\_.

## 6.1 On-System Generating Facilities

- a. Identification and location of Generating Facility: \_\_\_\_\_
- b. Generating Unit(s) located at the Generating Facility:
  - i) Unit number or identification:
  - ii) MW or generator capability curve:
  - iii) Leading MVar:
  - iv) Lagging MVar:
- c. Total capacity of Network Resource(s) requested to be designated:
  - i) MW (including any variation in the amount of capacity available in each season as identified in Section 2.0):
  - ii) Leading MVar:
  - iii) Lagging MVar:
- d. Approximate variable generating cost (\$/MWH) for redispatch computations:

- e. Operating restrictions:
  - i) Minimum loading level of unit:
  - ii) Normal operating level of unit:
  - iii) Any periods of restricted operations throughout the year:
  - iv) Any limiting factors related to periods of restricted operations:
  - v) Maintenance schedules:
- f. Amount of Network Resource connected to Transmission Provider's distribution System that nets out Network load.
- g. Contractual arrangements (with a term of one (1) year or more) governing sale and delivery of power to non-designated third parties, as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS.

## 6.2 On-System Power Purchase Agreements

- a. Amount of Resource requested to be designated: \_ MW:
- b. Term: \_\_\_\_\_ to \_\_\_\_\_
- c. Source of supply:
- d. Capacity value of Network Resource, including any variation in the amount of capacity available in each season as identified in Section 2.0:
- e. Contractual restrictions on availability:
- f. Copy of Power Purchase Agreement is/is not attached:

## 6.3 Attestation

The Network Customer certifies that:

- a. The Network Customer owns the Network Resource, or has committed to purchase generation pursuant to an executed contract, or execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and
- b. Pursuant to Section 30.1 of the Tariff, the Network Resource does not include a resource, or any portion thereof, that is either:
  - (i) committed for sale (for a term of one (1) year or more) to non-designated third party load unless, and only to the extent that, the seller has a contractual right to curtail the energy sold in

order to maintain reliable service to the seller's Network Load, subject to any limitations permitted by Section 30.1 of the Tariff; or

- (ii) purchased by the Network Customer pursuant to a power purchase agreement executed prior to January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for economic reasons; or
- (iii) purchased by the Network Customer pursuant to a power purchase agreement executed on or after January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for reasons other than Force Majeure.

- c. A deposit of \$50,000.00 is being provided by wire transfer or journal entry (as applicable) upon the date of submission of these Specifications.

7.0 For third party Network Customers, description of any transmission system owned or controlled by the Network Customer:

8.0 For third party Network Customer the Network Customer requires the following Ancillary Services from the Transmission Provider:

		Source
1.	Scheduling, System Control and Dispatch	Yes
2.	Reactive Supply and Voltage Control	Yes
3.	Regulation and Frequency Response	____ *
4.	Energy Imbalance	____ *
5.	Spinning Reserve	____ *
6.	Supplemental Reserve	____ *

\* If "No", indicate source of this service

9.0 Additional Information Required by Transmission Provider: (Transmission Provider to specify)

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The Network Customer has provided the above-referenced information, if applicable, as attached to these Specifications.

Specifications submitted by:

\_\_\_\_\_  
(print name)

\_\_\_\_\_  
(title)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(signed at)

## **ATTACHMENT F-2**

### **Service Agreement for Network Integration Transmission Service From Off-System Network Resource**

- 1.0 This Service Agreement, dated as of \_\_\_\_\_, is entered into, by and between Manitoba Hydro (the "Transmission Provider"), and \_\_\_\_\_ (the "Network Customer").
- 2.0 The Network Customer has been determined by the Transmission Provider to have a Completed Application on OASIS and Specifications for Network Integration Transmission Service from Off-System Network Resource that comply with Section 29.2(b) of the Tariff.
- 3.0 The Network Customer has provided to the Transmission Provider an Application deposit in the amount of \$\_\_\_\_\_, in accordance with the provisions of Section 29.2 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of: (1) the requested Service Commencement Date; or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or Network Upgrades are completed; or (3) the date on which a Network Operating Agreement, is executed, if applicable under Section 35.1 of the Tariff, and all requirements of said Agreement have been completed. Service under this agreement shall terminate on \_\_\_\_\_.
- 5.0 Service Conditions
- 5.1 The Transmission Provider agrees to provide and the Network Customer agrees to take and pay for Network Integration Transmission Service in accordance with the provisions of Part III of the Tariff and this Service Agreement.

5.2 The following conditions of service are imposed pursuant to Section 32.3 of the Tariff: \_\_\_\_\_  
\_\_\_\_\_

5.3 The Network Customer acknowledges that the term of its service request extends beyond the Transmission Provider's study horizon that was used in the System Impact Study and/or Facilities Study and that after the following date \_\_\_\_\_, the Transmission Provider will restudy the request and may either: (i) offer service condition options in accordance with Section 32.3 of the Tariff pursuant to an amended Service Agreement; or (ii) assess additional Network Upgrade charges and/or Direct Assignment Facilities charges pursuant to an amended Service Agreement; or (iii) give written notice to terminate this Agreement.

6.0 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:

Network Customer:

7.0 No failure by the Transmission Provider or the Network Customer at any time or from time to time to enforce or require a strict observance of any of the provisions of this Service Agreement shall constitute a waiver of the provision or affect or impair such provisions or the right of the Transmission Provider or the Transmission Customer at any time to enforce such provisions or to avail itself of any remedy it may have.

- 8.0 The Tariff, the attached Specifications for Network Integration Transmission Service From Off-System Network Resource, and the Network Operating Agreement (if required) between the Transmission Provider and the Network Customer (if required) are incorporated herein and made a part hereof.
- 9.0 For third party Network Customers, calculation of Load Ratio Share:
- 10.0 Description of required Direct Assignment Facilities:
- 11.0 In addition to the Monthly Demand Charge, if applicable, and charges for ancillary services, if applicable, the Network Customer will be subject to the following charges:
- 11.1 Direct Assignment Facilities charge:
  - 11.2 Network Upgrades Charge:
  - 11.3 Redispatch charge:
  - 11.4 Ancillary Service charges:
- 12.0 Applicable taxes shall be added to all charges set forth in the Tariff.
- 13.0 This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by either Party without the written consent of the other Party.
- 14.0 Network Customer acknowledges that the signatory to this Agreement identified below is an authorized signing officer of the Network Customer.

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

Transmission Provider:

By:

_____	_____	_____	_____
Name	Title	Date	Signed at

Network Customer:

By:

_____	_____	_____	_____
Name	Title	Date	Signed at



**Specifications for Network Integration**  
**Transmission Service From Off-System Network Resource**

1.0 Description of Network Customer

Name:

Address:

Contact Person:

Email:

Phone:

Fax:

2.0 Term of Requested Service

Service Commencement Date:

Description of the seasons for which the Network Resource is available throughout the term, if applicable :

Termination Date:

Corresponding TSR Number:

3.0 The Network Customer represents that it is or will be upon commencement of service, an Eligible Customer under the Tariff.

4.0 Detailed Description and Forecast of Network Load Pursuant to Section 29.2(b) of Tariff

a) Network Load is the same as Network Customer's Network Load for Service From On-System Network Resources: \_\_\_\_\_. If not, complete 4.0(b), (c) and (d).

b) Total Network Load:

c) Ten year forecast of quantity of Network Load (summer and winter) at each transmission voltage level:

- d) For third party Network Customers, ten year forecast of quantity of Network Load (summer and winter) at each delivery point.

#### 5.0 Interruptible loads included in the Network Load.

a) Interruptible load is the same as indicated in Network Customer's Service Agreement for Network Integration Transmission Service From On-System Network Resources: \_\_\_\_\_. If not, specify the following:

- (i) Ten year forecast of amount (summer and winter);
- (ii) Name of retail customer;
- (iii) Location (by nearest city/town);
- (iv) Conditions for interruption;
- (v) Limits on amount and/or frequency of interruption;
- (vi) Amount of interruptible load included in s.4.0 of these Specifications.

