Pro Forma Open Access Transmission Tariff

Proposed to be effective
Aug. 1, 2012

Please email any questions or comments concerning the proposed OATT document to rates@les.com no later than June 15, 2012.

1040 O Street, P.O. Box 80869
Lincoln, NE 68501-0869

p: 402.475.4211
www.les.com

Lincoln Electric System

Transmission service requested on LES facilities after April 1, 2009, will be processed on the SPP OASIS under the SPP Regional Tariff.

TABLE OF CONTENTS

I. COMMON SERVICE PROVISIONS 10

1 DEFINITIONS 10
1.1 Affiliate: 10
1.2 Ancillary Services: 10
1.3 Annual Transmission Costs: 10
1.4 Application: 10
1.5 Commission: 10
1.6 Completed Application: 10
1.7 Control Area: 10
1.8 Curtailment: 11
1.9 Delivering Party: 11
1.10 Designated Agent: 11
1.11 Direct Assignment Facilities: 11
1.12 Distribution Facilities: 11
1.13 Eligible Customer: 11
1.14 Facilities Study: 12
1.15 Firm Point-To-Point Transmission Service: 12
1.16 Good Utility Practice: 12
1.17 Interruption: 13
1.18 Load Ratio Share: 13
1.19 Load Shedding: 13
1.20 Long-Term Firm Point-To-Point Transmission Service: 13
1.21 Native Load Customers: 13
1.22 Network Customer: 13
1.23 Network Integration Transmission Service: 14
1.24 Network Load: 14
1.25 Network Operating Agreement: 14
1.26 Network Operating Committee: 14
1.27 Network Resource: 14
1.28 Network Upgrades: 15
1.29 Non-Firm Point-To-Point Transmission Service: 15
1.30 Non-Firm Sale: 15
1.31 Open Access Same-Time Information System (OASIS): 15
1.32 Part I: 15
1.33 Part II: 15
1.34 Part III: 16
1.35 Parties: 16
1.36 Point(s) of Delivery: 16
1.37 Point(s) of Receipt: 16
1.38 Point-To-Point Transmission Service: 16
1.39 Power Purchaser: 16

1.40 Pre-Confirmed Application: 16
1.41 Receiving Party: 17
1.42 Regional Transmission Group (RTG): 17
1.43 Reserved Capacity: 17
1.44 Service Agreement: 17
1.45 Service Commencement Date: 17
1.46 Short-Term Firm Point-To-Point Transmission Service: 17
1.47 System Condition: 18
1.48 System Impact Study: 18
1.49 Third-Party Sale: 18
1.50 Transmission Customer: 18
1.51 Transmission Provider: 18
1.52 Transmission Provider's Monthly Transmission System Peak: 18
1.53 Transmission Service: 19
1.54 Transmission System: 19

2 INITIAL ALLOCATION AND RENEWAL PROCEDURES 19
2.1 Initial Allocation of Available Transfer Capability: 19
2.2 Reservation Priority For Existing Firm Service Customers: 19

3 ANCILLARY SERVICES 20
3.1 Scheduling, System Control and Dispatch Service: 22
3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service: 22
3.3 Regulation and Frequency Response Service: 22
3.4 Energy Imbalance Service: 22
3.5 Operating Reserve - Spinning Reserve Service: 22
3.6 Operating Reserve - Supplemental Reserve Service: 23
3.7 Generator Imbalance Service: 23

4 OPEN ACCESS SAME-TIME INFORMATION SYSTEM (OASIS) 23

5 FACILITIES FINANCED BY TAX EXEMPT DEBT: 24

6 RECIPROCITY 24

7 BILLING AND PAYMENT 25
7.1 Billing Procedure: 25
7.2 Interest on Unpaid Balances: 25
7.3 Customer Default: 26

8 ACCOUNTING FOR THE TRANSMISSION PROVIDER'S USE OF THE TARIFF 26
8.1 Transmission Revenues: 26
8.2 Study Costs and Revenues: 26

9 FORCE MAJEURE AND INDEMNIFICATION 27
9.1 Force Majeure: 27
9.2 Indemnification: 27

10 CREDITWORTHINESS 28

11 RESOLUTION OF DISPUTES 28
11.1 Application of Section 11: 28
11.2 Internal Dispute Resolution Procedures: 28
11.3 External Arbitration Procedures: 29
11.4 Decision Making Standards: 29
11.5 Arbitration Decisions: 29
11.6 Costs: 30
11.7 Rights Under The Federal Power Act: 30

12 CHANGES TO THIS TARIFF BY THE TRANSMISSION PROVIDER AND TARIFF AVAILABILITY: 30
12.1 Unilateral Right to Change: 30
12.2 Tariff Availability: 31

II. POINT-TO-POINT TRANSMISSION SERVICE 32

13 NATURE OF FIRM POINT-TO-POINT TRANSMISSION SERVICE 32
13.1 Term: 32
13.2 Reservation Priority: 32
13.3 Use of Firm Transmission Service by the Transmission Provider: 34
13.4 Service Agreements: 34
13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs: 35
13.6 Curtailment of Firm Transmission Service: 36
13.7 Classification of Firm Transmission Service: 37
13.8 Scheduling of Firm Point-To-Point Transmission Service: 38

14 NATURE OF NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE 39
14.1 Term: 39
14.2 Reservation Priority: 39
14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider: 40
14.4 Service Agreements: 40
14.5 Classification of Non-Firm Point-To-Point Transmission Service: 41
14.6 Scheduling of Non-Firm Point-To-Point Transmission Service: 41
14.7 Curtailment or Interruption of Service: 42

