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July 13, 2007

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+OF COUNSEL

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

RE: Petition of the Orlando Utilities Commission for Declaratory Order Concerning Amended and Restated Open Access Transmission Tariff, and Petition of the Orlando Utilities Commission for Exemption from Filing Fee Applicable to Petition for Declaratory Order; Docket No. NJ07-\_\_\_\_-000

Dear Secretary Bose,

On February 16, 2007, the Federal Energy Regulatory Commission ("Commission") issued Order No. 890<sup>1</sup> amending its *pro forma* Open Access Transmission Tariff ("OATT") as adopted and modified in Order Nos. 888 and 889.<sup>2</sup>

<sup>1</sup> *Preventing Undue Discrimination and Preference in Transmission Service*, Order No. 890, 72 Fed. Reg. 12,266 (Mar. 15, 2007), FERC Stats. & Regs., Regulations Preambles ¶ 31,241 (2007); rehearing pending.

<sup>2</sup> *Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, 61 Fed. Reg. 21540 (May 10, 1996), FERC Stats. & Regs. ¶ 31,036 at 30,760-61 (1996), *order on reh'g*, Order No. 888-A, 62 Fed. Reg. 12,274 (March 14, 1997), FERC Stats. & Regs. ¶ 31,048 at 30,288-289 (1997), *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in relevant part sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002).

Pursuant to the Order No. 890 and Section 35.28(e) of the Commission's Regulations, 18 C.F.R. § 35.28 (e), the Orlando Utilities Commission ("OUC") hereby submits a Petition for Declaratory Order ("Petition") determining that revisions to its non-jurisdictional open access transmission-tariff ("OATT") to incorporate the modifications required by Order No. 890 to maintain OUC's "safe harbor tariff" as defined in Order No. 888, *et al.* OUC has incorporated those portions of Order No. 890 that conform to its non-jurisdictional nature. OUC has included a clean and redline version of its modified OATT hereto. A table describing the changes is also attached.

Additionally, OUC requests the waiver of the filing fee applicable to petitions for declaratory orders, pursuant to Section 381.108 of the Commission's Regulations, 18 C.F.R. § 381.108 (2006).

## **I. DESCRIPTION OF REVISIONS TO OUC'S OATT**

### **A. Order No. 890**

Consistent with the Commission's guidance regarding "safe harbor tariffs" and OUC's prior OATT submissions to the Commission, OUC has incorporated the recommended changes of Order No. 890, with modifications that substantially conform or are superior to the recommended changes set forth in Order No. 890. A summary of the modifications to Order No. 890 are addressed below.

#### **1. Section 2.2 (Reservation Priority For Existing Firm Service Customers)**

Order No. 890 modified Section 2.2 of the *pro forma* OATT to specify that the right of first refusal attaches to contracts of five years or longer, and is subject to exercise upon not less than one year's notice. OUC has not adopted this proposed revision. OUC's pre-Order No. 888 contracts with the Florida Municipal Power Pool may be jeopardized if Section 2.2 is adopted. OUC submits that this change, which appropriately reflects OUC's non-public utility status, substantially conforms to the *pro forma* OATT.

#### **2. Section 20.9 (Notice of Failure to Meet Study Deadlines)**

Order No. 890 added Section 19.9 (corresponding to Section 20.9 of OUC's OATT) to require notification and penalties when Transmission Providers do not meet the 60-day due diligence deadlines for conducting studies contained in Sections 19.3 and 19.4 of the *pro forma* OATT (corresponding to Sections 20.3 and 20.4 of OUC's OATT). OUC has modified this section to reflect that OUC shall provide notification through its OASIS in the event it does not meet the due diligence deadline and provide an explanation for the delay. OUC is committed to using due diligence to meet 60-day study completion deadline and will, in lieu of penalties, post its status in meeting the study completion deadline on its OASIS. OUC has removed the penalty requirement to reflect its non-jurisdictional status. OUC believes that the resulting revisions substantially conform to the *pro forma* OATT.

### 3. Section 33.5 (Notice of Failure to Meet Study Deadlines)

Order No. 890 added a reference to Section 19.9 (corresponding to Section 20.9 of OUC's OATT) to apply those requirements under Part III of the *pro forma* OATT under Section 32.5 (corresponding to Section 33.5 in OUC's OATT). OUC has modified Section 33.5 to reflect the changes made to Section 20.9 in its OATT. OUC believes that the resulting revisions substantially conform to the *pro forma* OATT.

#### B. Additional Changes

##### 1. Sections 16.7 and 29.5 (Real Power Losses)

To reflect that OUC shall post changes to its Real Power Loss factor on its OASIS, OUC has added, at the end of the paragraph, the phrase "and posted on the Transmission Provider's OASIS."

##### 2. Section 18.2 (Completed Application)

OUC has deleted the reference to "RTG" in paragraph (iv) and replaced it with "Florida Reliability Coordinating Council" as the regional entity that may share regional reliability information with OUC.

##### 3. Schedules 7 and 8 (Point-to-Point Transmission Service)

OUC has updated the charges for Point-to-Point transmission service under Schedules 7 and 8 of OUC's OATT to reflect the use of 2005 data in the calculation of the charges. The use of the 2005 data to calculate the aforementioned charges is commensurate with the rates that OUC charges itself. The Affidavit of Keith Mutters explain further explains these modifications, in Appendix D hereto.

## II. SERVICE

OUC will be posting this transmittal letter and all appendices on the OUC OASIS website and serve copies of the filing on its customers

## III. CORRESPONDENCE

OUC requests that all correspondence, pleadings, and other communications concerning this filing be served upon the following:

Byron Knibbs  
Keith Mutters  
Orlando Utilities Commission  
P.O. Box 3193  
Orlando, FL 32802

Wallace L. Duncan  
Michael Postar  
Derek A. Dyson  
Duncan, Weinberg, Genzer  
& Pembroke, P.C.  
1615 M Street, N.W.,  
Suite 800  
Washington, D.C. 20036

#### **IV. CONTENTS OF FILING**

This filing consists of this transmittal letter and:

Appendix A – A chart describing the changes made to the OUC OATT;

Appendix B – A redlined version of the OUC OATT;

Appendix C – A clean version of the OUC OATT;

Appendix D – Affidavit of Keith Mutters, with Attachment;

Appendix E – A Form of Notice suitable for publications in the Federal Register.

Please let us know if you have any questions or comments concerning OUC's filing.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "W L Duncan", written over a horizontal line.

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Attorneys for  
Orlando Utilities Commission

## **APPENDIX A**

### **CHART DESCRIBING OUC OATT CHANGES DUE TO ORDER NO. 890**

## TABLE IDENTIFYING CHANGES TO OUC OATT

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
Table of Contents	Table of Contents	Added new sections pursuant to Order No. 890 Modifications	Adopted Order No. 890 <i>pro forma</i> change.
1.1	Add New Section 1.1	Added definition for “Affiliate” that is not previously included in OUC’s OATT.  “With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.”	Adopted Order No. 890 <i>pro forma</i> change.
1.8	1.7	Changed “transmission capacity” to “transfer capability.”	Adopted Order No. 890 <i>pro forma</i> change.
1.15	1.14	Modified the end of the definition of “Good Utility Practice” to reference requirements under federal power act: “including those practices required by Federal Power Act section 215(a)(4).”	Adopted Order No. 890 <i>pro forma</i> change.
1.29	1.29	Added new definition:  “Non-Firm Sale: An energy sale for which receipt or delivery may	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.	
1.39	1.39	<p><b>Adds a new definition:</b></p> <p><b>“Pre-Confirmed Application:</b> An Application that commits the Transmission Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.”</p>	Adopted Order No. 890 <i>pro forma</i> change.
1.46	1.46	<p><b>Added a new definition:</b></p> <p><b>“System Condition:</b> A specified condition on the Transmission Provider’s system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer’s Service Agreement”</p>	Adopted Order No. 890 <i>pro forma</i> change.
2.1	2.1	<b>Modifies exiting sentence to replace “available transmission capability” with “available transfer capability.”</b>	Adopted Order No. 890 <i>pro forma</i> change.
2.2	2.2	<b>No Action Taken</b>	OUC’s pre-Order No. 888 contracts with the Florida Municipal Power Pool

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
			would be jeopardized if OUC were to adopt Section 2.2.
3	3	<p>Modified description of Ancillary Services to reflect Order No. 890 determinations by including the addition of Generator Imbalance to the list of ancillary services and reference to a new schedule (schedule 9) of generator imbalance service. Added the following sentence at the end of the second paragraph:</p> <p>A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary services identified in this section that wer provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.</p>	Adopted Order No. 890 <i>pro forma</i> change.
3.2	3.2	<p><b>Modified heading to read:</b></p> <p><b>“... Voltage Control from Generation Sources” to read “... Voltage Control from Generation or Other Sources Service.”</b></p>	Adopted Order No. 890 <i>pro forma</i> change.