#### 6.0 Detailed description of off-system Network Resource

- a. ☐ Generating Facility owned by Network Customer  
☐ New ☐ Upgrade to Existing Facility
- ☐ Power Purchase Agreement (attach to Application if executed)
- b. Start date and term of requested designation of Network Resource: \_\_\_\_\_
- c. Identification and location of Generating Facility: \_\_\_\_\_

#### 6.1 Off-System Generating Facility

- a. Identification and Location of Generating Facility: \_\_\_\_\_
- b. Generating Unit(s) located at the Generating Facility:
- i) Unit number or identification:
  - ii) MW or generator capability curve:
  - iii) Leading MVar:
  - iv) Lagging MVar:
- c. Total capacity of Network Resource requested to be designated:
- i) MW (including any variation in the amount of capacity available in each season as identified in Section 2.0):

- ii) Leading MVar:
  - iii) Lagging MVar:
  - iv) Load and frequency control capability:
  - v) Dispatchability:
- d. Approximate variable generating cost (\$/MWH) for redispatch computations:
- e. Operating restrictions:
  - i) Minimum loading level of unit:
  - ii) Normal operating level of unit:
  - iii) Any periods of restricted operations throughout the year:
  - iv) Any limiting factors related to periods of restricted operations:
  - v) Maintenance schedules:
- f. Amount of Network Resource connected to Transmission Provider's distribution System that nets out Network load.
- g. Contractual arrangements (for a term of one (1) year or more) governing sale and delivery of power to non-designated third parties, as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS.

## 6.2 Off-System Power Purchase Agreement

- a. Amount of power to which Network Customer has rights:
- b. Amount requested to be designated as Network Resource, including any variation in the amount of power available in each season as identified in Section 2.0:
- c. Originating Control Area:
- d. Delivery point to Transmission Provider's Transmission System:
- e. Firm Point-to-Point Transmission Service arrangements:  
from Network Resource to Transmission Provider's Transmission System:  
  
OASIS Request Number:  
  
External Control Area:  
OASIS Request Number:
- f. Operating restrictions (including contractual restrictions on availability of power):
  - periods of restricted operation throughout year:

- maintenance schedules:
- minimum loading level of unit:
- normal operating level of unit:
- approximate variable generating cost (\$/MWh) for redispatch computations

g. Copy of Power Purchase Agreement, if executed, is attached:

### 6.3 Attestation

The Network Customer certifies that:

- a. The Network Customer owns the Network Resource, or has committed to purchase generation pursuant to an executed contract, or execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and
- b. Pursuant to Section 30.1 of the Tariff, the Network Resource does not include a resource, or any portion thereof, that is either:
  - (i) committed for sale (for a term of one (1) year or more) to non-designated third party load unless, and only to the extent that, the seller has a contractual right to curtail the energy sold in order to maintain reliable service to the seller's Network Load, subject to any limitations permitted by Section 30.1 of the Tariff; or
  - (ii) purchased by the Network Customer pursuant to a power purchase agreement executed prior to January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for economic reasons; or
  - (iii) purchased by the Network Customer pursuant to a power purchase agreement executed on or after January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for reasons other than Force Majeure.
- d. A deposit of \$50,000.00 is being provided by wire transfer or journal entry (as applicable) upon the date of submission of these Specifications.

7.0 For third party Network Customers, description of any transmission system owned or controlled by the Network Customer:

8.0 Name(s) of any Intervening Transmission Providers:

9.0 For third party Network Customers, the Network Customer requires the following Ancillary Services from the Transmission Provider:

	Source
1. Scheduling, System Control and Dispatch	Yes
2. Reactive Supply and Voltage Control	Yes
3. Regulation and Frequency Response	_____*
4. Energy Imbalance	_____*
5. Spinning Reserve	_____*
6. Supplemental Reserve	_____*

\* If “No”, indicate source of this service

Specifications submitted by:

\_\_\_\_\_

(print name)

\_\_\_\_\_

(signature)

\_\_\_\_\_

(signed at)

\_\_\_\_\_

(title)

\_\_\_\_\_

(date)

**ATTACHMENT G**

**Network Operating Agreement**

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## **NETWORK OPERATING AGREEMENT**

**THIS NETWORK OPERATING AGREEMENT**, made and entered into this day of \_\_\_\_\_, \_\_\_\_\_, by and between (hereinafter referred to as “Network Customer”), a (legal/corporate description of Network Customer), and Manitoba Hydro (hereinafter referred to as “Transmission Provider”). Network Customer and Transmission Provider may be hereinafter referred to individually as “Party” and collectively as “Parties” where appropriate.

In consideration of the mutual covenants and agreements herein contained, the Parties hereto covenant and agree as follows:

### **ARTICLE I PURPOSE**

- 1.1 This Agreement defines the terms and conditions under which the Network Customer shall operate its facilities, the interconnections between the Parties and associated responsibilities, the operational procedures to be utilized by the Parties, and any other technical or operational requirements needed for implementation of Network Integration Transmission Service under the Transmission Provider’s Transmission Tariff (the “Tariff”).

### **ARTICLE II DEFINITIONS**

- 2.1 Unless specified otherwise, the capitalized terms shall be defined in accordance with the definitions contained in Part I of the Tariff.

- 2.2 **Interconnection Equipment:** The equipment specified by the Parties as Interconnection Equipment in the Interconnection Agreement between the Parties.
- 2.3 **MRO:** The Midwest Reliability Organization.
- 2.4 **NERC:** The North American Electric Reliability Corporation.
- 2.5 **Control Area Operator:** A Control Area Operator is a party that operates a NERC-recognized Control Area as defined in the Tariff and is responsible for meeting all policies, procedures and guidelines established by NERC and any applicable Regional Reliability Council(s).

### **ARTICLE III**

#### **RELIABILITY STANDARDS**

- 3.1 **Adherence to Reliability Standards:** The Network Customer shall plan, construct, operate and maintain its facilities and system in accordance with Good Utility Practice, which shall include, but not be limited to, all applicable standards, rules, procedures or guidelines of NERC and the MRO as they may be modified from time to time, except to the extent modified by Manitoba law.
- 3.2 **Reliability Reporting:** The Network Customer shall be responsible for providing to the Transmission Provider in a timely manner all information required by NERC and the MRO.

## **ARTICLE IV CONTROL AREA RESPONSIBILITY**

- 4.1 **Control Area Requirements:** Pursuant to section 35.2 of the Tariff, the Network Customer shall: (1) operate as a Control Area Operator under applicable guidelines of NERC and the MRO, or (2) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider; or (3) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another Control Area Operator which can satisfy those requirements in a manner that is consistent with Good Utility Practice and which satisfies NERC and MRO requirements.

## **ARTICLE V NETWORK RESOURCES**

- 5.1 **Reserves:** The Network Customer shall maintain or provide for generating capacity planning and operating reserves consistent with MAPP Reliability Council guidelines. If the Network Customer's designated Network Resources are judged not to meet the accreditation guidelines or the Network Customer's generating capacity reserves are inadequate to meet the MAPP Reliability Council guidelines, the Customer shall pay any and all applicable charges or penalties imposed on the Transmission Provider.

## **ARTICLE VI REDISPATCH PROCEDURES**

- 6.1 **Right to Redispatch Network Resources:** If the Transmission Provider determines or is advised by a NERC Reliability Coordinator that redispatching Network Resources (including reductions in off-system purchases and sales) to relieve an existing or potential transmission constraint is the most effective way to ensure the reliable

operation of the Transmission System, the Transmission Provider shall have the right to direct redispatch of the Transmission Provider's and the Network Customers' Network Resources on a least-cost basis, without regard to the ownership of such Network Resources. The Network Customer shall respond immediately to directions to redispatch from the Transmission Provider. Redispatch shall be implemented consistent with the Transmission Provider's contractual obligations and its practices and procedures for its own Network Resources in effect from time to time.