15 SERVICE AVAILABILITY 43
15.1 General Conditions: 43
15.2 Determination of Available Transfer Capability: 43
15.3 Initiating Service in the Absence of an Executed Service Agreement: 44
15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment: 44
15.5 Deferral of Service: 46

15.6 Other Transmission Service Schedules: 46
15.7 Real Power Losses: 46

16 TRANSMISSION CUSTOMER RESPONSIBILITIES 47
16.1 Conditions Required of Transmission Customers: 47
16.2 Transmission Customer Responsibility for Third-Party Arrangements: 47

17 PROCEDURES FOR ARRANGING FIRM POINT-TO-POINT TRANSMISSION SERVICE 48
17.1 Application: 48
17.2 Completed Application: 49
17.3 Deposit: 50
17.4 Notice of Deficient Application: 51
17.5 Response to a Completed Application: 51
17.6 Execution of Service Agreement: 52
17.7 Extensions for Commencement of Service: 52

18 PROCEDURES FOR ARRANGING NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE 53
18.1 Application: 53
18.2 Completed Application: 53
18.3 Reservation of Non-Firm Point-To-Point Transmission Service: 54
18.4 Determination of Available Transfer Capability: 55

19 ADDITIONAL STUDY PROCEDURES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE REQUESTS 55
19.1 Notice of Need for System Impact Study: 55
19.2 System Impact Study Agreement and Cost Reimbursement: 56
19.3 System Impact Study Procedures: 56
19.4 Facilities Study Procedures: 58
19.5 Facilities Study Modifications: 59
19.6 Due Diligence in Completing New Facilities: 59
19.7 Partial Interim Service: 59
19.8 Expedited Procedures for New Facilities: 60
19.9 Failure to Meet Study Deadlines: 60

20 PROCEDURES IF THE TRANSMISSION PROVIDER IS UNABLE TO COMPLETE NEW TRANSMISSION FACILITIES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE 62
20.1 Delays in Construction of New Facilities: 62
20.2 Alternatives to the Original Facility Additions: 62
20.3 Refund Obligation for Unfinished Facility Additions: 63

21 PROVISIONS RELATING TO TRANSMISSION CONSTRUCTION AND SERVICES ON THE SYSTEMS OF OTHER UTILITIES 63
21.1 Responsibility for Third-Party System Additions: 63
21.2 Coordination of Third-Party System Additions: 63

22 CHANGES IN SERVICE SPECIFICATIONS 64
22.1 Modifications on a Non-Firm Basis: 64

22.2 Modification on a Firm Basis: 65

23 SALE OR ASSIGNMENT OF TRANSMISSION SERVICE 65
23.1 Procedures for Assignment or Transfer of Service: 65
23.2 Limitations on Assignment or Transfer of Service: 66
23.3 Information on Assignment or Transfer of Service: 67

24 METERING AND POWER FACTOR CORRECTION AT RECEIPT AND DELIVERY POINTS(S) 67
24.1 Transmission Customer Obligations: 67
24.2 Transmission Provider Access to Metering Data: 67
24.3 Power Factor: 67

25 COMPENSATION FOR TRANSMISSION SERVICE 68

26 STRANDED COST RECOVERY 68

27 COMPENSATION FOR NEW FACILITIES AND REDISPATCH COSTS 68

III. NETWORK INTEGRATION TRANSMISSION SERVICE 69

28 NATURE OF NETWORK INTEGRATION TRANSMISSION SERVICE 69
28.1 Scope of Service: 69
28.2 Transmission Provider Responsibilities: 70
28.3 Network Integration Transmission Service: 70
28.4 Secondary Service: 70
28.5 Real Power Losses: 71
28.6 Restrictions on Use of Service: 71

29 INITIATING SERVICE 72
29.1 Condition Precedent for Receiving Service: 72
29.2 Application Procedures: 72
29.3 Technical Arrangements to be Completed Prior to Commencement of Service: 76
29.4 Network Customer Facilities: 77
29.5 Initiating Service in the Absence of an Executed Service Agreement: 77

30 NETWORK RESOURCES 797
30.1 Designation of Network Resources: 79
30.2 Designation of New Network Resources: 79
30.3 Termination of Network Resources: 80
30.4 Operation of Network Resources: 81
30.5 Network Customer Redispatch Obligation: 82
30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider: 82
30.7 Limitation on Designation of Network Resources: 82
30.8 Use of Interface Capacity by the Network Customer: 82
30.9 Network Customer Owned Transmission Facilities: 83

31 DESIGNATION OF NETWORK LOAD 83
31.1 Network Load: 83
31.2 New Network Loads Connected With the Transmission Provider: 83
31.3 Network Load Not Physically Interconnected with the Transmission Provider: 84
31.4 New Interconnection Points: 84
31.5 Changes in Service Requests: 84
31.6 Annual Load and Resource Information Updates: 85

32 ADDITIONAL STUDY PROCEDURES FOR NETWORK INTEGRATION TRANSMISSION SERVICE REQUESTS 85
32.1 Notice of Need for System Impact Study: 85
32.2 System Impact Study Agreement and Cost Reimbursement: 86
32.3 System Impact Study Procedures: 87
32.4 Facilities Study Procedures: 88
32.5 Failure to Meet Study Deadlines: 89

33 LOAD SHEDDING AND CURTAILMENTS 89
33.1 Procedures: 89
33.2 Transmission Constraints: 90
33.3 Cost Responsibility for Relieving Transmission Constraints: 90
33.4 Curtailments of Scheduled Deliveries: 90
33.5 Allocation of Curtailments: 90
33.6 Load Shedding: 91
33.7 System Reliability: 91