<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
3.7	3.7.	Added reference to Generator Imbalance Service to reference the new schedule 9.	Adopted Order No. 890 <i>pro forma</i> change.
4	4	<p>Modified description of OASIS, noting that some of the terms and conditions of OASIS are set forth in the Commission's Business Practice Standards and Communications Protocols. Also modifies "available transmission capacity" to "available transfer capability." Added paragraph describing new OASIS posting requirements.</p> <p>Add the following as the last paragraph"</p> <p>The Transmission Provider shall post on its public website all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS an electronic link to these rules, standards and practices, and shall post on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also make available on its public website 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</p>	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		date, and any additional implementation procedures that the Transmission Provider deems appropriate.	
6	6	<p><b>Modified the reciprocity provisions in several places to reflect applicability of reciprocity duties to serve customers in ISOs and RTOs.</b></p> <p><b>Modify the second sentence as follows:</b></p> <p>A Transmission Customer that is a member of a power pool, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities...</p>	Adopted Order No. 890 <i>pro forma</i> change.
11	Deleted Section 11	<b>Deleted description of creditworthiness requirements in this section and specifies that creditworthiness procedures will be set forth in new <i>pro forma</i> Attachment L.</b>	Added as a new Attachment L
Section II Preamble	14.0	<b>Modified “transmission of such capacity” to “transfer of such capacity.”</b>	Adopted Order No. 890 <i>pro forma</i> change.
13.2(ii)	14.2	<b>Added several sentences describing new priority rules for short terms firm point-to-point transmission service.</b>	Adopted Order No. 890 <i>pro forma</i> change.
13.2(iii)	14.2	<b>Modified “available transmission capacity” to “available transfer capability.” Modified provision to reflect right of first refusal for reservation priority when reservation is of same duration.</b>	Adopted Order No. 890 <i>pro forma</i> change.
13.4	14.4	<p><b>Added the following:</b></p> <p>An Eligible Customer that uses Transmission Service at a Point of Receipt</p>	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		<p>or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 16.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.</p>	
13.5	14.5	<p><b>Deleted: “more economically” and “than through constructing Network Upgrades” and after Section 27 added the following:</b> and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 16.4.</p>	Adopted Order No. 890 <i>pro forma</i> change.
13.6	14.6	<p><b>Capitalized Transmission System; Added the following language after the fifth sentence:</b> -Long-Term Firm Point-to-Point Service subject to conditions described in Section 16.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service.</p>	Adopted Order No. 890 <i>pro forma</i> change.

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13.7(c)	14.7	Deleted transmission capacity and replace with transfer capability; Added at the end of the section: Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.	Adopted Order No. 890 <i>pro forma</i> change.
14.2	15.2	Deleted transmission capacity and replaced with transfer capability; Added the following language: A higher priority will be assigned first to reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and	Adopted Order No. 890 <i>pro forma</i> change.
14.7	15.7	Deleted comma in first sentence; deleted comma in third sentence; add “or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 16.4.”	Adopted Order No. 890 <i>pro forma</i> change.
15.2	16.2	Deleted reference to “Transmission capacity” replaced with “Transfer Capability”; deleted “transmission capability” replaced with “transfer capability.”	Adopted Order No. 890 <i>pro forma</i> change.
15.4	16.4	Added the following to the Caption: add – , Redispatch or Conditional Curtailment; modified first paragraph to add “consistent with its planning obligations in Attachment K” and “and its planning obligations in Attachment K”  Label first paragraph as (a); Add paragraphs (b) and (c):  (b) If the Transmission Provider determines that it cannot	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		<p>accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.</p> <p>(c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per</p>	

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		year of conditional curtailment or changed the System Conditions.	
	16.7	Added at the end of the paragraph: “and posted on the Transmission Provider’s OASIS.”	Conforming change to reflect how OUC updates its Real Power Loss factor
16.1	17.1	Added (e): The Transmission Customer provides the information required by the Transmission Provider’s planning process established in Attachment K; and	Adopted Order No. 890 <i>pro forma</i> change.
17.2	18.2	In paragraph (iv) deleted “RTG” replaced with “Florida Reliability Coordinating Council (“FRCC”)  Added paragraphs (ix) and (x):  (ix) A statement indicating whether the Transmission Customer commits to a Pre-Confirmed Request, i.e., will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and  (x) Any additional information required by the Transmission Provider’s planning process established in Attachment K.	Modified to reflect the regional reliability entity in Florida.  Adopted Order No. 890 <i>pro forma</i> change.
17.5	18.5	Deleted “transmission capability” replace with “transfer capability.”	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
17.7	18.7	<p>Added after the second sentence:</p> <p>If the Eligible Customer does not pay this non-refundable reservation fee within 15 days of notifying the Transmission Provider it intends to extend the commencement of service, then the Eligible Customer's application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned with interest.</p>	Adopted Order No. 890 <i>pro forma</i> change.
18.2	19.2	<p>Added at the end of 19.2:</p> <p>(viii) A statement indicating whether the Transmission Customer commits to a Pre-Confirmed Request, i.e., will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.</p>	Adopted Order No. 890 <i>pro forma</i> change.
18.4	19.4	<p>Deleted reference to "Transmission capacity" replace with "Transfer Capability"; delete "transmission capability" replace with "transfer capability."</p>	Adopted Order No. 890 <i>pro forma</i> change.
19.1	20.1	<p>Added after the third sentence:</p> <p><del>In such cases, the</del> Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects not to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The</p>	Modified start of the paragraph to delete "such cases."

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
19.3	20.3	<p><b>After the first sentence added the following:</b></p> <p>The System Impact Study shall identify (1) any system constraints and, identified with specificity by transmission element or flowgate, (2) redispatch options, (when requested by a Transmission Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by a Transmission Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete.</p>	Adopted Order No. 890 <i>pro forma</i> change.



<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
19.7	20.7	Deleted “transmission capability” replaced with “transfer capability.”	Adopted Order No. 890 <i>pro forma</i> change.
Add 19.9	New provision as 20.9	<p><b>Added 20.9 – Notice for Failure to Meet Study Deadlines:</b></p> <p>Sections 20.3 and 20.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.</p> <p>(i) The Transmission Provider shall post on its OASIS <del>is required to file a notice with the Commission</del> in the event that more than twenty (20) percent of non-Affiliates’ System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.</p> <p>(ii) For the purposes of calculating the percent of non-Affiliates’ System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider shall provide an explanation on its OASIS of any extenuating circumstances that prevented it from meeting the 60-day study completion</p>	<p>To reflect non-jurisdictional status, modified Section o reflect placing notices on OUC’s OASIS and deleted penalty proposed in Order No. 890.</p>

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		<p>deadlines.</p> <p>(iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the Transmission Provider's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the Transmission Provider completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.</p> <p>(iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to \$500 for each day the Transmission Provider takes to complete that study beyond the 60-day deadline.</p>	
23.1	24.1	<p><b>Revised the third sentence:</b></p> <p>Compensation to Resellers shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion agreement with the Assignee.</p>	Adopted Order No. 890 <i>pro forma</i> change.

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		<p><b>Added the following sentences after the third sentence:</b></p> <p>The Assignee must execute a service agreement with the Transmission Provider prior to the date on which the reassigned service commences that will govern the provision of reassigned service. The Transmission Provider shall credit or charge the Reseller, as appropriate, for any differences between the price reflected in the Assignee's Service Agreement and the Reseller's Service Agreement with the Transmission Provider.</p> <p><b>Deleted the following sentence:</b></p> <p><del>A Reseller should notify the Transmission Provider as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee.</del></p>	
23.2	24.2	<b>In third sentence deleted Parties- replace with</b> Transmission Provider and the Reseller	Adopted Order No. 890 <i>pro forma</i> change.
23.3	Add Section 24.3	<p><b>Revised the paragraph to read:</b></p> <p>In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 24.1. Resellers may also use the Transmission</p>	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		Provider's OASIS to post transmission capacity available for resale.	
27	28	Deleted the following from the second sentence: <del>more economically and than by building new facilities or upgrading existing facilities.</del>	Adopted Order No. 890 <i>pro forma</i> change.
28.2	29.1	Added in the first sentence after "Good Utility Practice:" and its planning obligations in Attachment K  Deleted "transmission capability" replaced with "transfer capability."  Added in the fourth sentence after "Good Utility Practice:" and Attachment K	Adopted Order No. 890 <i>pro forma</i> change.
28.4	29.4	In the first sentence deleted: <del>Economy Energy</del> replaced with "energy"  After the second sentence added:  Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service.	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
	29.5	Added at the end of the paragraph: “and posted on the Transmission Provider’s OASIS.”	Conforming change to reflect how OUC updates its Real Power Loss factor
29.2 (v)	30.2(v)	<p>Modified the opening sentence as follows:</p> <p>A description of Network Resources (current and 10-year projection), which shall include, for). For each on-system Network Resource; such description shall include:</p> <p><b>In the fifth bullet deleted:</b></p> <p><del>Description of purchased power designated as a Network Resource including source of supply, Control Area location, transmission arrangements and delivery</del></p> <p><b>added:</b></p> <p>For each off-system Network Resource, such description shall include:</p> <ul style="list-style-type: none"> <li>• Identification of the Network Resource as an off-system resource</li> <li>• Amount of power to which the customer has rights</li> <li>• Identification of the control area(s) from which the power will originate</li> <li>• Delivery point(s) to the Transmission Provider's Transmission System;</li> <li>• Transmission arrangements on the external transmission system(s)</li> <li>• Operating restrictions, if any</li> <li>– Any periods of restricted operations throughout the year</li> <li>– Maintenance schedules</li> </ul>	<p>Adopted Order No. 890 <i>pro forma</i> change.</p>