- 6.2 **Reliability Redispatch Cost:** Pursuant to s.33.3 of the Tariff, the Transmission Provider and the Network Customer shall each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares, unless specified otherwise in a policy developed by the Network Operating Committee. The total redispatch cost shall be the greater of (i) verifiable opportunity costs or; (ii) current verifiable start up, shut down incremental and decremental costs of changing the generation output of the applicable Network Resources.
- 6.3 **Cost Data:** The Network Customer shall submit to the Transmission Provider the (i) verifiable opportunity costs and (ii) current verifiable start up, shut down, incremental and decremental cost data for its Network Resources, which estimate the cost to the Network Customer of changing the generation output of each of its Network Resources. This cost data along with similar data for the Transmission Provider shall be used as the basis for determining least-cost redispatch. The Transmission Provider shall keep this data confidential, except where disclosure is required by Canadian law. If the Network Customer experiences changes to its costs, the Network Customer shall submit those changes to the Transmission Provider.
- 6.4 **Audits:** The Network Customer may audit, at its own expense, particular redispatch events (such as the cause or necessity of the redispatch) during normal business hours following reasonable notice to the Transmission Provider. If an audit conducted pursuant to this section reveals that the Transmission Provider's Network Resources have been redispatched in preference to lower cost alternatives for reasons other than

an emergency, the cost of the audit shall be borne by the Transmission Provider. In addition to the right to audit redispatch events, both the Transmission Provider and the Network Customer may request an audit of the other Party's redispatch cost data. Any audit of redispatch cost data shall be performed by an independent agent at the requesting Party's cost. Such independent agent shall be a nationally recognized accounting firm and shall be required to keep all cost data confidential to the extent permitted by Canadian law.

## **ARTICLE VII**

### **FACILITY CONNECTION AND OPERATING REQUIREMENTS**

- 7.1 **Interconnection Equipment:** The Network Customer's Interconnection Equipment shall meet all standards of Good Utility Practice and the Transmission Provider's Transmission System Interconnection Requirements as in effect from time to time. Interconnection Equipment shall be installed, maintained and repaired at the Network Customer's expense, with the exception of cost-shared facilities as determined by the Network Operating Committee.
- 7.2 **Load Shedding Equipment:** The Network Customer shall, at its own expense, provide, operate and maintain in service high-speed load shedding equipment as specified by the Transmission Provider. The Parties shall test and inspect their load shedding scheme in accordance with procedures and schedules determined by the Network Operating Committee. A Party may request a test of the other Party's load shedding scheme with reasonable notice.
- 7.3 **Connection Requirements:** The Network Customer shall comply with the Transmission Provider's Transmission System Interconnection Requirements as published and as in effect from time to time for new and existing generation facilities, transmission facilities and electricity end-user facilities.

- 7.4 **New Generators:** The Network Customer shall not connect any new or re-rated generators after execution of this Agreement except pursuant to the Transmission Provider's Open Access Interconnection Tariff. Any generating facilities owned by third parties that are connected after the date of execution of this Agreement shall comply with the Transmission System Interconnection Requirements established by the Transmission Provider as in effect from time to time. If any generating facilities referred to in this section incorporate a synchronous generator, the Network Customer shall furnish, install and maintain equipment necessary to establish and maintain synchronism with the Transmission Provider's transmission system.
- 7.5 **Switching:** The Network Customer shall comply with all of the guidelines and operating instructions issued by the Transmission Provider and shall not conduct any switching on Critical Facilities (as defined by the Network Operating Committee) or other activity likely to affect the Transmission Provider's System without first contacting and receiving the consent of the Transmission Provider.
- 7.6 **Power and Energy Flow:** The Parties recognize the interconnected nature of the Transmission Provider's transmission system and that operating and technical problems may arise in the control of the frequency and in the flow of real and reactive power over the Parties interconnected transmission systems. The Network Operating Committee shall adopt operating rules and procedures as necessary to ensure that as far as practicable, the delivery and receipt of real and reactive power and energy hereunder shall be accomplished in a manner that causes the least interference with such interconnected systems. The Network Operating Committee shall also, from time to time as necessary, determine methods to ensure the maximum delivery of power and energy at the delivery points and at such additional or alternate delivery points as may be established by the Parties.
- 7.7 **Regulating Reserve:** The Network Customer shall meet its Load Ratio Share of Regulating Reserve carried by the Transmission Provider (in accordance with NERC or

MRO requirements) by either:

- a) purchasing Regulation and Frequency Response Service from the Transmission Provider pursuant to Schedule 3 of the Tariff; or
- b) contributing or arranging for a third party to contribute generating resources to meet the Regulating Reserve requirement.

**7.8 Self Supply and Third Party Supply:** A Network Customer who does not purchase Regulation and Frequency Response Service from the Transmission Provider shall either operate its generating resources or ensure that the supplier of such service operates its generating resources so as to comply with all NERC and MRO requirements.

**7.9 System Operations:** If at any point in time, in the Transmission Provider's sole judgment, the Network Customer is operating its equipment in a manner that would adversely impact the quality of service to the Transmission Provider's customers, reliability or safe operation of the Transmission Provider's transmission system, the Transmission Provider may discontinue Network Integration Transmission Service without notice if necessary, until such time as the condition has been corrected.

**7.10 Emergencies:** If, in the Transmission Provider's sole judgment, an emergency exists or significant adverse impact is imminent, Transmission Service to the Network Customer may be discontinued without notice. The Transmission Provider has the right to direct the Network Customer to take whatever actions the Transmission Provider deems necessary in response to an emergency including, but not limited to: running generation at maximum or minimum capability, voltage reduction, load shedding, transferring load between delivery points, public appeals for load reduction, implementation of interruptible load programs and bringing stand-by and idle generation into service.

**7.11 Curtailment Procedures (s.33.1 of Tariff):** The Transmission Provider reserves the



right to Curtail Transmission Service to the Network Customer, in whole or in part, when the Transmission Provider determines that a transmission constraint exists on the Transmission System or on systems directly and indirectly interconnected with the Transmission System. Such Curtailments shall be made pursuant to sections 33.4 and 33.5 of the Tariff and all operating guidelines of the Transmission Provider. In the event of a failure to respond to Curtailment directions or procedures or follow operating guidelines, the Network Customer shall indemnify the Transmission Provider for any costs, penalties or damages arising from such failure to respond as directed or follow operating guidelines.

- 7.12 **Load Shedding Procedures:** The Parties shall implement load shedding programs to maintain the reliability and integrity of the Transmission System. Load shedding shall include: (1) automatic load shedding relay or (2) manual load shedding. The Transmission Provider shall implement load shedding to maintain the relative sizes of load served, unless otherwise required by circumstances beyond the control of the Transmission Provider or the Network Customer. Automatic load shedding devices shall operate without notice. When manual load shedding is necessary, the Transmission Provider shall notify the Network Customer's operators or schedulers of the required action and the Network Customer shall comply within the time specified by the Transmission Provider. In the event that the Network Customer fails to respond to the Transmission Provider's directions to shed load, the Network Customer shall indemnify the Transmission Provider for all costs, penalties or damages arising from such failure to respond as directed.

- 7.13 **Reliability:** Insofar as practicable, the Network Customer shall protect, operate and maintain its system consistent with Good Utility Practice so as to avoid or minimize the likelihood of disturbances which might cause impairment of services on other systems.