34 RATES AND CHARGES 92
34.1 Monthly Demand Charge: 90
34.2 Determination of Network Customer's Monthly Network Load: 92
34.3 Determination of Transmission Provider's Monthly Transmission System Load: 92
34.4 Redispatch Charge: 93
34.5 Stranded Cost Recovery: 93

35 OPERATING ARRANGEMENTS 93
35.1 Operation under The Network Operating Agreement: 93
35.2 Network Operating Agreement: 93
35.3 Network Operating Committee: 94

SCHEDULE 1 95

SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE 95

SCHEDULE 2 97

REACTIVE SUPPLY AND VOLTAGE CONTROL FROM GENERATION SOURCES SERVICE 97

SCHEDULE 3 100

REGULATION AND FREQUENCY RESPONSE SERVICE 100
SCHEDULE 4 102
ENERGY IMBALANCE SERVICE 102
SCHEDULE 4A 102
SCHEDULE 5 106
OPERATING RESERVE - SPINNING RESERVE SERVICE 106
SCHEDULE 6 108
OPERATING RESERVE - SUPPLEMENTAL RESERVE SERVICE 108
SCHEDULE 7 110
LONG-TERM FIRM AND SHORT-TERM FIRM POINT-TO-POINT 110
SCHEDULE 8 113
NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE 113
SCHEDULE 9 116
GENERATOR IMBALANCE SERVICE 116
ATTACHMENT A 118
FORM OF SERVICE AGREEMENT FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE ... 118
ATTACHMENT A-1 122
FORM OF SERVICE AGREEMENT FOR THE RESALE, REASSIGNMENT OR TRANSFER OF LONG-TERM FIRM POINT-TO-POINT TRANSMISSION SERVICE 122
ATTACHMENT B 126
FORM OF SERVICE AGREEMENT FOR NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE 126
ATTACHMENT C 130
METHODOLOGY TO ASSESS AVAILABLE TRANSFER CAPABILITY 130
ATTACHMENT D 131
METHODOLOGY FOR COMPLETING A SYSTEM IMPACT STUDY 131
ATTACHMENT E 132
INDEX OF POINT-TO-POINT TRANSMISSION SERVICE CUSTOMERS 132
ATTACHMENT F 133
SERVICE AGREEMENT FOR NETWORK INTEGRATION TRANSMISSION SERVICE 133
ATTACHMENT G 139

NETWORK OPERATING AGREEMENT 139
ATTACHMENT H 147
ANNUAL TRANSMISSION REVENUE REQUIREMENT FOR NETWORK INTEGRATION TRANSMISSION SERVICE **145**
ATTACHMENT I 148
INDEX OF NETWORK INTEGRATION TRANSMISSION SERVICE CUSTOMERS 148
ATTACHMENT J 149
PROCEDURES FOR ADDRESSING PARALLEL FLOWS 149
ATTACHMENT K 150
TRANSMISSION PLANNING PROCESS 150
ATTACHMENT L 151
CREDITWORTHINESS PROCEDURES 151

I. 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.

1.3 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.

1.4 Application:

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

1.5 Commission:

The Federal Energy Regulatory Commission.

1.6 Completed Application:

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

1.7 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.

1.8 **Curtailment:**

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

1.9 **Delivering Party:**

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

1.10 **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.

1.11 **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.

1.12 **Distribution Facilities:**

The facilities owned, controlled or operated by the Transmission Provider below 115 kV that are used to calculate any applicable distribution facilities charges.

1.13 **Eligible Customer:**

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

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

1.14 **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.

1.15 **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.

1.16 **Good Utility Practice:**

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of

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

1.17 **Interruption:**

A reduction in non-firm transmission service due to economic reasons pursuant to Section 15.7.

1.18 **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 the Tariff and calculated on a rolling 12-month basis.

1.19 **Load Shedding:**

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.20 **Long-Term Firm Point-To-Point Transmission Service:**

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

1.21 **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.

1.22 **Network Customer:**

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

1.23 **Network Integration Transmission Service:**

The transmission service provided under Part III of the Tariff.

1.24 **Network Load:**

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

1.25 **Network Operating Agreement:**

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.26 **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.

1.27 **Network Resource:**

Any designated generating resource owned, purchased or leased 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, except for purposes of fulfilling obligations under a Commission-approved reserve sharing program.

1.28 **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.

1.29 **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 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.30 **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.

1.31 **Open Access Same-Time Information System (OASIS):**

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

1.32 **Part I:**

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

1.33 **Part II:**

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of

Part I and appropriate Schedules and Attachments.

1.34 **Part III:**

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

1.35 **Parties:**

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

1.36 **Point(s) of Delivery:**

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.37 **Point(s) of Receipt:**

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.38 **Point-To-Point Transmission Service:**

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.39 **Power Purchaser:**

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

1.40 **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.

1.41 **Receiving Party:**

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

1.42 **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.

1.43 **Reserved Capacity:**

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

1.44 **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.

1.45 **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 15.3 or Section 29.1 under the Tariff.

1.46 **Short-Term Firm Point-To-Point Transmission Service:**

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

1.47 **System Condition**

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

1.48 **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.

1.49 **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.

1.50 **Transmission Customer:**

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) submits to the dispute resolution procedures of Section 11 any of the terms and conditions of the Service Agreement on which the Eligible Customer and the Transmission Provider cannot agree. This term is used in the Part I - Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.51 **Transmission Provider:**

Lincoln Electric System (LES)

1.52 **Transmission Provider's Monthly Transmission System Peak:**

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

1.53 **Transmission Service:**

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

1.54 **Transmission System:**

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service at or above 115 kV under Part II and Part III of the Tariff.