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		<ul style="list-style-type: none"> <li>- Minimum loading level of unit</li> <li>- Normal operating level of unit</li> <li>- Any must-run unit designations required for system reliability or contract reasons</li> <li>• Approximate variable generating cost (\$/MWH) for redispatch computations;</li> </ul> <p><b>Added (viii) and (ix):</b></p> <p>(viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible basis; and</p> <p>(ix) Any additional information required of the Transmission Customer as specified in the Transmission Provider's planning process established in Attachment K.</p>	
30.2	31.2	<b>Clarified that designation of a Network Resource must be made "through the Transmission Provider's OASIS." Also modifies</b>	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		<p>provision by adding the following new language regarding the request for designating Network Resources: "This request must include a statement that the new network resource satisfies the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a noninterruptible basis. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff."</p>	
30.3	31.3	<p>Clarified that Network Customers may terminate the designation of all or part of a Network Resource "by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Modified this provision by adding the following new language regarding termination of the designating of Network Resources: "Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof</p>	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		<p>to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:</p> <ul style="list-style-type: none"> <li>(i) Effective date and time of temporary termination;</li> <li>(ii) Effective date and time of redesignation, following period of temporary termination;</li> <li>(iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;</li> <li>(iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and</li> <li>(v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.</li> </ul> <p>As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of Tariff.</p>	



<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
30.4	31.4	<p>Revised the term “non-firm sales” (in lower case letters) to “Non-Firm Sales.” Also modified the provision by adding the following at the end of paragraph: “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 Application 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. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable 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.”</p>	Adopted Order No. 890 <i>pro forma</i> change.
30.9	31.9	<p>Deleted an unnecessary command modifies the provision discussing the integration of a Network Customer’s transmission facilities with a Transmission Provider’s system in the following way: “For facilities <del>constructed</del> added by the Network Customer subsequent to the <del>Service Commencement Date under Part III of the Tariff</del> [the effective date of a Final Rule in RM05-25-000], the Network Customer shall receive credit <del>where</del> for such transmission facilities added if such facilities are jointly planned and installed in <del>coordination with the Transmission Provider</del> integrated into the operations of the Transmission Provider’s facilities; provided</p>	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		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 H. Calculation of the any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties."	
31.6	32.6	Modified the provision discussing annual updates of network load and resource forecasts from Network Customers to Transmission Providers by specifying that the updates "includ[e] but [are] not limited to, any information provided under section 29.2(ix) pursuant to the Transmission Provider's planning process in Attachment K."	Adopted Order No. 890 <i>pro forma</i> change.
32.3	33.3	Modified this provision by specifying that the System Impact Study and related workpapers must be made available to an Eligible Customer "as soon as the System Impact Study is complete."	Adopted Order No. 890 <i>pro forma</i> change.
32.5	33.5	Added: 33.5 Notice for Failure to Meet Study Deadlines: Section 20.9 defines notice requirements <del>penalties</del> that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Part II of the Tariff. These same requirements <del>and penalties</del> apply to service under Part III of the Tariff.	This Section was modified to reflect OUC's modification to Section 20.9.
35.2	36.2	Modified the provision by referring to NERC as the "Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1," rather than NERC. Also, instead of referring to NERC requirements, modifies the provision to refer to "the applicable reliability guidelines of the ERO."	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
Schedule 2	Schedule 2	Modified the title of the schedule to read, “Reactive Supply and Voltage Control from Generation or Other Sources Service.” Schedule 2 is also modified in various places to allow for the provision of non-generation Reactive Supply and Voltage Control from demand resources.	Adopted Order No. 890 <i>pro forma</i> change.
Schedule 3	Schedule 3	Modified Schedule 3 to specifically allow for Regulation and Frequency Response Service by “other non-generation resources capable of providing this service.”	Adopted Order No. 890 <i>pro forma</i> change.
Schedule 4	Schedule 4	<p>Modified Schedule 4 to specifically allow for alternative arrangements to Energy Imbalance Service, “which may include use of non-generation resources capable of providing this service.”</p> <p>Additionally, this schedule is modified by adding the following sentence: “The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under Schedule 9 or hourly energy imbalances under this Schedule for the same imbalance, but not both.”</p> <p>The schedule is further modified in the following way:</p> <p>“The Transmission Provider shall establish a-charges for energy imbalance based on the deviation <del>band of</del> 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 energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s). <del>Parties should attempt to eliminate energy imbalances within the limits</del> will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of the deviation <del>band within thirty (30) days or within such other reasonable period</del> incremental or decremental cost; (ii) deviations greater than</p>	Adopted Order No. 890 <i>pro forma</i> change.

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
		<p>+/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) 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, scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the Transmission Customer will compensate 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 energy imbalance that occurs as a result of 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. Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of incremental cost or 75 percent of decremental cost.</p> <p>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 to supply the Transmission Provider's Native Load Customers, 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."</p>	

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
Schedule 5	Schedule 5	Modified Schedule 5 to specifically allow for Spinning Reserve Service “by non-generation resources capable of providing this service.”	Adopted Order No. 890 <i>pro forma</i> change.
Schedule 6	Schedule 6	Modified Schedule 5 to specifically allow for Supplemental Reserve Service by “other non-generation resources capable of providing this service.”	Adopted Order No. 890 <i>pro forma</i> change.
	Schedule 7	<p>Modified the rates as follows:</p> <ol style="list-style-type: none"> <li>1) Yearly delivery: one-twelfth of the demand charge of \$12,520,474/MW of Reserved Capacity per year.</li> <li>2) Monthly delivery: \$104,039/MW of Reserved Capacity per month.</li> <li>3) Weekly delivery: \$240/MW of Reserved Capacity per week.</li> <li>4) Daily delivery: \$34,3017/MW of Reserved Capacity per day.</li> </ol>	Updated using 2005 cost data – See Appendix D
	Schedule 8	<p>Modified the rates as follows:</p> <ol style="list-style-type: none"> <li>1) Monthly delivery: \$82,0911/MW of Reserved Capacity per month.</li> <li>2) Weekly delivery: \$188,210/MW of Reserved Capacity per week.</li> <li>3) Daily delivery: \$26,8029.94/MW of Reserved Capacity per day.</li> <li>4) Hourly delivery: The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$1,4225/MWH.</li> </ol>	Updates using 2005 cost data – See Appendix D

<i>Pro Forma</i> OATT Location (Order No. 890)	Location in OUC OATT	Modifications To OUC OATT	Comments On Modifications
Schedule 9	Added Schedule 9	Added Schedule 9 to addresses the tiered structure of Generator Imbalance Service charges.	Adopted Order No. 890 <i>pro forma</i> change.
Attachment A-1	Att. A-1 (new)	Modified the <i>pro forma</i> OATT by adding a new Attachment A-1, which previously did not exist. Attachment A-1 is a four-page attachment titled, "Form of Service Agreement For The Resale, Reassignment Or Transfer Of Long-Term Firm Point-To-Point Transmission Service."	Adopted Order No. 890 <i>pro forma</i> change.
Attachment C	Attachment C	Replaced the former Attachment C to now reflect new requirements to ensure consistency in ATC calculation methodologies.	Adopted Order No. 890 <i>pro forma</i> change.
	Attachment H	Updated the revenue requirement in paragraph 1:  The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$27,965,974.0015,792000.00.	Updated using 2005 data
Attachment J	Added Attachment J	Created a new Attachment J entitled, "Procedures to Address Parallel Flows." The attachment specified: "To be filed by the Transmission Provider."	Adopted Order No. 890 <i>pro forma</i> change.
Attachment K	Added Attachment K	Created a new Attachment K entitled, "Transmission Planning Process" to reflect the new transmission planning requirements.	Adopted Order No. 890 <i>pro forma</i> change.
Attachment L	Added Attachment L	Created a new Attachment L entitled, "Transmission Creditworthiness Procedures" to reflect the new creditworthiness requirements.	Drafted to reflect the non-jurisdictional nature of OUC.