## **ARTICLE VIII**

### **MAINTENANCE AND REPAIR OF FACILITIES**

8.1 **Submission of Schedules:** The Network Operating Committee shall establish procedures to coordinate the maintenance schedules of the generating resources and transmission and substation facilities, to the greatest extent practical, to ensure sufficient transmission resources are available to maintain system reliability and reliability of service. Prior to the effective date of this Agreement and thereafter by December 1<sup>st</sup> of each year, the Network Customer shall provide to the Transmission Provider the maintenance schedules and planned outages of each Critical Facility (as defined by the Network Operating Committee) for the next year and update the information at least thirty (30) days in advance of the date specified for the forecasted maintenance outage. Such information shall include, but not be limited to the expected time that the Critical Facility will be separated from the system and the time at which the Critical Facility is available for:

- a) synchronizing/parallel operation;
- b) loading; and
- c) if applicable, to be put on automatic generation control.

8.2 **Scheduled Maintenance:** The Network Customer shall obtain:

- (a) Concurrence from the Transmission Provider, at least forty-eight (48) hours before beginning any scheduled maintenance of its Critical Facilities; and
- (b) Clearance from the Transmission Provider when the Network Customer is ready to begin maintenance on a Critical Facility.

8.3 **Unscheduled Outages:** The Network Customer shall immediately notify the Transmission Provider at the time when any unscheduled or forced outages occur and again when such unscheduled or forced outages end. The Network Customer shall notify and coordinate with the Transmission Provider prior to placing a Critical Facility back in service.

- 8.4 **Failure to Maintain:** If the Transmission Provider in its reasonable judgment determines that the Network Customer's Interconnection Equipment is, in any substantial respect, being maintained otherwise than in accordance with Good Utility Practice or the provisions of this Agreement, the Transmission Provider may so notify the Network Customer in writing. Within thirty (30) days of the date of notification, the Network Customer shall conform its maintenance practices to the requirements of Good Utility Practice and of this Agreement. In the event that the Network Customer fails to bring its maintenance practices into conformance with said requirements within that thirty (30) day period, the Transmission Provider may immediately de-energize the interconnection between the Network Customer and the Transmission Provider until the Network Customer has conformed its maintenance practices as provided herein or seek any other remedy available at law.

## **ARTICLE IX MODIFICATIONS TO FACILITIES**

- 9.1 **Notice of Modifications:** The Network Customer shall give the Transmission Provider adequate written notice of any modification or replacement of the Network Customer's Interconnection Equipment. All additions, modifications or replacements must meet the requirements of this Agreement and all standards of Good Utility Practice. If the Network Customer makes changes without notice to the Transmission Provider, and if the Transmission Provider has reasonable cause to believe that the changes may create dangerous conditions, the Transmission Provider may immediately and without notice de-energize the interconnection between the Network Customer and the Transmission Provider. Such de-energizing shall take place in accordance with procedures, if any, developed by the Network Operating Committee.
- 9.2 **Changing Requirements:** The Network Customer at its expense, shall change the Network Customer's Interconnection Equipment as may be reasonably required by the Transmission Provider or as may otherwise be required to conform to Good Utility

Practice to meet changing requirements of the Transmission Provider's system.

- 9.3 **De-energization:** In the event that de-energization of the interconnection is required by the provisions of this Agreement, the Transmission Provider will only de-energize the interconnection at the affected delivery points.

## **ARTICLE X METERING AND RECORDS**

- 10.1 **Revenue Metering:** Unless otherwise agreed, the Network Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted pursuant to the Network Integration Transmission Service Agreement between the Parties. Meters shall be installed (including verification and sealing), maintained, repaired and replaced in accordance with the provisions of the Electricity and Gas Inspection Act (R.S.C. 1985, c.E-4) as amended from time to time and any regulations thereunder and any policies developed by the Network Operating Committee.
- 10.2 **Revenue and Operational Metering:** Metering equipment shall consist of meters approved for revenue metering by Industry Canada potential and current transformers and such other devices or equipment as shall be necessary to give the instantaneous values of kilowatts and kilovars, and an automatic record of kilowatt-hours for each clock hour. When there is a possibility of flows of electricity in either direction, metering equipment shall be installed to provide metering data for each direction of flow. The specific types of metering equipment, timing devices, locations of meters, the details of the metering arrangement and the records to be kept shall be as specified by the Transmission Provider in Schedule A hereto.
- 10.3 **Revenue Meter Readings:** The Network Customer shall read the meters required

under this Agreement on the last day of each month, except as may be mutually agreed by the Parties, and shall furnish to the Transmission Provider all meter readings and other information required for operators and for billing purposes by the end of the first working day of each month. Such information shall remain available to the Transmission Provider for three (3) years. This section shall be implemented in accordance with meter reading and accounting procedures adopted by the Network Operating Committee.

- 10.4 **Testing:** (a) Each Party shall, at its expense, test its metering components associated with this Agreement as provided by the Electricity and Gas Inspection Act and perform a functional field test of the metering installation at least once every year. If requested to do so, each Party shall make additional tests or inspections of such installations, the expenses of which shall be paid by such other requesting Party unless such additional tests or inspections show the measurements of such installations to be registering outside the prescribed limit of error. Each Party shall give reasonable notice of the time when any such test or inspection is to be made to the other Party who may have representatives present at such test or inspection. Any component of such installations found to be defective or inaccurate shall be adjusted, repaired or replaced to provide accurate metering.

(a) If a meter is found to be not functioning accurately, the energy being transmitted shall be determined as provided for in the Electricity and Gas Inspection Act.

(b) Meter testing performed pursuant to this section shall be requested and conducted pursuant to the policies and procedures of the Network Operating Committee.

- 10.5 **Audits:** For the purpose of checking the records of the metering equipment, the Transmission Provider shall have the right to install check-metering equipment at the metering points. Metering equipment so installed by the Transmission Provider shall be owned and maintained by the Transmission Provider. Upon termination of the Network

Integration Transmission Service Agreement under the Tariff, the Transmission Provider shall remove its meters from the premises of the Network Customer. Authorized representatives of both Parties shall have access at all reasonable business hours to the premises where any meters required by this Agreement are located and to the records made by the meters.

## **ARTICLE XI COMMUNICATIONS**

- 11.1 **Communication Link:** The Network Customer shall, at its own expense, install and maintain a voice communication link to the Transmission Provider for scheduling.
- 11.2 **Telemetry Equipment:** A Network Customer contributing to Regulation and Frequency Response requirements and/or Operating Reserve requirements or securing such requirements from a third party shall, at its own expense, install and maintain telemetry equipment communicating between the generating resource and the Transmission Provider.

## **ARTICLE XII NETWORK OPERATING COMMITTEE**

- 12.1 **Establishment:** A Network Operating Committee shall be established pursuant to s.35.3 of the Tariff to coordinate operating criteria for the Parties' respective responsibilities under this Agreement. The Network Customer and Transmission Provider shall each be entitled to one representative on the Committee and each Party may appoint an alternate member. Prompt notice in writing of appointments, removals and replacements shall be given by the Parties to each other.
- 12.2 **Costs:** The Parties shall each pay the expenses of their respective members on the

Network Operating Committee.

- 12.3 **Meetings and Decisions:** The Network Operating Committee shall meet at least semi-annually. Decisions of the Network Operating Committee shall be unanimous.
- 12.4 **Effect of Decisions:** All procedures, policies and decisions of the Network Operating Committee shall be in writing and signed by each Party's representative on the Network Operating Committee and shall form part of this Agreement, but shall not be inconsistent with and shall not serve to contradict any terms and conditions of this Agreement in force prior to such procedures, policies or decisions.
- 12.5 **Responsibilities:** The Network Operating Committee shall be responsible for:
- (a) developing procedures for the implementation of the operating and technical requirements of this Agreement, including the following: scheduling procedures; compliance with NERC and applicable operating guidelines and planning standards; issuance of operating procedures and operating instructions;
  - (b) reviewing Network Resources, Network Loads and Ancillary Services performance on an annual basis to assess the operation of the transmission network and existing arrangements;
  - (c) the identification of Critical Facilities as referred to herein;
  - (d) rating of facilities;
  - (e) any other matters necessary for implementation, administration or operation of this Agreement.