2 **Initial Allocation and Renewal Procedures**

2.1 **Initial Allocation of Available Transfer Capability:**

For purposes of determining whether existing capability on 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 13.2.

2.2 **Reservation Priority For Existing Firm Service Customers:**

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from 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 the longest competing request by any new Eligible Customer and to pay the current just and reasonable rate for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to March 1, 2008, unless terminated, will become subject to the five year/one year requirement on the first rollover date after March 1, 2008; provided that, the one year notice requirement shall apply to such service agreements with five years or more left in their terms as of March 1, 2008.

3 **Ancillary Services**

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

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission

Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide (or offer to arrange with the local Control Area operator as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider’s Control Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its 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 Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its

agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5, 6 and 9) from a third party or by self-supply when technically feasible.

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

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

3.1 **Scheduling, System Control and Dispatch Service:**

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

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

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

3.3 **Regulation and Frequency Response Service:**

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

3.4 **Energy Imbalance Service:**

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

3.5 **Operating Reserve - Spinning Reserve Service:**

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

3.6 **Operating Reserve - Supplemental Reserve Service:**

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

3.7 **Generator Imbalance Service:**

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

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

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

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

5 **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 debt (e.g., bond(s), commercial paper, note(s), etc.) used to finance the Transmission Provider's facilities.

If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any current or future bonds, notes or other securities evidencing indebtedness of its issuer used to finance facilities of the Transmission Provider, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

6 **Reciprocity**

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Group, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the 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 twenty (20) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider, or by wire transfer to a bank named by the Transmission Provider.

7.2 Interest on Unpaid Balances:

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

7.3 **Customer Default:**

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may terminate service with notice to Transmission Customer. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer continues to make all payments including amounts in dispute. The Transmission Customer may initiate procedures under Section 11 to resolve billing disputes.

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

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

8.1 **Transmission Revenues:**

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

8.2 **Study Costs and Revenues:**

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System

Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Force Majeure and Indemnification

9.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control and which by exercise of due diligence such Party could not reasonably have been expected to avoid, and which by exercise of due diligence it shall be unable to overcome. 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 save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

10 **Creditworthiness**

The Transmission Provider will specify its Creditworthiness procedures in Attachment L. A Transmission Customer meeting the Transmission Provider's creditworthiness standard shall not be required to provide a deposit as specified in Section 17.3 and 29.2.

11 **Resolution of Disputes**

11.1 **Application of Section 11:**

The provisions of Section 11 shall be the exclusive basis by which to resolve all disputes arising under this Tariff except the arbitration procedures of Sections 11.3 through 11.6 shall not apply to disputes relating to (a) decisions of the Transmission Provider under Section 5; (b) the Transmission Provider's termination of service under Section 12; or (c) changes to the rates, rate methodologies or non-rate terms and conditions of this Tariff or of any Service agreement entered into under this tariff.

11.2 **Internal Dispute Resolution Procedures:**

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under this Tariff (excluding disputes involving decisions of the Transmission Provider under Section 5, the Transmission Provider's termination of service under Section 12, and disputes regarding changes to the rates, Tariff or any Service Agreement entered into under the Tariff, but including disputes regarding whether amounts billed are in accordance with the Tariff's rates, the Transmission Provider's proposed charges for Direct Assignment Facilities, Network Upgrades, wholesale stranded costs, and redispatch costs) 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 shall 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 (other than previous arbitration experience). 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.

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 wholesale stranded costs in accordance with the Commission's policy for recovery of such costs by public utilities, subject to any applicable orders of any regulatory body having rate making jurisdiction over the Transmission Provider.

11.5 **Arbitration Decisions:**

Unless otherwise agreed, the arbitrator(s) shall render a decision on 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 judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

11.6 **Costs:**

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

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

11.7 **Rights Under The Federal Power Act:**

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

12 **Changes to this Tariff by the Transmission Provider and Tariff Availability**

12.1 **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. Prior to the effectiveness of any change, the Transmission Provider shall provide sixty (60) days public notice of such change as part of the approval process with its regulatory authority. Such change will become effective after said sixty (60)-day period and will be filed

with the Southwest Power Pool (SPP).

12.2 **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 general reciprocity provisions required in the tariffs of public utilities in a manner that the Transmission Provider determines, in its sole discretion, to be unacceptable. 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 12.2, such withdrawal shall not affect existing Service Agreements for Firm Point-to-Point Transmission 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.

II. POINT-TO-POINT TRANSMISSION SERVICE

Transmission Service requested on LES facilities after April 1, 2009 will be processed on the SPP OASIS under the SPP Regional Tariff

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 transfer of such capacity and energy to designated Point(s) of Delivery.

13 **Nature of Firm Point-To-Point Transmission Service**

13.1 **Term:**

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

13.2 **Reservation Priority:**

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

(ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. 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 or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by

the date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff.

(iv) Firm Point-To-Point Transmission Service will always have a

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

13.3 **Use of Firm Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after March 1, 2008. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 **Service Agreements:**

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment 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 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to

the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 **Transmission Customer Obligations for Facility Additions or Redispatch Costs:**

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

13.6 **Curtailment of Firm Transmission Service:**

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

13.7 **Classification of Firm Transmission Service:**

(a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1, or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.

(b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

(c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery.

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

13.8 **Scheduling of Firm Point-To-Point Transmission Service:** Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. of the day prior to commencement of such service. 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 MW 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 MW per hour, may consolidate their service requests at a common point of receipt into units of 1 MW 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. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

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

14.1 Term:

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

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmation status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service.

Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term reservation before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

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

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after the day this tariff is approved by the Transmission Provider's Administrative Board. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 **Service Agreements:**

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

14.5 **Classification of Non-Firm Point-To-Point Transmission Service:** Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 **Scheduling of Non-Firm Point-To-Point Transmission Service:** Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1 MW 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 MW per hour, may consolidate their schedules at a common Point of Receipt into units of 1 MW 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. The Transmission Provider will furnish to the

Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 **Curtailment or Interruption of Service:**

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. 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 the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15 Service Availability

15.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16. Transmission Customer requests for service involving facilities recorded on the Transmission Provider’s book of accounts as distribution plant will be evaluated on a case-by-case basis If service can be accommodated, the rates and terms and conditions regarding distribution plant use will be applied under a separate contract provision. Disputes related to the use of distribution plant will be resolved pursuant to the procedures of Section 11.

15.2 Determination of Available Transfer Capability:

A description of the Transmission Provider's specific methodology for

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

15.3 **Initiating Service in the Absence of an Executed Service Agreement:**

If the Transmission Provider and the 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 Transmission Customer shall submit the disputed terms and conditions to the dispute resolution procedures of Section 11. 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 requested Transmission Service subject to the Transmission Customer agreeing in writing to (i) compensate the Transmission Provider at rates ultimately determined to be comparable by a court or governmental agency having jurisdiction thereof, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

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

(a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide

the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

(b) If the Transmission Provider determines that it cannot accommodate a Completed Application for 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 Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a

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

15.5 **Deferral of Service:**

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

15.6 **Other Transmission Service Schedules:**

Eligible Customers receiving transmission service under other agreements may continue to receive transmission service under those agreements until such time as those agreements may be modified.

15.7 **Real Power Losses:**

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

a. Transmission System capacity loss factor = 0.85%.

b. Transmission System energy loss factor = 0.85%.

c. Loss factors for Distribution Facilities and Direct Assignment shall be determined on a case-by-case basis pursuant to the Transmission Customer's Service Agreement.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

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

(a) The Transmission Customer has pending a Completed Application for service;

(b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;

(c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

(d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;

(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 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems

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

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

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to: Resource and Transmission Planning, Lincoln Electric System, P.O. Box 80869, Lincoln, NE 68501-0869, facsimile number: (402) 473-3208, 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 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line (if available). Each of these methods will provide a time-stamped record for establishing the priority of the Application.

17.2 **Completed Application:**

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

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

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;

(iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information-sharing agreements. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations;

(v) A description of the supply characteristics of the capacity and energy to be delivered;

(vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

(vii) The Service Commencement Date and the term of the requested Transmission Service;

(viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for

service in order to satisfy the minimum transmission capacity requirement;

(ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; 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.

17.3 **Deposit:**

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by 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 19. 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 C.F.R. § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 **Notice of Deficient Application:**

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

17.5 **Response to a Completed Application:**

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application, either (i) if it will be able to provide service without performing a System

Impact Study, or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all Completed Applications (including Applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 **Execution of Service Agreement:**

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, 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.

17.7 **Extensions for Commencement of Service:**

The Transmission Customer can obtain, subject to availability, up to <u>five (5) one-year extensions</u> for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless

the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

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

18.1 Application:

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

18.2 Completed Application:

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

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

(ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) The Point(s) of Receipt and the Point(s) of Delivery;

(iv) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and

(v) The proposed dates and hours for initiating and terminating transmission service hereunder.

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

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

(vii) The electrical location of the ultimate load.

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

(viii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

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

scheduled to commence will be accommodated if practicable.

18.4 **Determination of Available Transfer Capability:**

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

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

19.1 **Notice of Need for System Impact Study:**

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study redispatch or conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall, within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and

return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 **System Impact Study Agreement and Cost Reimbursement:**

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.2.

19.3 **System Impact Study Procedures:**

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required

System Impact Study within a sixty (60) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by 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 request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 **Facilities Study Procedures:**

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60)-day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission

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

19.5 **Facilities Study Modifications:**

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

19.6 **Due Diligence in Completing New Facilities:**

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

19.7 **Partial Interim Service:**

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider

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

19.8 **Expedited Procedures for New Facilities:**

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

19.9 **Failure to Meet Study Deadlines:**

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

Facilities Studies.

(i) The Transmission Provider is required to post 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 must 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 may provide an explanation in its OASIS posting if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

(iii) The Transmission Provider is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its OASIS posting. 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 OASIS posting. 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.

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

20.1 **Delays in Construction of New Facilities:**

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

20.2 **Alternatives to the Original Facility Additions:**

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the

Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 11.

20.3 **Refund Obligation for Unfinished Facility Additions:**

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(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.

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

21.1 **Responsibility for Third-Party System Additions:**

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

21.2 **Coordination of Third-Party System Additions:**

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate

construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before 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.

22 Changes in Service Specifications

22.1 Modifications on a Non-Firm Basis:

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt 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 the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 **Modification on a Firm Basis:**

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

23 **Sale or Assignment of Transmission Service**

23.1 **Procedures for Assignment or Transfer of Service:**

Subject to Commission approval of any necessary filings, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall not exceed the higher of (i) the original rate paid by the

Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion; provided that, for service prior to October 1, 2010, compensation to Resellers shall be at rates established by agreement between the reseller and the Assignee.

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

23.2 **Limitations on Assignment or Transfer of Service:**

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

evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 **Information on Assignment or Transfer of Service:**

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

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

24.1 **Transmission Customer Obligations:**

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

24.2 **Transmission Provider Access to Metering Data:**

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

24.3 **Power Factor:**

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

25 **Compensation for Transmission Service**

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

26 **Stranded Cost Recovery**

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

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

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

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Transmission Service requested on LES facilities after April 1, 2009 will be processed on the SPP OASIS under the SPP Regional Tariff

Preamble

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

28 Nature of Network Integration Transmission Service

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3. Transmission Customer requests for service involving facilities recorded on the Transmission Provider’s book of accounts as distribution plant will be evaluated on a case-by-case basis. If service can be accommodated, the rates and terms and conditions regarding distribution

plant use will be applied under a separate contract provision. Disputes related to the use of distribution plant will be resolved consistent with the procedures of Section 11.