**APPENDIX B**

**REDLINED VERSION OF  
THE OUC OATT**

**ORLANDO UTILITIES COMMISSION**

**OPEN ACCESS TRANSMISSION TARIFF**



**Table Of Contents****I DEFINITIONS AND COMMON SERVICE PROVISIONS**

<b>1</b>	<b>Definitions.....</b>	<b>8</b>
<del>9</del>		
1.1	Affiliate.....	9
1.2	Ancillary Services.....	8
<del>9</del>		
1.2	3.....Annual Transmission Costs	
<del>89</del>		
1.3	4.....Application	
<del>89</del>		
1.4	5.....Commission	
<del>89</del>		
1.5	6.....Completed Application	
<del>89</del>		
1.6	7.....Control Area	
<del>89</del>		
1.7	8.....Curtailment	
8	10	
1.8	9.....Delivering Party	
810		
1.9	10.....Designated Agent	
810		
1.10	11.....Direct Assignment Facilities	
910		
1.11	12.....Eligible Customer	
910		
1.12	13.....Facilities Study	
910		
1.13	14.....Firm Point-To-Point Transmission Service	
910		
1.14	15.....Good Utility Practice	
911		
1.15	16.....Interruption	
911		
1.16	17.....Load Ratio Share	
911		
1.17	18.....Load Shedding	
1011		
1.18	19.....Long-Term Firm Point-To-Point Transmission Service	
1011		
1.19	20.....Native Load Customers	
1011		
1.20	Network Customer.....	10

1.21	Network Customer .....	11
1.22	Network Integration Transmission Service .....	
<del>10</del> 12		
1.22	Network Load .....	10
1.23	Network Operating Agreement .....	
<del>10</del> Load	.....	12
1.24	Network Operating Committee .....	
<del>10</del> Agreement	.....	12
1.25	Network Resource .....	
<del>11</del> Operating Committee	.....	12
1.26	Network Resource .....	12
1.27	Network Upgrades.....	
<del>11</del> 12		
1.27—28	..... Non-Firm Sale	
<del>13</del>		
1.29	Non-Firm Point-To-Point Transmission Service .....	<del>11</del>
<del>13</del>		
1.28—30	..... Open Access Same-Time Information System (OASIS)	
<del>11</del> 13		
1.29	Part I .....	11
1.30	Part II.....	11
1.31	Part III.....	<del>11</del>
<del>13</del>		
1.32	Part II.....	13
1.33	Part III.....	13
1.34	Parties .....	
<del>11</del> 13		
1.33—35	..... Point(s) of Delivery	
<del>11</del> 13		
1.34—36	..... Point(s) of Receipt	
<del>12</del> 13		
1.3537	..... Point-To-Point Transmission Service	
<del>12</del> 14		
1.36—38	..... Power Purchaser	
<del>12</del> 14		
1.37—39	..... Pre-Confirmed Application	
<del>14</del>		
1.40	Receiving Party.....	
<del>12</del> 14		
1.38—41	..... Regional Transmission Group (RTG)	
<del>12</del> 14		
1.39—42	..... Reserved Capacity	
<del>12</del> 14		
1.40—43	..... Service Agreement	

<del>12</del> 14	1.41—44 .....	Service Commencement Date	
<del>12</del> 14	1.42—45 .....	Short-Term Firm Point-To-Point Transmission Service	
<del>12</del> 14	1.43—46 .....	System Condition	
15	1.47	System Impact Study .....	
<del>13</del> 15	1.44—48 .....	Third-Party Sale	
<del>13</del> 15	1.4549 .....	Transmission Customer	
<del>13</del> 15	1.46—50 .....	Transmission Provider	
<del>13</del> 15	1.47—51 .....	Transmission Provider's Monthly Transmission System Peak	
<del>13</del> —15	1.48—52 .....	Transmission Service	
<del>13</del> 15	1.4954 .....	Transmission System	
<del>13</del> 15	<b>2</b>	<b>Initial Allocation and Renewal Procedures .....</b>	
<del>13</del> 15	2.1	Initial Allocation Of Available Transmission Capability .....	
<del>13</del> 15	2.2	Reservation Priority For Existing Firm Service Customers .....	
<del>13</del> 16	<b>3</b>	<b>Ancillary Services .....</b>	
<del>14</del> 16	3.1	Scheduling System Control and Dispatch Service .....	
<del>15</del> 18	3.2	Reactive Supply and Voltage Control From Generation Sources Services Service .....	
<del>15</del> 18	3.3	Regulation and Frequency Response Service .....	
<del>15</del> 18	3.4	Energy Imbalance Service .....	
<del>15</del> 18	3.5	Operating Reserve - Spinning Reserve Service .....	
<del>15</del> 18	3.6	Operating Reserve - Supplemental Reserve Service .....	
<del>15</del> 18	3.7	Generator Imbalance Service .....	18
<b>4</b>		<b>Open Access Same-Time Information System (OASIS) .....</b>	

<del>15</del> <u>18</u>		
<b>5</b>	<b>Tax-Exempt Debt .....</b>	<b><del>16</del></b>
<del>19</del>		
	5.1 Facilities Financed by Tax-Exempt Debt .....	
<del>16</del> <u>19</u>		
<b>6</b>	<b>Reciprocity .....</b>	
<del>16</del> <u>19</u>		
<b>7</b>	<b>Billing and Payment .....</b>	
<del>17</del> <u>20</u>		
	7.1 Billing Procedure .....	
<del>17</del> <u>20</u>		
	7.2 Interest On Unpaid Balances .....	
<del>17</del> <u>21</u>		
	7.3 Customer Default .....	
<del>17</del> <u>21</u>		
<b>8</b>	<b>Accounting For The Transmission Providers Use Of The Tariff .....</b>	<b><del>18</del></b>
<del>21</del>		
	8.1 Transmission Revenues .....	
<del>18</del> <u>21</u>		
	8.2 Study Costs and Revenues .....	
<del>18</del> <u>22</u>		
<b>9</b>	<b>Force Majeure and Indemnification .....</b>	
<del>18</del> <u>22</u>		
	9.1 Force Majeure .....	
<del>18</del> <u>22</u>		
	9.2 Indemnification .....	
<del>18</del> <u>22</u>		
<b>10</b>	<b>Creditworthiness .....</b>	
<del>19</del> <u>23</u>		
<b>11</b>	<b>Dispute Resolution Procedures Other Than Those Related to Termination Under Section 12 .....</b>	
<del>19</del> <u>23</u>		
	11.1 Applicability of Section 11 .....	
<del>19</del> <u>23</u>		
	11.2 Internal Dispute Resolution Procedures .....	
<del>19</del> <u>23</u>		
	11.3 External Arbitration Procedures .....	
<del>20</del> <u>23</u>		
	11.4 Decision Making Standards .....	
<del>20</del> <u>24</u>		
	11.5 Arbitration Decision .....	
<del>20</del> <u>24</u>		
	11.6 Costs .....	
<del>21</del> <u>24</u>		

<b>12</b>	<b>Termination of Service by the Transmission Provider.....</b>	
<del>21</del> <u>24</u>	12.1 Notice and Request for Dispute Resolution Procedures.....	
<del>21</del> <u>25</u>	12.2 External Arbitration Procedures.....	
<del>21</del> <u>25</u>	12.3 Decision Making Standards .....	
<del>22</del> <u>25</u>	12.4 Arbitration Decisions .....	
<del>22</del> <u>25</u>	12.5 Costs .....	
<del>22</del> <u>26</u>	<b>13 Changes to this Tariff by the Transmission Provider and Tariff Availability.....</b>	
<del>22</del> <u>26</u>	13.1 Unilateral Right to Change.....	
<del>22</del> <u>26</u>	13.2 Tariff Availability.....	
<del>23</del> <u>26</u>	13.3 Termination of Service Agreement .....	
<del>23</del> <u>27</u>	<b>II POINT-TO-POINT TRANSMISSION SERVICE</b>	
	<b>14 Nature Of Firm Point-To-Point Transmission Service.....</b>	
<del>23</del> <u>27</u>	14.0 Preamble.....	
<del>23</del> <u>27</u>	14.1 Term .....	
<del>24</del> <u>28</u>	14.2 Reservation Priority.....	
<del>24</del> <u>28</u>	14.3 Use Of Firm Transmission Service by The Transmission Provider.....	<del>24</del>
<del>29</del>	14.4 Service Agreements.....	
<del>25</del> <u>29</u>	14.5 Transmission Customer Obligations For Facility Additions Or Redispatch Costs .....	
<del>25</del> <u>30</u>	14.6 Curtailment Of Firm Transmission Service .....	
<del>25</del> <u>30</u>	14.7 Classification Of Firm Transmission Service.....	
<del>26</del> <u>31</u>	14.8 Scheduling Of Firm Point-To-Point Transmission Service.....	
<del>27</del> <u>33</u>	<b>15 Nature Of Non-Firm Point-To-Point Transmission Service .....</b>	

<del>2833</del>	15.1	Term .....	
<del>2833</del>	15.2	Reservation Priority.....	
<del>2834</del>	15.3	Use Of Non-Firm Point-To-Point Transmission Service by The Transmission Provider.....	
<del>2934</del>	15.4	Service Agreements.....	
<del>2935</del>	15.5	Classification Of Non-Firm Point-To-Point Transmission Service .....	
<del>2935</del>	15.6	Scheduling Of Non-Firm Point-To-Point Transmission Service .....	
<del>2935</del>	15.7	Curtailment Of Interruption Of Service.....	
<del>3036</del>			
	<b>16</b>	<b>Service Availability .....</b>	
<del>3137</del>	16.1	General Conditions.....	
<del>3137</del>	16.2	Determination Of Available Transmission Capability .....	
<del>3137</del>	16.3	Initiating Service in The Event of Disputed Terms and Conditions .....	
<del>3137</del>	16.4	Obligation To Provide Transmission Service That Requires Expansion Or Modification Of The Transmission System .....	
<del>3238</del>	16.5	Deferral Of Service.....	
<del>3239</del>	16.6	Other Transmission Service Schedules .....	
<del>3239</del>	16.7	Real Power Losses.....	
<del>3239</del>			
	<b>17</b>	<b>Transmission Customer Responsibilities.....</b>	
<del>3340</del>	17.1	Conditional Required Of Transmission Customers.....	
<del>3340</del>	17.2	Transmission Customer Responsibility For Third-Party Arrangements .....	
<del>3340</del>			
	<b>18</b>	<b>Procedures For Arranging Firm Point-To-Point Transmission Service.....</b>	
<del>3341</del>	18.1	Application .....	