### **ARTICLE XIII**

#### **INFORMATION REQUIREMENTS**

- 13.1 **Network Operations:** The Network Customer shall, upon request, provide the

Transmission Provider with such reports and information concerning its network operation as are reasonably necessary to enable the Transmission Provider to operate its transmission system adequately and meet all NERC, MRO and other contractual or legal

requirements imposed on the Transmission Provider. This information shall include but not be limited to: forecasts and actual schedules for generating unit operation, interchange, losses, load, real-time data and any information listed in Schedule B hereto.

- 13.2 **Load and Resource Forecasts:** Pursuant to section 13.6 of the Tariff, the Network Customer shall provide the Transmission Provider with annual updates, by April 1<sup>st</sup> of each year, of Network Load and Network Resource forecasts (current and ten-year projection) consistent with those included in its Application for Network Integration Transmission Service. Such forecasts shall be in a format as specified by the Transmission Provider. The Network Customer shall also provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.
- 13.3 **Forecast Updates:** Five days before the end of the month, the Network Customer shall update the forecast for the following month specifying purchase, generation, maximum demand, total monthly energy and reserves, as required by section 5.1 hereof, from the Transmission Provider or a third party.
- 13.4 **Resource Characteristics:** The Network Customer shall provide generating resource characteristics to the Transmission Provider as requested to implement redispatch and constraint and reserve management.
- 13.5 **Resource Availability:** By such dates of each year as specified by the Transmission Provider the Network Customer shall supply the Transmission Provider with a Network Resource availability forecast (including all planned resource outages with off-line and



on-line dates) for the following year. The Network Customer shall inform the Transmission Provider of any changes to the Network Resource availability forecast in a timely manner.

- 13.6 **Audits:** The Network Customer shall have the right, during normal business hours and upon reasonable notice, to examine the accounting and other records of the Transmission Provider relating to the Network Customer's transactions under the Tariff for the previous five years and shall have the right to make reasonable audits and copies of such records. Such examinations shall be at the expense of the Network Customer and may be conducted no more than once per year.

#### **ARTICLE XIV DEFAULT**

- 14.1 **Termination of Service:** The Network Customer's failure to meet any of the terms and conditions of this Agreement shall be deemed to be a default. Except as provided in sections 8.4 and 9.1 hereof, upon 30 days notice of such default, the Transmission Provider shall be entitled to terminate Network Integration Transmission Service to the Network Customer unless such default is remedied to the satisfaction of the Transmission Provider.
- 14.2 **Indemnity:** The Network Customer shall indemnify, defend and save harmless the Transmission Provider from any and all damages, losses, claims, demands, suits, recoveries, costs (including court costs and legal fees) expenses and all other obligations by or to third parties arising directly or indirectly out of the Network Customer's failure to meet any of its obligations under this Agreement.

#### **ARTICLE XV LEGAL**

- 15.1 **Amendments:** This Agreement may be amended upon mutual agreement of the Parties. Such amendments shall be reduced to writing and executed by the signatories of both Parties, with the exception of amendments pursuant to Section 12.4 hereof which may be signed by the representatives of the Network Operating Committee.
- 15.2 **Severability:** In the event any of the terms, covenants or conditions of this Agreement, or any amendment hereto, or the application of any such terms, covenants or conditions shall be held invalid as to any Party or circumstance by any court having jurisdiction thereof, all other terms, covenants and conditions of this Agreement or any amendment hereto and their application shall not be affected thereby and shall remain in full force and effect.
- 15.3 **No Partnership:** Notwithstanding any provisions of this Agreement to the contrary, the Parties do not intend to create hereby a joint venture, partnership, association, or other entity for the conduct of any business for profit.
- 15.4 **Waivers:** Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.
- 15.5 **Tariff Governs:** In the event of any irreconcilable difference between the Network Integration Transmission Service provisions of the Tariff and this Agreement, the Tariff shall govern.
- 15.6 **Term:** The term of this Agreement shall be concurrent with the Network Integration Transmission Service Agreement between the parties.

**IN WITNESS WHEREOF** the duly authorized representatives of the Network Customer

and the Transmission Provider have executed this Agreement as of the date first above written.

**NETWORK CUSTOMER**

By: \_\_\_\_\_  
Name:  
Title:  
Signed at:

**TRANSMISSION PROVIDER**

By:  
Name:  
Title:  
Signed at:

**SCHEDULE A**

**METERING REQUIREMENTS**

## **SCHEDULE B**

### **INFORMATION REQUIREMENTS**

The Network Customer shall provide the Transmission Provider with the following information if requested by the Transmission Provider.

1. real-time metering of non-Network Load service from the Network Customer's system;
2. the Network Customer's aggregated real-time load, updated every 4 seconds;
3. real-time voltage from a bus at or near the point(s) of interconnection;
4. real-time value of Critical Facility phase shifter tap positions and Critical Facility on-load tap positions;
5. real-time status and/or alarming of relay status, communication channels, or other similar schemes required for input into operating decisions regarding reliable operations;
6. real-time status of switching devices and real-time electrical flows (MW, MW, amps) on interconnection point(s) and Critical Facilities.

## ATTACHMENT H

### APPLICATION TO DESIGNATE ADDITIONAL ON-SYSTEM NETWORK RESOURCE

1. Description of Applicant

Network Customer: \_\_\_\_\_  
 Contact Person: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Phone: \_\_\_\_\_  
 Fax: \_\_\_\_\_

2. The Network Customer applies to modify its Service Agreement for Network Integration Transmission Service From On-System Network Resources through the designation of an additional on-system Network Resource, pursuant to Section 30.2 of the Tariff.

3. Description of Network Resource

- a. ☐ Generating Facility owned by Network Customer  
       ☐ New                           ☐ Upgrade to Existing Facility
- ☐ Power Purchase Agreement for output of generating facility  
       (attach to Application if executed)
- b. Start date and term of requested designation of on-system Network Resource: \_\_\_\_\_
- c. Seasons for which the requested designation of on-system Network Resource is applicable: \_\_\_\_\_
- d. Has an Interconnection Request been submitted with respect to the facility pursuant to the terms of the Manitoba Hydro Open Access Interconnection Tariff? \_\_\_\_\_ Date of Interconnection Request \_\_\_\_\_.
- e. Identification and location of Generating Facility: \_\_\_\_\_

3.1 On-System Generating Facilities

- a. Generating Unit(s) located at the Generating Facility:
- i) Unit number or identification:
  - ii) MW or generator capability curve:
  - iii) Leading MVar:
  - iv) Lagging MVar:

- b. Total capacity of Network Resource(s) requested to be designated:
  - i) MW (including any variation in the amount of capacity available in each season as identified in Section 3(c)):
  - ii) Leading MVar:
  - iii) Lagging MVar:
  - iv) Load and frequency control capability:
  - v) Dispatchability:
- c. Approximate variable generating cost (\$/MWH) for redispatch computations:
- d. Operating restrictions:
  - i) Minimum loading level of unit:
  - ii) Normal operating level of unit:
  - iv) Any periods of restricted operations throughout the year:
  - v) Any limiting factors related to periods of restricted operations:
  - iv) Maintenance schedules:
- e. Contractual arrangements (for a term of one (1) year or more) governing sale and delivery of power to non-designated third parties, as specified in the Transmission Provider's Open Access Transmission Tariff Business Practices Manual published on OASIS.