28.2 **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 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 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.

28.3 **Network Integration Transmission Service:**

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 **Secondary Service:**

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not

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

28.5 **Real Power Losses:**

Real Power Losses are associated with all transmission service. 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:

(1) Transmission System capacity loss factor = 0.85%.

(2) Transmission System energy loss factor = 0.85%.

(3) Loss factors for Distribution Facilities and Direct Assignment Facilities shall be determined on a case-by-case basis pursuant to the Transmission Customer’s Service Agreement.

28.6 **Restrictions on Use of Service:**

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. 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 28.4 to facilitate a wholesale sale that does not serve a Network Load.

29 **Initiating Service**

29.1 **Condition Precedent for Receiving Service:**

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the provisions of Section 29.5 apply, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.

29.2 **Application Procedures:**

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to 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 (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line (if available). Each of these methods will provide a time-stamped record for establishing the service priority of the

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

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

(ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

(iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each 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). For each on-system Network Resource, such description shall include:

- Unit size and amount of capacity from that unit to be designated as Network Resource

- VAR capability (both leading and lagging) of all generators
- Operating restrictions
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit
  - Normal operating level of unit
  - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost ($/MWH) for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource;

For each off-system Network Resource, such description shall include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area(s) from which the power will originate
- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
  - Any periods of restricted operations throughout the year
  - Maintenance schedules
  - Minimum loading level of unit

- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons

- Approximate variable generating cost ($/MWH) for redispatch computations;

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

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

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

(viii) A statement signed by an authorized officer from, or agent of, the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions:

(1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis; and

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

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

29.3 **Technical Arrangements to be Completed Prior to**

Commencement of Service:

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

29.4 **Network Customer Facilities:**

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

29.5 **Initiating Service in the Absence of an Executed Service Agreement:**

If the Transmission Provider and Transmission Customer requesting Transmission Service pursuant to this Tariff cannot agree on all the terms and conditions of the Service Agreement, upon written request from the Transmission Customer, the Transmission Provider shall submit the disputed terms and conditions to the dispute resolution procedures of Section 11. The Transmission Provider shall commence providing Transmission Service under an unexecuted Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for the requested

Transmission Service subject to the Transmission Customer agreeing in writing to: (i) compensate the Transmission Provider at rates ultimately determined to be comparable by a court or governmental agency having jurisdiction thereof, and (ii) comply with the terms of this Tariff.

30 Network Resources

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources:

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

30.3 **Termination of Network Resources:**

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource 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. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

(i) Effective date and time of temporary termination;

(ii) Effective date and time of redesignation, following period of temporary termination;

(iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;

(iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and

(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.

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 the Tariff.

30.4 **Operation of Network Resources:**

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a Commission-approved reserve sharing program. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's 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.

30.5 **Network Customer Redispatch Obligation:**

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

30.6 **Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:**

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

30.7 **Limitation on Designation of Network Resources:**

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 **Use of Interface Capacity by the Network Customer:**

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

systems may not exceed the Network Customer's Load.

30.9 **Network Customer Owned Transmission Facilities:**

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to the May 14, 2007, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider’s facilities; provided however, the Network Customer’s transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider’s annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31 **Designation of Network Load**

31.1 **Network Load:**

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

31.2 **New Network Loads Connected With the Transmission Provider:**

The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new

Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer in accordance with Commission policies.

31.3 **Network Load Not Physically Interconnected with the Transmission Provider:**

This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

31.4 **New Interconnection Points:**

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

31.5 **Changes in Service Requests:**

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

31.6 **Annual Load and Resource Information Updates:**

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

32 **Additional Study Procedures For Network Integration Transmission Service Requests**

32.1 **Notice of Need for System Impact Study:**

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible

Customer as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

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

(i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.

(iii) For System Impact Studies that the Transmission Provider

conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 **System Impact Study Procedures:**

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60)-day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) redispatch options (when requested by an Eligible Customer) including, to the extent possible, an estimate of the cost of redispatch, (3) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), 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 request that the provisions of Section 29.5 apply, or the Application shall be deemed terminated and withdrawn.

32.4 **Facilities Study Procedures:**

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, 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 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 Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct

Assignment Facilities to be charged to the Eligible Customer, (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide 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 Eligible Customer shall have thirty (30) days to execute a Service Agreement or request that the provisions of Section 29.5 apply and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

32.5 **Failure to Meet Study Deadlines:**

Section 19.9 defines requirements 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 apply to service under Part III of the Tariff.

33 Load Shedding and Curtailments

33.1 **Procedures:**

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

33.2 **Transmission Constraints:**

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

33.3 **Cost Responsibility for Relieving Transmission Constraints:**

Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

33.4 **Curtailments of Scheduled Deliveries:**

If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement or pursuant to the Transmission Loading Relief procedures specified in Attachment J.

33.5 **Allocation of Curtailments:**

The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective Load Ratio Shares. The Transmission Provider shall not direct the Network Customer to Curtail schedules to an extent greater than the Transmission Provider would Curtail the Transmission Provider's schedules under similar circumstances.

33.6 **Load Shedding:**

To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.

33.7 **System Reliability:**

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service.

The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

34 **Rates and Charges**

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

34.1 **Monthly Demand Charge:**

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H.