<u>3341</u>	18.2 Completed Application.....	
<u>3441</u>	18.3 Deposit.....	
<u>3543</u>	18.4 Notice Of Deficient Application .....	
<u>3643</u>	18.5 Response To A Completed Application.....	
<u>3644</u>	18.6 Execution Of Service Agreement.....	
<u>3644</u>	18.7 Extensions For Commencement Of Service.....	
<u>3745</u>	<b>19 Procedures For Arranging Non-Firm Point-To-Point Transmission Service .....</b>	
	<u>3745</u>	
	19.1 Application .....	
<u>3745</u>	19.2 Completed Application.....	
<u>3745</u>	19.3 Reservation Of Non-Firm Point-To-Point Transmission Service .....	
<u>3846</u>	19.4 Determination Of Available Transmission Capability.....	
<u>3847</u>	<b>20 Additional Study Procedures For Firm Point-To-Point</b>	
	Transmission Service Requests.....	
<u>3947</u>	20.1 Notice Of Need For System Impact Study .....	
<u>3947</u>	20.2 System Impact Study Agreement and Cost Reimbursement.....	
<u>3948</u>	20.3 System Impact Study Procedures .....	
<u>4048</u>	20.4 Facilities Study Procedures .....	
<u>4049</u>	20.5 Facilities Study Modifications.....	
<u>4150</u>	20.6 Due Diligence in Completing New Facilities.....	
<u>4151</u>	20.7 Partial Interim Service.....	
<u>4251</u>	20.8 Expedited Procedures For New Facilities .....	
<u>4251</u>	20.9 Penalties for Failure to Meet Study Deadlines .....	52
	<b>21 Procedures If The Transmission Provider Is Unable To</b>	

<b>Complete New Transmission Facilities For Firm Point-To-Point Transmission Service.....</b>	
<del>42</del> <u>52</u>	
21.1 Delays In Construction Of New Facilities.....	
<del>43</del> <u>52</u>	
21.2 Alternative To The Original Facility Additions .....	
<del>43</del> <u>53</u>	
21.3 Refund Obligation For Unfinished Facility Additions .....	
<del>43</del> <u>53</u>	
<b>22 Provisions Relating To Transmission Construction and Services On The Systems Of Other Utilities.....</b>	
<del>44</del> <u>54</u>	
22.1 Responsibility For Third-Party System Additions .....	
<del>44</del> <u>54</u>	
22.2 Coordination Of Third-Party System Additions.....	
<del>44</del> <u>54</u>	
<b>23 Changes in Service Specifications .....</b>	
<del>44</del> <u>54</u>	
23.1 Modifications On A Non-Firm Basis .....	
<del>44</del> <u>54</u>	
23.2 Modification On A Firm Basis.....	
<del>45</del> <u>55</u>	
<b>24 Sale Or Assignment Of Transmission Service.....</b>	
<del>45</del> <u>56</u>	
24.1 Procedures For Assignment Or Transfer Of -Service.....	
<del>45</del> <u>56</u>	
24.2 Limitations On Assignment Or Transfer Of Service.....	
<del>46</del> <u>56</u>	
24.3 Information on Assignment or Transfer of Service.....	57
<b>25 Metering and Power Factor Correction at Receipt and Delivery Point(s) .....</b>	
<del>46</del> <u>57</u>	
25.1 Transmission Customer Obligations .....	
<del>46</del> <u>57</u>	
25.2 Transmission Provider Access To Metering Data.....	
<del>47</del> <u>57</u>	
25.3 Power Factor.....	
<del>47</del> <u>57</u>	
<b>26 Compensation For Transmission Service .....</b>	
<del>47</del> <u>57</u>	
<b>27 Stranded Cost Recovery .....</b>	
<del>47</del> <u>58</u>	
<b>28 Compensation For New Facilities and Redispatch Costs .....</b>	
<del>47</del> <u>58</u>	

**III NETWORK INTEGRATION TRANSMISSION SERVICE**



<b>29 Nature Of Network Integration Transmission Service .....</b>	<b>4858</b>
29.0 Preamble.....	4858
29.1 Scope of Service.....	4858
29.2 Transmission Provider Responsibilities .....	4859
29.3 Network Integration Transmission Service .....	4959
29.4 Secondary Service .....	4959
29.5 Real Power Losses.....	4960
29.6 Restrictions On Use Of Service.....	4960
<b>30 Initiating Service .....</b>	<b>4960</b>
30.1 Condition Precedent For Receiving Service.....	4960
30.2 Application Procedures .....	5061
30.3 Technical Arrangements To Be Completed Prior To Commencement Of Service .....	5265
30.4 Network Customer Facilities.....	5365
30.5 Initiating Service in the Event of Disputed Terms and Conditions.....	5365
<b>31 Network Resources .....</b>	<b>5366</b>
31.1 Designation Of Network Resources .....	5366
31.2 Designation New Network Resources.....	5466
31.3 Termination Of Network Resources.....	5467
31.4 Operation Of Network Resources .....	5468
31.5 Network Customer Redispatch Obligation.....	5469
31.6 Transmission Arrangements For Network Resource Not Physically Interconnected with The Transmission Provider .....	5469

31.7	Limitation On Designation Of Network Resources .....	<del>55</del> 69
31.8	Use Of Interface Capacity By The Network Customer .....	<del>55</del> 69
31.9	Network Customer Owned Transmission Facilities.....	<del>55</del> 70
<b>32</b>	<b>Designation Of Network Load .....</b>	<del>55</del> 70
32.1	Network Load .....	<del>56</del> 70
32.2	New Network Loads Connected with The Transmission Provider .....	<del>56</del> 70
32.3	Network Load Not Physically Interconnected With The Transmission Provider .....	<del>56</del> 71
32.4	New Interconnection Points .....	<del>56</del> 71
32.5	Changes in Service Requests.....	<del>56</del> 71
32.6	Annual Load and Resource Information Updates .....	<del>57</del> 71
<b>33</b>	<b>Additional Study Procedures For Network Integration Transmission Service Requests .....</b>	<del>57</del> 72
33.1	Notice Of Need For System Impact Study .....	<del>57</del> 72
33.2	System Impact Study Agreement and Cost Reimbursement.....	<del>58</del> 72
33.3	System Impact Study Procedures .....	<del>58</del> 73
33.4	Facilities Study Procedures .....	<del>59</del> 74
33.5	Penalties for Failure to Meet Study Deadlines .....	75
<b>34</b>	<b>Load Shedding and Curtailments .....</b>	<del>60</del> 75
34.1	Procedures .....	<del>60</del> 75
34.2	Transmission Constraints .....	<del>60</del> 75
34.3	Cost Responsibility For Relieving Transmission Constrains .....	<del>60</del> 76
34.4	Curtailment Of Scheduled Deliveries .....	<del>61</del> 76
34.5	Allocation Of Curtailments .....	

~~6176~~

34.6 Load Shedding .....

~~6176~~

34.7 System Reliability.....

~~6176~~**35 Rates and Charges** .....~~6277~~

35.1 Monthly Demand Charge .....

~~6277~~

35.2 Determination Of Network Customer Monthly Network Load .....

~~6277~~35.3 Determination Of Transmission Provider's  
Monthly Transmission System Load .....~~6278~~

35.4 Redispatch Charge.....

~~6278~~

35.5 Stranded Cost Recovery .....

~~6278~~**36 Operating Arrangements** .....~~6378~~

36.1 Operating under The Network Operating Agreement .....

~~6378~~

36.2 Network Operating Agreement .....

~~6378~~

36.3 Network Operating Committee .....

~~6479~~**37 Jurisdiction Not Conferred** .....~~6479~~**SCHEDULE 1**

Scheduling, System Control and Dispatch Service .....

~~6581~~**SCHEDULE 2**

Reactive Supply and Voltage Control from Generation Sources Services.....

~~6682~~**SCHEDULE 3**

Regulation and Frequency Response Service.....

~~6884~~**SCHEDULE 4**

Energy Imbalance Service .....