### 3.2 On-System Power Purchase Agreements

- a. Amount of capacity requested to be designated, including any variation in the amount of capacity available in each season as identified in Section 3(c): \_\_ MW
- b. Source of supply:
- c. Capacity value of Network Resource:
- d. Contractual restrictions on availability:
- e. Copy of Power Purchase Agreement is/is not attached:

### 4. Attestation

The Network Customer certifies that:

- a. The Network Customer owns the on-system Network Resource, or has committed to purchase on-system generation pursuant to an executed contract, or execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and

- b. Pursuant to Section 30.1 of the Tariff, the on-system Network Resource does not include a resource, or any portion thereof, that is either:
  - (i) committed for sale (for a term of one (1) year or more) to non-designated third party load unless, and only to the extent that, the seller has a contractual right to curtail the energy sold in order to maintain reliable service to the seller's Network Load, subject to any limits permitted by Section 30.1 of the Tariff; or
  - (ii) purchased by the Network Customer pursuant to a power purchase agreement executed prior to January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for economic reasons; or
  - (iii) purchased by the Network Customer pursuant to a power purchase agreement executed on or after January 1, 2017 that allows the seller to interrupt delivery of energy to the purchaser for reasons other than Force Majeure.
- c. The signatory is an authorized officer of the Network Customer.
- d. A deposit of \$50,000.00 is being provided by journal entry upon the date of submission of this Application.

Requested By: (print name) \_\_\_\_\_ Title: \_\_\_\_\_

Requested By: (signature) \_\_\_\_\_ Date: \_\_\_\_\_ Signed at: \_\_\_\_\_



**ATTACHMENT I**

**RESERVED**

ATTACHMENT J-1								
Scheduling/Response Times								
1	2	3	4	5	6	7	8	9
TRANSMISSION		TRANSMISSION REQUESTS <sup>1</sup>			ENERGY SCHEDULING			
Service Type	Term	No Later Than	No Earlier Than	Transmission Provider Response to Application	Determine Capacity Available	Customer Response (Confirmation) <sup>2</sup>	Initial Submission	Changes
Firm	Long-term, 1 year or more	60 days prior	10 years prior	24 hours	30 days	15 days <sup>3</sup>	10:30 EPT day prior to delivery	20 minutes prior to start of schedule
Firm	Monthly	14 days prior	17 months prior	1 hour	7 days	7 days		
Firm	Weekly	7 days prior	60 days prior	1 hour	2 Business Days	48 hours		
Firm	Daily	13:00 EST day prior	14 days prior	Best effort	4 business hours/14:00 EST day prior	2 hours <sup>4</sup>		
Non-Firm	Monthly	2 days prior	60 days prior	1 hour	2 days	24 hours		
Non-Firm	Weekly	30 hrs prior	14 days prior	1 hour	4 hours	24 hours		
Non-Firm	Daily	13:00 EST day prior	3 days prior	1 hour	30 minutes	2 hours		
Non-Firm	Hourly	intra-hour	6:00 EST day prior	best effort	30 minutes	30 minutes		

<sup>1</sup> The Transmission Provider, in its discretion exercised on a non-discriminatory basis, may waive any of these requirements to preserve the reliability of the bulk electric system.

<sup>2</sup> For transactions not covered by an umbrella service agreement, the customer response must be execution of a service agreement. For transactions under an umbrella service agreement, the above times are the deadlines by which time the customer must notify The Transmission Provider of its acceptance of the offer to provide transmission.

<sup>3</sup> During Rollover Request competition, the Rollover Request customer shall have three (3) business days to confirm a matching request.

<sup>4</sup> Firm Daily for a single day that is submitted more than 24 hours in advance of the start time has a 24 hour customer confirmation time.

## ATTACHMENT J-2

### PROCEDURES FOR ADDRESSING PARALLEL FLOWS

The Transmission Provider identifies parallel flows on neighbouring systems and accounts for parallel flows on the Transmission System by utilizing two procedures. The first procedure identifies and accounts for parallel flows due to load serving obligations within the Transmission System and within neighbouring systems. The second identifies and accounts for parallel flows due to Transmission Service.

#### Parallel Flows due to load serving obligations

The Transmission Provider will work with transmission providers in neighbouring systems to develop powerflow models for all time frames that Transmission Service is offered. These powerflows will identify maximum coincidental load serving obligations within both the Transmission System and neighbouring systems. These models are then used as base cases for all System Impact Studies.

Parallel flow impacts on external systems due to load serving obligations within the Transmission System are negligible. They do not impact the Transmission Provider's posted AFC or AFC posted on neighbouring transmission providers system. For this reason they are netted out and not accounted for in the calculation of AFC.

#### Parallel Flows due to Transmission Service

The Transmission Provider is a party to a Seams Operating Agreement (SOA) with MISO. The SOA employs the Congestion Management Process (CMP) to identify and account for parallel flows within neighbouring systems. The Transmission Provider will receive an allocation based on historical Transmission Service on all flowgates on all flowgates that are subject to parallel flows

caused by Transmission Service.

All first tier transmission systems within North Dakota and Minnesota are parties to the CMP. Therefore Transmission Service, where the Point of Delivery is the Manitoba USA border, will account for and manage parallel flows using a common process. Transmission Service, where the Point of Delivery is the Manitoba Saskatchewan border or the Manitoba Ontario border, does not normally generate parallel flows.

**Attachment K**  
**RESERVED**

## **ATTACHMENT L-1**

### **CREDITWORTHINESS PROCEDURES**

#### **I. Policy**

It is the policy of Transmission Provider that (a) prior to an entity becoming a Transmission Customer (the “Applicant”) and (b) prior to an Eligible Customer’s entering into a Facilities Construction Agreement with the Transmission Provider; and (c) during the provision of service under the OATT by Transmission Provider to a Transmission Customer, the Applicant or the Eligible Customer or the Transmission Customer, as the case may be, must, among the other requirements of the OATT, demonstrate its ability to meet Transmission Provider’s creditworthiness requirements.

The purpose of the Creditworthiness Procedures is to set forth Transmission Provider’s credit policy, procedures and requirements for Applicants seeking to become Transmission Customers and for Transmission Customers receiving service pursuant to the OATT which policy, procedures and requirements are designed to protect Transmission Provider from undue exposure to losses that could arise from Transmission Customer defaults.

This document describes Transmission Provider’s requirements for:

1. the establishment of credit by Applicants and the maintenance of credit by Transmission Customers;
2. the amount, if any, of Unsecured Credit Limit which may be made available to the Transmission Customer;
3. the form(s) of Performance Assurance which will be deemed to acceptable in the event that the Applicant does not satisfy Transmission Provider’s financial requirement for unsecured credit or in the event that the Transmission Customer requests service the value of which will exceed the amount of the Transmission Customer’s Unsecured Credit Limit; and
4. procedures for providing Transmission Customers with reasonable notice and written explanation of changes made by Transmission Provider to the Unsecured Credit Limit or the requirement for Performance Assurance.

Transmission Provider shall administer and implement the terms of the Creditworthiness Procedures; provided however, that Transmission Provider may, from time to time, delegate the authority to administer and implement certain of the provisions of the Creditworthiness Procedures to MISO.

This policy applies to all Applicants and Transmission Customers.

## II. Definitions and Interpretation

The following capitalized terms used in this Creditworthiness Procedures shall have the following meanings (all capitalized terms used in this document and not otherwise defined shall have the meanings given to them in the OATT):

“Affiliates” shall mean, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person. For purposes of this definition:

- (i) “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person whether through the ownership of voting securities or by contract or otherwise; and
- (ii) “Person” means an individual, partnership, limited liability company, corporation, trust, estate, unincorporated association, nominee, joint venture, or other entity.

“Applicant” shall have the meaning given in Section I.

“Business Day” shall mean Monday through Friday, excluding Canadian banking holidays (such banking holidays shall be as recognized by the Canadian Payments Association or any successor agency) and US banking holidays (such banking holidays shall be as recognized by the Federal Reserve Board or any successor agency).

“Credit Application” shall mean the Application for Creditworthiness Approval in the form of Attachment L-2 of the OATT submitted by the Applicant to the Transmission Provider.

“Creditworthiness Procedures” shall mean Transmission Provider’s policies, procedures and requirements from time to time relating to Applicants and Transmission Customers establishing and maintaining credit as set out in the within document.