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

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

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

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

34.4 **Redispatch Charge:**

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

34.5 **Stranded Cost Recovery:**

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

35 **Operating Arrangements**

35.1 **Operation under The Network Operating Agreement:**

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.

35.2 **Network Operating Agreement:**

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network

Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1 and the Southwest Power Pool (SPP), (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO and SPP requirements. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

35.3 **Network Operating Committee:**

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

SCHEDULE 1

Ancillary Service Charge for
Scheduling, System Control and Dispatch Service

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

The Transmission Customer shall compensate the Transmission Provider each month at up to the sum of the applicable charges set forth below:

(1) Yearly delivery: One-twelfth of $320.06 per MW of Reserved Capacity per year.
(2) Monthly delivery: $26.67 per MW of Reserved Capacity per month.
(3) Weekly delivery: $6.16 per MW of Reserved Capacity per week.
(4) Daily delivery: $1.23 per MW of Reserved Capacity per day. The total charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Capacity in any day during such week.
(5) Hourly delivery: $0.0769 per MWh of Reserved Capacity per hour. The

total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Capacity in any day during such week.

SCHEDULE 2

Ancillary Service Charge for Reactive Supply and Voltage Control from Generation or Other Sources Service

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

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

The Transmission Customer shall compensate the Transmission Provider each month up to the sum of the applicable charges set forth below:

(1) Yearly delivery: One-twelfth of $313.30 per MW of Reserved Capacity per year.

(2) Monthly delivery: $26.10 per MW of Reserved Capacity per month.

(3) Weekly delivery: $6.03 per MW of reserved Capacity per week.

(4) Daily On-Peak delivery: $1.21 per MW of Reserved Capacity per day. The total charge in any week, pursuant to a reservation for Daily On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Capacity in any day during such week.

(5) Hourly On-Peak delivery: $0.0753 per MWh of Reserved Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly On-Peak delivery, shall not exceed the rate specified in section (4) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved On-Peak Capacity in any day during such week.

(6) Daily Off-Peak delivery: $0.86 per MW of Reserved Off-Peak Capacity per day. The total charge in any week, pursuant to a reservation for Daily Off-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any day during such week.

(7) Hourly Off-Peak delivery: $0.0358 per MWh of Reserved Off-Peak Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly Off-Peak delivery, shall not exceed the rate specified in section (6) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for

Hourly or Daily Off-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such week.

SCHEDULE 3

Ancillary Service Charge for
Regulation and Frequency Response Service
(Load Following)

Regulation and Frequency Response Service (often referred to as load following) is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Control Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer shall compensate the Transmission Provider each month up to the sum of the applicable charges set forth below:

(1) Yearly delivery: One-twelfth of $4,591.50 per MW of Reserved Capacity per year.

(2) Monthly delivery: $382.60 per MW of Reserved Capacity per month.

(3) Weekly delivery: $88.30 per MW of Reserved Capacity per week.

(4) Daily On-Peak delivery: $17.70 per MW of Reserved On-Peak Capacity per day. The total charge in any week, pursuant to a reservation for Daily On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved On-Peak Capacity in any day during such week.

(5) Hourly On-Peak delivery: $1.104 per MWh of Reserved Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly On-Peak delivery, shall not exceed the rate specified in section (4) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such week.

(6) Daily Off-Peak delivery: $12.58 per MW of Reserved Off-Peak Capacity per day. The total charge in any week, pursuant to a reservation for Daily Off-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any day during such week.

(7) Hourly Off-Peak delivery: $0.524 per MWh of Reserved Off-Peak Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly Off-Peak delivery, shall not exceed the rate specified in section (6) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily Off-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such week.

SCHEDULE 4

Ancillary Service Charge for
Energy Imbalance Service

Energy Imbalance Service within the Southwest Power Pool ("SPP") area is provided through the SPP Energy Imbalance Service Market ("EIS Market"), and the Transmission Customer may rely on its participation in the EIS Market to fulfill its obligation with respect to Energy Imbalance Service under this Tariff. Energy Imbalance Service is available under this Tariff only to the extent such service is not available through the SPP EIS Market. Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100

percent of incremental or decremental cost; (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 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 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.

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

SCHEDULE 4A

Ancillary Service Charge for Reserve Sharing Energy Charges

Operating reserve sharing may be activated under the Southwest Power Pool Open Access Transmission Tariff ("SPP OATT"). The rate to be charged by Lincoln Electric System ("LES") when supplying reserve sharing energy during a reserve sharing activation pursuant to the SPP OATT shall be the rate provided for in this Schedule 4A, as such rate may be changed from time to time.

When providing energy assistance during reserve sharing activation, LES shall be compensated in accordance with the following:

(1) The terms Locational Imbalance Price ("LIP") and Settlement Location as used herein are defined in the SPP OATT.

(2) Payment will be financial, and accounting for reserve sharing energy will be in whole megawatt-hours.

(3) As used in this Schedule 4A, the term "Incremental Cost" shall mean any cost that would not have been incurred by LES if the reserve sharing energy had not been supplied, including the cost of fuel, variable operation and maintenance costs, energy provided for electricity losses, purchased power, start-up and shut-down costs, charges assessed to LES under Schedule 4 of the SPP OATT in conjunction with energy supplied under this Schedule 4A, and any other direct or indirect cost that would not have been incurred by LES if the reserve sharing energy had not been supplied. Incremental Cost does not include the cost of capacity, transmission service, or costs described in Section 5 of this Schedule.

(4) For energy provided during a reserve sharing activation, the charges shall include the greater of: (i) the hourly LIP at the Settlement

Location used to provide such service, per megawatt-hour; or (ii) 110 percent of the Incremental Cost of the resource(s) deployed by LES to provide such service.