~~7085~~

**SCHEDULE 5**

Operating Reserve - Spinning Reserve Service.....  
7287

**SCHEDULE 6**

Operating Reserve - Supplemental Reserve Service.....  
7489

**SCHEDULE 7**

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service.....  
7691

**SCHEDULE 8**

Non-Firm Point-To-Point Transmission Service.....  
7792

**SCHEDULE 9**

Generator Imbalance Services..... 93

**ATTACHMENT A**

Form Of Service Agreement For Firm Point-To-Point Transmission Service.....  
7895

Specifications for Long-Term Firm Point-to-Point Transmission Service.....  
8097

**ATTACHMENT A-1**

Form Of Service Agreement For Resale, Reassignment or Transfer of  
Long-Term Firm Point-to-Point Transmission Service..... 99

**ATTACHMENT B**

Form Of Service Agreement For Non-Firm  
Point-To-Point Transmission Service.....  
82104

**ATTACHMENT C**

Methodology To Assess Available ~~Transmission~~ Transfer Capability.....  
84106

**ATTACHMENT D**

Methodology For Completing A System Impact Study.....  
85111

**ATTACHMENT E**

Index Of Point-To-Point Transmission Service Customers .....	
<u>86113</u>	

**ATTACHMENT F**

Service Agreement For Network Integration Transmission Service .....	
<u>87114</u>	
Specifications for Network Integration Transmission Service .....	
<u>89116</u>	

**ATTACHMENT G**

Network Operating Agreement .....	
<u>94118</u>	

**ATTACHMENT H**

Annual Transmission Revenue Requirement for Network Integration Transmission Service .....	
<u>92119</u>	

**ATTACHMENT I**

Index Of Network Integration Transmission Service Customers .....	
<u>93120</u>	

**ATTACHMENT J**

<u>Procedures for Addressing Parallel Flows .....</u>	<u>121</u>
---	------------

**ATTACHMENT K**

<u>Transmission Planning Process .....</u>	<u>122</u>
--	------------

**ATTACHMENT L**

<u>Creditworthiness Procedures .....</u>	<u>123</u>
--	------------

## I DEFINITIONS AND COMMON SERVICE PROVISIONS

### 1 Definitions

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

**1.2 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.

**1.23 Annual Transmission Costs:** The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider.

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

**1.45 Commission:** The Federal Energy Regulatory Commission.

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

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

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

- 1.7—8 Curtailment:** A reduction in firm or non-firm transmission service in response to a ~~transmission capacity~~transfer capability shortage as a result of system reliability conditions.
- 1.8—9 Delivering Party:** The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.
- 1.9—10 Designated Agent:** Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.
- 1.10—11 Direct Assignment Facilities:** Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer.
- 1.11—12 Eligible Customer:** Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However with respect to transmission service that the Commission is prohibited from ordering by Section 212 (h) (2) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.
- 1.12—13 Facilities Study:** An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.
- 1.13—14 Firm Point-To-Point Transmission Service:** Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

- 1.14—15 Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).
- 1.15—16 Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 15.7.
- 1.1617 Load Ratio Share:** Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 35.2 and 35.3 of the Network Integration Transmission Service under Part III of this Tariff and calculated on a rolling twelve month basis.
- 1.1718 Load Shedding:** The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of this Tariff.
- 1.18—19 Long-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of this Tariff with a term of one year or more.
- 1.19—20 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.
- 1.2021 Network Customer:** An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of this Tariff.



**1.2422 Network Integration Transmission Service:** The transmission service provided under Part III of this Tariff.

**1.2223 Network Load:** The load that a Network Customer designates for Network Integration Transmission Service under Part III of this 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 ~~a~~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 this Tariff for any Point To-Point Transmission Service that may be necessary for such non-designated load.

**1.2324 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 this Tariff.

**1.2425 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.

**1.2526 Network Resource:** Any designated generating resource owned or purchased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

**1.2627 Network Upgrades:** Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

~~1.27~~—**28 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.

**1.29 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 15.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

~~1.28~~—**30 Open Access Same-Time Information System (OASIS):** The information system and standards of conduct consistent with the non-discriminatory intent of Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS, to the extent permitted by law.

~~1.29~~**31 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 13.

~~1.30~~—**32 Part II:** Tariff Sections 14 through 28 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

~~1.31~~**33 Part III:** Tariff Sections 29 through 36 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

~~1.32~~—**34 Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.

~~1.33~~**35 Point(s) of Delivery:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and/or energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of this Tariff. The Point(s) of Delivery shall be specified in the Service Agreement.

~~1.34~~—**36 Point(s) of Receipt:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and/or energy will be made

available to the Transmission Provider by the Delivering Party under Part II of this Tariff. The Point(s) of Receipt shall be specified in the Service Agreement.

**1.3537 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 this Tariff.

**1.36—38 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

**1.37—39 Pre-Confirmed Application:** An Application that commits the Transmission Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

**1.40 Receiving Party:** The entity receiving the capacity and/or energy transmitted by the Transmission Provider to Point(s) of Delivery.

**1.38—41 Regional Transmission Group (RTG):** A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

**1.39—42 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 this Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

**1.40—43 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

**1.41—44 Service Commencement Date:** The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 16.3 or Section 30.1 under the Tariff.

**1.42—45 Short-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of this Tariff with a term of less than one year.

**1.43—46 System Condition:** A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 14.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

**1.47 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.

**1.44—48 Third-Party Sale:** Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

**1.4549 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that executes a Service Agreement, and/or receives Transmission Service under Part II of this Tariff. This term is used in the Part I Common Service Provision to include customers receiving transmission service under Part II and Part III of this Tariff.

**1.46—50 Transmission Provider:** Orlando Utilities Commission.

**1.47—51 Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

**1.48—52 Transmission Service:** Point-To-Point Transmission Service provided under Part II of this Tariff on a firm and non-firm basis.

**1.4953 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 this Tariff.

## **2 Initial Allocation and Renewal Procedures**

- 2.1 Initial Allocation of Available ~~Transmission~~ Transfer Capability:** For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. 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 14.2.
- 2.2 Reservation Priority For Existing Firm Service Customers:** Existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one-year or longer.

### 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 shall provide, and the Transmission Customer shall 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 will 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, and (v) Generator Imbalance.~~ The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source or can self-supply. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved 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 service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Service. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6 and ~~69~~) from a third party or by self-supply when technically feasible.

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

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

- 3.1 Scheduling, System Control and Dispatch Service:** The rates and/or methodology are described in Schedule 1.
- 3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:** The rates and/or methodology are described in Schedule 2.
- 3.3 Regulation and Frequency Response Service:** Where applicable the rates and/or methodology are described in Schedule 3.
- 3.4 Energy Imbalance Service:** Where applicable the rates and/or methodology are described in Schedule 4.
- 3.5 Operating Reserve - Spinning Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 5.
- 3.6 Operating Reserve - Supplemental Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 6.
- 3.7 Generator Imbalance Service:**  
Where applicable the rates and/or methodology are described in Schedule 9.

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

Terms and conditions regarding the non-discriminatory open access of transmission using the Open Access Same-Time Information System and standards of conduct are set forth in 18 CFR §37 of the Commission's regulations to the extent permitted by law (Open Access Same-

Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communications Protocols for Public Utilities). In the event available ~~transmission~~transfer capability is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 20 and 33.

The Transmission Provider shall post on its public website all rules, standards and practices that (i) relate to the terms and conditions of transmission service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS an electronic link to these rules, standards and practices, and shall post on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also make available on its public website 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 Tax-Exempt Debt**

**5.1 Facilities Financed by Tax Exempt Debt:** Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide Transmission Service to any Eligible Customer pursuant to this Tariff if the provision of such Transmission Service would jeopardize the tax-exempt status of any tax-exempt debt used to finance the Transmission Provider's facilities that would be used in providing such Transmission Service.

If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any tax-exempt debt used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.



## 6 Reciprocity

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

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

## 7 Billing and Payment

**7.1 Billing Procedure:** Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The

invoice shall be paid by the Transmission Customer within ten (10) day of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

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

**7.3 Customer Default:** In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate procedures under Section 12 of this Tariff to terminate service but shall not terminate service until it obtains approval for any such request pursuant to Section 12. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to terminate service pursuant to this Section 7.3.

**8 Accounting for the Transmission Provider's Use of the Tariff:** The Transmission Provider shall record the following amounts as outlined below:

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

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

## **9 Force Majeure and Indemnification**

**9.1 Force Majeure:** An event of Force Majeure means any act of God, labor disturbance, act of 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.

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

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

## 10 Creditworthiness

~~For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the~~The Transmission Provider may require ~~reasonable credit review~~will specify its Creditworthiness procedures. ~~This review shall be made in accordance with standard commercial practices. In addition, the Transmission Provider may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Transmission Provider against the risk of non-payment~~Attachment L.

## 11 Dispute Resolution Procedures Other than those Related to Termination Under

### Section 12

**11.1 Applicability of Section 11:** The provisions of Section 11 shall be the exclusive basis by which to resolve all disputes arising under this Tariff except as otherwise provided in this ~~Section 11~~ and except for those disputes resulting from the Transmission Provider's proposed termination of service under Section 12.