“Credit Support Provider” shall mean a Person approved by Transmission Provider who provides Performance Assurance on behalf of an Applicant or Transmission Provider.

“DBRS” shall mean DBRS Limited.

“Eligible Customer” shall have the meaning set forth in the OATT.

“Fitch” shall mean Fitch Ratings Ltd.

“Guarantee Agreement” shall mean a guarantee provided to Transmission Provider by a Credit Support Provider with an Investment Grade Rating as Performance Assurance in a form acceptable to Transmission Provider acting with commercially reasonable discretion.

“Investment Grade Credit Rating” shall mean with respect to any entity, a rating of BBB- or above from S&P or Baa3 or above from Moody’s or BBB(low) or above from DBRS, then assigned to its unsecured, senior long-term debt obligations in each case with a “stable” outlook.

“Letter(s) of Credit” shall mean one or more irrevocable, transferable, standby letters of credit, issued by a commercial bank, as defined in either the Federal Deposit Insurance Act (United States) or the Bank Act (Canada), or successor legislation, operating from an office in either the United States or Canada whose credit rating is, at such time, at least “A-” by Standard and Poor’s, a Division of the McGraw-Hill Companies, Inc. or “A3” by Moody’s Investors Service or A(low) by DBRS Limited, or an equivalent rating by any successor Rating Agency thereof (if any) in a form satisfactory to Transmission Provider acting with commercially reasonable discretion.

“Moody’s” shall mean Moody’s Investors Service.

“OATT” shall mean Transmission Provider’s Open Access Transmission Tariff in effect from time to time.

“Performance Assurance” shall mean collateral in the form of Letter(s) of Credit, or Guarantee Agreement or other security reasonably acceptable to Transmission Provider.

“Rating Agency” shall mean an agency that is a Canadian or United States nationally recognized statistical rating organization including, without limitation, DBRS Limited, Fitch Ratings Ltd., Moody’s Investors Service and Standard and Poor’s, a Division of the McGraw-Hill Companies, Inc.

“S&P” shall mean Standard and Poor’s, a Division of The McGraw-Hill Companies, Inc.

“Total Credit Limit” shall have the meaning set forth in Section IV.A.2(ii).

“Total Potential Exposure” shall mean the amount determined by the Applicant to be an estimate of the total dollar value of the services on a monthly basis which the Applicant expects to utilize as a Transmission Customer multiplied by two (2) as set out in the Credit Application.

“Unsecured Credit Limit” shall mean the amount of credit, if any, which Transmission Provider will allow the Applicant (or Transmission Customer) without the necessity of the Applicant (or Transmission Provider) providing Performance Assurance.

### **III. Credit Requirements Overview**

Applicants, Eligible Customers and Transmission Customers shall be subject to a financial review in accordance with Transmission Provider’s standards for determination of creditworthiness as set out herein.

Transmission Provider shall apply, on a non-discriminatory and consistent basis, reasonable financial



standards to assess and examine the Applicant's, Eligible Customer's or Transmission Customer's creditworthiness. These standards shall take into consideration the scope of the proposed operations of each Applicant, or the scope of the operations of the Transmission Customer as the case may be, and the level of risk to Transmission Provider. This determination shall be aided by appropriate data concerning the Applicant, the Eligible Customer or the Transmission Customer.

Prior to becoming a Transmission Customer of Transmission Provider, each Applicant shall: (i) submit a Credit Application to Transmission Provider and agree to be subject to a credit evaluation by Transmission Provider that shall include, without limitation, a review of financial statements, Rating Agency reports and other pertinent indicators of credit strength; (ii) establish a credit limit with Transmission Provider in accordance with the terms hereof for services to be provided under the OATT; and (iii) provide whatever Performance Assurance which may be required by Transmission Provider.

#### **IV. Implementation**

##### **A. Credit Evaluation**

Each Applicant shall submit a completed Credit Application and all required supplemental information. Transmission Provider shall evaluate the Applicants creditworthiness based upon the information contained in its Credit Application and, in accordance with the terms hereof, establish an Unsecured Credit Limit, if applicable, for each Applicant.

In the event that a Guarantee Agreement is being utilized to establish credit for an Applicant, the Credit Support Provider shall consent to being evaluated by Transmission Provider and the unsecured credit granted to such an Applicant, if any, shall be based upon the financial strength of the Credit Support Provider.

##### **1. Initial Credit Evaluation**

Upon receiving the Credit Application and supplemental information, Transmission Provider shall conduct a financial review to evaluate the Applicant's financial viability and to determine an appropriate Unsecured Credit Limit. In performing the initial credit evaluation of an Applicant, Transmission Provider shall consider:

- a. Such Rating Agency report(s) as the Transmission Provider deems necessary;
- b. financial statements and related information provided with the Credit Application;
- c. one (1) bank reference and two (2) trade references;
- d. Total Potential Exposure; and
- e. pending or threatened litigation, arbitrations, investigations, proceedings, commitments, contingencies, liabilities, prior bankruptcy declarations or petitions by or against the Applicant, its predecessors, subsidiaries or Affiliates, or any material defalcations or fraud involving the Applicant, its predecessors, subsidiaries or Affiliates.

## **2. Unsecured Credit Limit and Total Credit Limit**

### **(i) Unsecured Credit Limit**

Based upon and subject to Transmission Provider's initial credit evaluation of the Applicant, Transmission Provider shall establish an Unsecured Credit Limit for the Applicant and shall advise the Applicant in writing of the amount of the Unsecured Credit Limit.

### **(ii) Total Credit Limit**

An Applicant's (or Transmission Customer's) total credit limit is determined by the sum of its Unsecured Credit Limit and any Performance Assurance provided by the Applicant (or Transmission Customer) (the "Total Credit Limit"). Should an Applicant's Total Potential Exposure exceed its Total Credit Limit, prior to the Applicant receiving services pursuant to the OATT, the Applicant shall provide Performance Assurance in an amount sufficient to increase the Applicant's Total Credit Limit such that after providing such Performance Assurance, the Applicant's Total Potential Exposure shall not exceed its Total Credit Limit.

## **3. Monitoring of Activity Relative to Total Credit Limit and Requirement to Provide Performance Assurance**

Should a Transmission Customer's Total Potential Exposure on any day exceed its Total Credit Limit, Transmission Provider, or its agent, shall promptly notify the Transmission Customer in writing of the requirement to (a) pay invoiced amounts to reduce the Transmission Customer's Total Potential Exposure and/or (b) provide Performance Assurance in an amount sufficient to increase the Transmission Customer's Total Credit Limit such that after making such payments and/or providing such Performance Assurance, the Transmission Customer's Total Potential Exposure will not exceed its Total Credit Limit. The Transmission Customer shall have two (2) Business Days from receipt of written notice from Transmission Provider or its agent to reduce its Total Potential Exposure below its Total Credit Limit.

### **B. Credit Monitoring**

For the purpose of determining whether a Transmission Customer is able to meet its ongoing obligations pursuant to the OATT and in order to determine whether any adjustments will be required to the Unsecured Credit Limit and Performance Assurance, Transmission Provider may undertake reasonable credit monitoring procedures. If requested by a Transmission Provider, the Transmission Customer shall deliver (unless such financial statements are available on "EDGAR" or "SEDAR" or on such the Transmission Customer's internet website) (i) within 120 calendar days following the end of each fiscal year, a copy of such Transmission Customer's annual report containing audited consolidated financial statements for such fiscal year and (ii) within 60 calendar days after the end of each of its first three fiscal quarters of each fiscal year, a copy of such Transmission Customer's quarterly report containing unaudited consolidated financial statements for such fiscal quarter. In all cases the statements shall be for the most recent accounting period and prepared in accordance with generally accepted accounting principles or such other principles then in effect, provided, however,

that should any such statements not be available on a timely basis due to a delay in preparation or certification, such Transmission Customer shall diligently pursue the preparation, certification and delivery of the statements.