**11.2 Internal Dispute Resolution Procedures:** Any dispute between a Transmission Customer and the Transmission Provider involving Transmission Service under the Tariff (excluding disputes involving the Transmission Provider's proposed termination of service under Section 12 and disputes regarding changes to the rates, rate methodologies, or non-rate terms and conditions in this Service Agreement entered into under the Tariff , but including disputes regarding the Transmission Provider's proposed charges for Direct Assignment Facilities, Network Upgrades,

standard costs and redispatch cost) 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.

**11.3 External Arbitration Procedures:** Any arbitration initiated under this Section 11 shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

**11.4 Decision Making Standards:** The arbitrator(s) shall resolve disputes regarding the Transmission Provider's proposed charges for Direct Assignment Facilities, Network Upgrades, redispatch costs and stranded costs in accordance with the Commission's policy for recovery of such costs by public utilities. All disputes shall be resolved consistent with Commission Order Nos. 888 and 888A, as may be amended.

**11.5 Arbitration Decisions:** Unless otherwise agreed, the arbitrator(s) shall render a decision to disputes under this Section 11 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 ~~judgement~~judgment on the award may be entered in any court governed by the rules of the State of Florida.

**11.6 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 Termination of Service By the Transmission Provider**

**12.1 Notice and Request for Dispute Resolution Procedures** - Prior to terminating service pursuant to the provisions of Section 7.3, the Transmission Provider shall provide written notice to the Transmission Customer of its intent to terminate service at least sixty (60) days but no more than one-hundred twenty (120) days prior to the date such termination is proposed to take effect. If the Transmission Customer does not request in writing to the Transmission Provider, within seven (7) calendar days of the Transmission Customer's receipt of notice, that the Transmission Provider initiate the arbitration provisions of this Section 12, the Transmission Provider shall terminate service on the date contained in its notice to the Customer. If the Transmission Customer requests in writing that the Transmission Provider initiate arbitration proceedings, the provisions, of Sections 12.2 through 12.5 shall apply.

**12.2 External Arbitration Procedures** - Any arbitration initiated under Section 12 shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator with five (5) 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 (10) 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 bulk power issues, and shall not have any current or past substantial business or financial relationships with any Party to the arbitration (except prior arbitration). The arbitrator (s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Regional Transmission Group rules.

**12.3 Decision Making Standards:** The arbitrator(s) shall resolve disputes under Section 12 in accordance with good utility practice and such decision shall not be inconsistent with the Commission's policy for termination of transmission service under 18 C.F.R. § 35.15 or Commission Order Nos. 888 and 888A, as may be amended.

**12.4 Arbitration Decisions** - Unless otherwise agreed, the arbitrator (s) shall render a decision to disputes under Section 12 at least five (5) business days prior to the date provided by the Transmission Provider in its notice to the Transmission Customer pursuant to Section 12 and shall notify the Parties in writing of such decision and the reasons therefor. A failure to render a decision within said time shall be considered approval of the Transmission Provider's request to terminate, unless the arbitrator (s) issue a written statement finding that the Transmission Provider took actions intending to delay a decision beyond said time limit and that such actions resulted in the failure to render an opinion within said time. The arbitrator (s) shall be authorized only to interpret and apply the provisions of this Tariff and any Service Agreement entered into under this Tariff and shall have no power to modify or change any of the above in any manner. The Transmission Provider may terminate service immediately upon the issuance by the arbitrator (s) of a decision approving the request to terminate. The decision of the arbitrator (s) shall be final and binding upon the Parties, and ~~judgement~~judgment on the award may be entered in any court governed by the rules of the State of Florida.

**12.5 Costs** - Each party shall be responsible for its own cost incurred during the arbitration

\_\_\_\_\_ Process and 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 of the cost of the single arbitrator jointly chosen by the Parties.

### **13 Changes to this Tariff by the Transmission Provider and Tariff Availability**

**13.1 Unilateral Right to Change:** Notwithstanding any other provision in this Tariff or a \_\_\_\_\_ Service Agreement, the Transmission Provider shall have the right unilaterally to make a change in rates, charges, classification of service, or any rule, regulation, or Service Agreement related thereto. The Transmission Provider will notify current Transmission Customers thirty (30) days before a change becomes effective.

**13.2 Tariff Availability:** Notwithstanding any other provision of this Tariff, the Transmission Provider may terminate this Tariff and all Service Agreements hereunder, effective immediately and without satisfying the requirements of any other provisions of this Tariff, if the Commission issues an order that modifies the Transmission Provider's satisfaction of public utilities' reciprocity provisions, a court of competent jurisdiction vacates any order affecting said satisfaction, or after petition for review, the Commission modifies said satisfaction in a manner determined by the Transmission Provider to or unacceptable to the Transmission Provider, in its sole discretion.

Further, nothing contained in this Tariff shall restrict the Transmission Provider's right, unilaterally, to withdraw the Tariff at any time. Except as otherwise provided in this Section 13.2, such withdrawal shall not affect existing Service Agreements for Firm Point-to-Point Transmission Service or Network Integration Service entered into under the Tariff. Upon such withdrawal of this Tariff, all Service Agreements for Non-Firm Point-to-Point Transmission Service shall terminate



immediately, provided that the Transmission Provider shall complete Non-Firm Point-to-Point Transmission Service for specific scheduled Non-Firm Point-to-Point Transmission Service transactions prior to the date of termination of the Tariff (not to exceed service for three months). The Transmission Provider shall provide at least 30 days notice of its intent to terminate this Tariff to Transmission Customers that have entered into Service Agreements for Non-Firm Point-to-Point Transmission Service.

- 13.3 Termination of Service Agreement:** The Transmission Provider may terminate any Service Agreement which it determines may jeopardize the tax-exempt status of its debt.

## II. POINT-TO-POINT TRANSMISSION SERVICE

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

- 14.0 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. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point (s) of Receipt and the ~~transmission~~transfer of such capacity and energy to designated Point (s) of Delivery.

- 14.1 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.

**14.2 Reservation Priority:**\_\_

- \_\_\_\_(i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has reserved service.\_\_
- \_\_\_\_(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests with the same duration and pre-confirmation status (Pre-Confirmed or not confirmed), priority will be give to an

Eligible Customer's request that offers the highest price, followed by the date and time of the request.

(iii) If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available ~~transmission~~transfer capability is insufficient to satisfy all Applications, 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 ~~reservation 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 14.8) 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 requests, the shorter duration requests shall have simultaneous opportunities to exercise the right of first refusal. Duration, pre-confirmation status, price and time of response will be used to determine the order by which the multiple shorter duration requests 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 this Tariff.

(iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customer and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

**14.3 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

this 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.

- 14.4 Service Agreements:** The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service pursuant to this Tariff. The Transmission Provider shall offer a Standard form firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 16.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

- 14.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:** In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customer taking Firm

Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 16.4. The Transmission Customer- must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 28. To the extent the Transmission Provider can relieve any system constraint ~~more economically by~~ redispatching the Transmission Provider's ~~resources than through constructing~~ ~~Network Upgrades~~, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 28 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission Provider of redispatch requirements as described in Section 16.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff -will be specified in the Service Agreement prior to initiating service.

- 14.6 Curtailment of Firm Transmission Service:** In the event that a Curtailment on the Transmission Provider's Transmission System, or portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network 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. Long-Term Firm Point-to-Point Service subject to conditions described in Section 16.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines

that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.\_

**14.7 Classification of Firm Transmission Service:**

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 23.1 or (2) request a modification of the Point of Receipt or Delivery on a firm basis pursuant to the terms of Section 23.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Transmission Service Agreement for Long-Term Firm Transmission Service —along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm ~~transmission capacity~~transfer capability is reserved by

the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 23. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery-

or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

- 14.8 Scheduling of Firm Point-To-Point Transmission Service:** Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. EPT (Eastern Prevailing Time) of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be -accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule

modification. In addition, Transmission Provider will accept schedule changes at other times, if practicable, to accommodate the curtailment or interruption request of another Transmission Provider or for other reasons, consistent with good utility practice. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

## **15 Nature of Non-Firm Point-To-Point Transmission Service**

**15.1 Term:** Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 19.3

**15.2 Reservation Priority:** Non-Firm Point-To-Point Transmission Service shall be available from ~~transmission~~transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests the same Pre-Confirmation status and of equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer term competing request

for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first ~~request~~refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines in Section 15.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

- 15.3 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 this 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 Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.
- 15.4 Service Agreements:** The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (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. .
- 15.5 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 this 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 this Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions



applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis , but not to exceed one month's reservation for any one Application, under Schedule 8.

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

Schedules submitted after 2:00 p.m. EPT will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. In addition, Transmission Provider will accept schedule changes at other times, if practicable, to accommodate the curtailment or interruption request of another Transmission Provider or for other reasons, consistent with good utility practice. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to- hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

**15.7 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. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, ~~or~~ (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 16.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e. g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). 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 this 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 this Tariff. The Transmission Provider will provide advance notice of Curtailment or

Interruption where such notice can be provided consistent with Good Utility Practice.