Transmission Customers shall notify Transmission Provider in writing of any material change in their financial status within ten (10) Business Days of its occurrence. Transmission Provider shall review reported material changes in terms of their impact on a Transmission Customer's financial capacity. Depending on the nature of these material changes, Transmission Provider may, in its unfettered discretion, reassess, and, if determined necessary, reduce the Unsecured Credit Limit. In the event that Transmission Provider determines that the Unsecured Credit Limit is to be reduced, Transmission Provider shall provide the Transmission Customer with written notice stating the amount of the revised Unsecured Credit Limit and the date that the revised Unsecured Credit Limit shall take effect which date shall be at least ten (10) Business Days from the date of the notice.

**ATTACHMENT L-2**  
**APPLICATION FOR CREDITWORTHINESS APPROVAL**

In order to obtain creditworthiness approval under Section 11 of the Manitoba Hydro Open Access Transmission Tariff, the Eligible Customer must complete this form and mail to the Transmission Provider at the mailing address for Transmission Provider specified on OASIS.

**SECTION I:**

a) **APPLICANT INFORMATION:**

Company Name: \_\_\_\_\_  
Company Address: \_\_\_\_\_  
City: \_\_\_\_\_  
Province / State: \_\_\_\_\_  
Country: \_\_\_\_\_  
Postal Code / Zip Code: \_\_\_\_\_  
Contact Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
E-mail: \_\_\_\_\_ Duns Number: \_\_\_\_\_  
OASIS / FERC Entity Code: \_\_\_\_\_

In order to complete the Transmission Provider's evaluation of the Applicant's creditworthiness as permitted by Section 11 of the Manitoba Hydro Open Access Transmission Tariff, Applicant shall provide, concurrently with the submission of this Application, the following information:

1. A list of all corporate affiliates, parent companies, and subsidiaries;
2. Current financial statements, the most recent annual reports of shareholders or members, most recent 10-K report, or other filings with regulatory agencies which discuss Applicant's financial status;
3. A bank reference and two trade references.

### **Bank Reference**

Bank Name: \_\_\_\_\_  
 Bank Address \_\_\_\_\_  
 City: \_\_\_\_\_  
 Province / State: \_\_\_\_\_  
 Country: \_\_\_\_\_  
 Postal Code / Zip Code: \_\_\_\_\_  
 Contact Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Email: \_\_\_\_\_  
 Account Number: \_\_\_\_\_

### **Trade Reference #1**

Company Name: \_\_\_\_\_  
 Company Address: \_\_\_\_\_  
 City: \_\_\_\_\_  
 Province / State: \_\_\_\_\_  
 Country: \_\_\_\_\_  
 Postal Code / Zip Code: \_\_\_\_\_  
 Contact Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
 E-mail: \_\_\_\_\_

**Trade Reference #2**

Company Name: \_\_\_\_\_  
 Company Address: \_\_\_\_\_  
 City: \_\_\_\_\_  
 Province / State: \_\_\_\_\_  
 Country: \_\_\_\_\_  
 Postal Code / Zip Code: \_\_\_\_\_  
 Contact Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
 E-mail: \_\_\_\_\_

**4. Credit Ratings**

	<u>Standard &amp; Poor's</u>	<u>Moody's</u>	<u>DBRS</u>	<u>Other</u>
Long Term Debt				
Commercial Paper				
Other				
Other				

**b) TOTAL POTENTIAL EXPOSURE**

Total Potential Exposure (the maximum forecasted value of thirty (30) days of Transmission Service multiplied by two (2)): \_\_\_\_\_

This Application is not considered complete until the foregoing information is received by the Transmission Provider.

\_\_\_\_\_

**SECTION II: APPLICANT REPRESENTATIONS AND SIGNATURE**

In submitting this Credit Application, the Applicant represents that:

1. it is an Eligible Customer under the Manitoba Hydro Open Access Transmission Tariff;
2. the purpose of this Credit Application is not to assist an Eligible Customer to avoid the reciprocity and comparable service provision as set forth in Section 6 of the Manitoba Hydro Open Access Transmission Tariff;

3. it is not operating under any bankruptcy or insolvency laws, is not subject to debt reduction or reorganization procedures under state or provincial or Canadian or United States federal laws;
4. no collection lawsuits or judgments are outstanding which could affect its ability to remain solvent; and
5. it agrees to be bound by the terms and conditions of the Manitoba Hydro Open Access Transmission Tariff.

Applicant's Representative's Signature

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Date

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Signed at

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## **ATTACHMENT M**

### **LOSSES**

As stated in Sections 15.5 and 28.5, the Transmission Provider is not obligated to replace Real Power Losses. The Transmission Customer shall be responsible for paying for losses as described herein. Losses over the Manitoba Hydro Transmission System are administered using a system average pricing method in which the Transmission Customer is charged the average cost of losses for the Transmission Provider's Transmission System. This method takes the total cost of the Transmission Provider's Transmission System losses divided by the Transmission Provider's Transmission System load and does not discriminate between generators or load based on their locations or their contribution to the Transmission Provider's system losses. The Transmission Provider will calculate the average losses for the Transmission Provider's Transmission System on a yearly basis.

For the purpose of calculating the losses described herein, the Transmission Owner shall develop power flow base cases with sufficient detail to represent the transmission systems of the Transmission Provider and MISO and surrounding networks. Power flow base cases shall be developed annually for load levels of 50%, 75% and 100% for the winter and summer seasons to recognize changes in the transmission system configuration, load level and Firm Point-to-Point Transmission Service on the Transmission Provider's Transmission System. Transformer taps and switched shunts should be held fixed and the phase angle regulators should be modeled as they would be in transmission reliability studies. Other modeling adjustments should be incorporated as appropriate. The calculated losses of the six base cases shall be averaged to determine the system average losses.



**ATTACHMENT N**  
**RESERVED**

## ATTACHMENT O

### REVENUE REQUIREMENT AND RATE FORMULAE

All in Canadian Dollars, Fiscal Year 2010 data:

#### Zonal Facilities Charge

Gross Transmission Investment:	\$1,845,741,776
Net Transmission Investment, Rate Base:	\$1,064,625,397
Annual Transmission Revenue Requirement:	\$ 171,686,862
Billing Determinant:	4,173 MW

Calculation of Rate for Point-to-Point Transmission Service:

Annual Transmission Revenue Requirement:	\$171,686,862
Billing Determinant:	4,173 MW
Annual Rate:	\$ 41,141.31/MW of Reserved Capacity per year
Monthly Rate:	\$ 3,428.53/MW of Reserved Capacity per month

	<u>Peak Rate</u>	<u>Off-Peak Rate</u>
Weekly Rate:	\$ 791.20/MW	\$ 791.20/MW
Daily Rate:	\$ 158.24/MW	\$ 112.72/MW
Hourly Rate:	\$ 9.89/MWh	\$ 4.70/MWh

Calculation of Network Integration Transmission Service Charges:

Annual Transmission Revenue Requirement / 12	\$ 171,686,862 / 12
Load Ratio Share	<u>x 1</u>
Monthly Demand Charge	\$ 14,307,239

#### Details of Annual Transmission Revenue Requirement Calculation:

Operating Expenses	\$ 65,062,148
Depreciation Expenses	53,332,332
Allocated Capital Tax	6,145,916
Return on Investment (Interest Expense + Reserve)	<u>47,146,466</u>
Annual Transmission Revenue Requirement:	\$ 171,686,862



**ATTACHMENT P**

RESERVED

## **ATTACHMENT Q**

### **Curtailment Procedures**

North American Electric Reliability Corporation's Transmission Loading Relief ("TLR") Procedure and any amendments thereto are hereby incorporated and made a part of this Tariff. See <http://www.nerc.com/pa/rrm/TLR/Pages/default.aspx> for the current version of NERC TLR Procedures.