## 16 Service Availability

**16.1 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 17.

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

**16.3 Initiating Service in the Event of Disputed Terms and Conditions:** If the Transmission Provider and Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, upon written request from the Transmission Customer, the Transmission Provider and the Transmission Customer shall submit the disputed terms and conditions to dispute resolution procedures pursuant to Section 11. The written request from the Transmission Customer shall specify which terms of the Service Agreement are acceptable and which terms are not acceptable. The Transmission Provider shall commence providing Transmission Service under an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service, subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider under the rates and terms ultimately determined to be just and reasonable by the outcome of Section 11, and (ii) comply with the terms and conditions of this Tariff including posting appropriate security deposits in accordance with the terms of Section 18.3.

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

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider, except to the extent limited by Section 5, will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 28. The Transmission Provider will conform to Good Utility Practice and its planning obligation in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.
- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.
- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission

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

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

**16.6 Other Transmission Service Schedule:** Eligible Customers receiving transmission service under agreements may continue to receive transmission service under those agreements until such time as those agreements may be modified.

**16.7 Real Power Losses:** Real Power Losses are associated with all transmission services. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as follows: .73% as of the effective date May 2001 and updated each year on May 1 and posted on the Transmission Provider's OASIS.

## **17 Transmission Customer Responsibilities**

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

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

- b. The Transmission Customer meets the creditworthiness criteria set forth in Section 10;
- 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 this Tariff commences;
- d. The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of this Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;~~and~~
- e. The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and
- f. The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 16.3.

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

**18 Procedures for Arranging Firm Point-To-Point Transmission Service:**

**18.1 Application:** A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: Orlando Utilities

Commission, Vice President, ~~Electric Transmission~~Energy Delivery Business Unit, P. O. Box 3193, Orlando, FL 32802, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 18.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS a Completed Application may be submitted by transmitting the required information to the Transmission Provider by telefax. This method will provide a time-stamped record for establishing the priority of the Application.

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

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility (ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to ~~RTG~~the Florida Reliability Coordinating Council ("FRCC") transmission information sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations to the extent permitted by law;

- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service; ~~and~~
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating whether the Transmission Customer commits to a Pre-Confirmed Request, i.e., will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and
- (x) Any additional information required by the Transmission Provider's planning process established in Attachment K.

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

- 18.3 Deposit:** A Complete Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by 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 returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest 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 the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. 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. Deposits associated with construction of new facilities are subject to the provisions of Section 20. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR §35.19a (a) (2) (iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

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

**18.5 Response to a Completed Application:** Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available ~~transmission~~transfer capability as required in Section 16.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of

receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 20.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant functions) and the timing of such responses must be made on a non-discriminatory basis.

**18.6 Execution of Service Agreement:** Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 20 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request resolution of disputed terms of the Service Agreement pursuant to Section 16.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

**18.7 Extensions for Commencement of Service:** The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof. If the Eligible Customer does not pay this non-refundable reservation fee within 15 days of notifying the Transmission Provider it intends to extend the commencement of service, then the Eligible Customer's application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned with interest. 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.

## **19 Procedures for Arranging Non-Firm Point-To-Point Transmission Service**

**19.1 Application:** Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by transmitting the required information to the Transmission Provider by telefax. This method will provide a time-stamped record for establishing the service priority of the Application.

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

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

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

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

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

- (viii) A statement indicating whether the Transmission Customer commits to a Pre-Confirmed Request, i.e., will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

**19.3 Reservation of Non-Firm Point-To-Point Transmission Service:** Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon (EPT) the day before service is to commence. Requests for service received later than 2:00 p.m. (EPT) prior to the day service is scheduled to commence will be accommodated if practicable.

**19.4 Determination of Available ~~Transmission~~Transfer Capability:** Following receipt of a tendered schedule the Transmission Provider will make determination on a non-discriminatory basis of available ~~transmission~~transfer capability pursuant to Section 16.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30)

minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

## **20 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests**

**20.1 Notice of Need for System Impact Study:** After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects not to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned with interest.

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

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

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

- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 20.

**20.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints and, identified with specificity by transmission element or flowgate, (2) redispatch options, (when requested by a Transmission Customer) including an estimate of the cost of redispatch, (3) conditional curtailment options (when requested by a Transmission Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur, and (4) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. For customers requesting the study of redispatch options, the System Impact Study shall (1) identify all resources located within the Transmission Provider's Control Area that can significantly contribute toward relieving the system constraint and (2) provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Control Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so

notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study, -the Eligible Customer must execute a Service Agreement or submit a modified Service Agreement pursuant to Section 16.3, or the Application shall be deemed terminated and withdrawn.

- 20.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation

of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to 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 this Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request resolution of disputed terms of the Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

**20.5 Facilities Study Modifications:** Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of 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 this Tariff.

**20.6 Due Diligence in Completing New Facilities:** The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service or would jeopardize the tax-exempt status of any tax-exempt debt used to finance the Transmission Provider's facilities that would be used to provide Transmission Service.



- 20.7 Partial Interim Service:** If the Transmission Provider determines that it will not have adequate ~~transmission~~transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.
- 20.8 Expedited Procedures for New Facilities:** In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provision 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.

Sections 20.3 and 20.4 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

(i) The Transmission Provider shall post a notice on its OASIS in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice shall be posted within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

(ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The Transmission Provider shall provide an explanation on its OASIS explaining any extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

## **21 Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service**

**21.1 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.

**21.2 Alternatives to the Original Facility Additions:** When the review process of Section 21.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 11.

**21.3 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 this Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19 a(a) (2) (iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

**22. Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities.**

**22.1 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.

- 22.2 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 this 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 11.

## **23 Changes in Service Specifications**

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

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm

service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.

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

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

## **24 Sale or Assignment of Transmission Service**

**24.1 Procedures for Assignment or Transfer of Service:** A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller

~~shall not exceed the higher of (i) the original rate paid~~ be at rates established by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion agreement with the Assignee. The Assignee must execute a service agreement with the Transmission Provider prior to the date on which the reassigned service commences that will govern the provision of reassigned service. The Transmission Provider shall credit or charge the Reseller, as appropriate, for any differences between the price reflected in the Assignee's Service Agreement and the Reseller's Service Agreement with the Transmission Provider. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) or Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. ~~A Reseller should notify the Transmission Provider as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee.~~ The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 14.2.

- 24.2 Limitations on Assignment or Transfer or Service:** If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate to 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

Transmission Provider and the Reseller through an amendment to the Service Agreement.

**24.3 Information on Assignment or Transfer of Service:** In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's OASIS on or before the date the reassigned service commences and are subject to Section 24.1. Resellers may also use the Transmission Provider's OASIS to post transmission capacity available for resale.

## **25 Metering and Power Factor Correction at Receipt and Delivery Points (s)**

**25.1 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 this Tariff and to communicate the information to the Transmission Provider. Such equipment shall remain the property of the Transmission Customer.

**25.2 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.

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

## **26 Compensation for Transmission Service**

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

**27 Stranded Cost Recovery**

The Transmission Provider may seek to recover stranded costs from the Transmission Customer pursuant to this Tariff -consistent with the terms, conditions and procedures set forth in FERC Order No. 888. However, the Transmission Provider's -proposed stranded cost recovery shall be subject to dispute resolution procedures of this Tariff.

**28 Compensation for New Facilities and Redispatch Costs**

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

**III NETWORK INTEGRATION TRANSMISSION SERVICE****29 Nature of Network Integration Transmission Service**

**29.0 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 this Tariff.

**29.1 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 32.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

**29.2 Transmission Provider Responsibilities:** The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available ~~transmission~~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 and Attachment K, endeavor to construct and place into service sufficient ~~transmission capacity~~transfer capability 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.

**29.3 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.

- 29.4 Secondary Service:** The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of this Tariff.
- 29.5 Real Power Losses:** Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as follows: .73% as of the effective date May 2001 and updated each year on May 1 and posted on the Transmission Provider's OASIS.
- 29.6 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 this Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 29.4 to facilitate a wholesale sale that does not serve a Network Load.

### 30 Initiating Service

**30.1 Condition Precedent for Receiving Service:** Subject to the terms and conditions of Part III of this Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of this Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 30.3 and 30.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of this Tariff or request initiation of service under a disputed Service ~~Agreement~~ Agreement pursuant to Section 30.5 (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G or requests initiation of service under a disputed Network Operating Agreement pursuant to Section 30.5 and (v) offering such Network Integration Transmission Service would not jeopardize the tax-exempt status of any tax-exempt bond(s) used to finance the Transmission Provider's facilities that would be used in providing such Transmission Service.

**30.2 Application Procedures:** An Eligible Customer requesting Network Integration Transmission Service under Part III of this Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by transmitting the required information to the Transmission Provider by telefax. This method will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR §2.20 including but not limited to the following:

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