(5) In addition to the costs identified in Section 4, the entity responsible for the contingency that results in a reserve sharing activation shall reimburse LES for any amounts assessed to LES for that entity's reserve sharing energy supplied by other reserve sharing group members under applicable service schedules.

(6) The entity responsible for the contingency that results in a reserve sharing activation also shall pay any applicable transmission charges associated with the delivery of reserve sharing energy pursuant to the provisions of Attachment AK of the SPP OATT.

SCHEDULE 5

Ancillary Service Charge for
Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The amount of, and charges for, Spinning Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer shall compensate the Transmission Provider each month up to the sum of the applicable charges set forth below:

(1) Yearly delivery: One-twelfth of $2,403.60 per MW of Reserved Capacity per year.

(2) Monthly delivery: $200.30 per MW of Reserved Capacity per month.

(3) Weekly delivery: $46.20 per MW of Reserved Capacity per week.

(4) Daily On-Peak delivery: $9.24 per MW of Reserved On-Peak Capacity per day. The total charge in any week, pursuant to a reservation for Daily On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved On-Peak Capacity in any day during such week.

(5) Hourly On-Peak delivery: $0.578 per MWh of Reserved On-Peak

Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly On-Peak delivery, shall not exceed the rate specified in section (4) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such week.

(6) Daily Off-Peak delivery: $6.59 per MW of Reserved Off-Peak Capacity per day. The total charge in any week, pursuant to a reservation for Daily Off-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any day during such week.

(7) Hourly Off-Peak delivery: $0.274 per MWh of Reserved Off-Peak Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly Off-Peak delivery, shall not exceed the rate specified in section (6) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily Off-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such week.

SCHEDULE 6

Ancillary Service Charge for
Operating Reserve - Supplemental Reserve Service
(Non-spinning)

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The amount of and charges for Supplemental Reserve Service are set forth below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer shall compensate the Transmission Provider each month up to the sum of the applicable charges set forth below:

(1) Yearly delivery: One-twelfth of $937.90 per MW of Reserved Capacity per year.

(2) Monthly delivery: $78.20 per MW of Reserved Capacity per month.

(3) Weekly delivery: $18.00 per MW of Reserved Capacity per week.

(4) Daily On-Peak delivery: $3.61 per MW of Reserved On-Peak Capacity per day. The total charge in any week, pursuant to a reservation for Daily On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved On-

Peak Capacity in any day during such week.

(5) Hourly On-Peak delivery: $0.225 per MWh of Reserved On-Peak Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly On-Peak delivery, shall not exceed the rate specified in section (4) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such week.

(6) Daily Off-Peak delivery: $2.57 per MW of Reserved Off-Peak Capacity per day. The total charge in any week, pursuant to a reservation for Daily Off-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any day during such week.

(7) Hourly Off-Peak delivery: $0.107 per MWh of Reserved Off-Peak Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly Off-Peak delivery, shall not exceed the rate specified in section (6) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily Off-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such week.

SCHEDULE 7

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

Transmission Service requested on LES facilities after April 1, 2009 will be processed on the SPP OASIS under the SPP Regional Tariff

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity up to the sum of the applicable charges set forth below: (Losses Not Supplied by Transmission Provider)

(1) **Yearly delivery**: One-twelfth of the demand charge of $32,710 per MW of Reserved Capacity per year.

(2) **Monthly delivery**: $2,726 per MW of Reserved Capacity per month.

(3) **Weekly delivery**: $629.03 per MW of Reserved Capacity per week.

(4) Daily On-Peak delivery: $125.81 per MW of Reserved On-Peak Capacity per day. The total charge in any week, pursuant to a reservation for Daily On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved On-Peak Capacity in any day during such week.

(5) Hourly On-Peak delivery: $7.863 per MWh of Reserved On-Peak Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly On-Peak delivery, shall not exceed the rate specified in section (4) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such week.

(6) Daily Off-Peak delivery: $89.86 per MW of Reserved Off-Peak Capacity per day. The total charge in any week, pursuant to a

reservation for Daily Off-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any day during such week.

(7) Hourly Off-Peak delivery: $3.744 per MWh of Reserved Off-Peak Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly Off-Peak delivery, shall not exceed the rate specified in section (6) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily Off-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such week.

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

(9) **Resales**: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

(10) **Exceeding Reserved Capacity**: In the event the Transmission Customer exceeds its firm reserved capacity at any Point of Receipt and/or Point of Delivery (except as otherwise specified in the Changes in Service Specifications section of this tariff), the Transmission Customer shall pay 150 percent of the Transmission Rate Schedule 7 charge for the delivery period (i.e., monthly, weekly, or daily) for which the Transmission Customer is reserving capacity for the maximum amount that the Transmission Customer exceeds its firm reserved capacity at any Point of Receipt and/or Point of Delivery. In the event that the non-firm transmission service provided to the Transmission Customer for secondary receipt and delivery points exceeds the capacity reservation under which such services are provided, the Transmission Customer shall pay 150 percent of the applicable Transmission Rate Schedule 8 transmission charge for the maximum amount that the Transmission Customer exceeds its capacity reservation.

SCHEDULE 8

Transmission Service Charge for Non-Firm Point-To-Point Transmission Service

Transmission Service requested on LES facilities after April 1, 2009 will be processed on the SPP OASIS under the SPP Regional Tariff

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

(Losses Not Supplied by Transmission Provider)

(1) **Monthly delivery**: $2,726 per MW of Reserved Capacity per month.

(2) **Weekly delivery**: $629.03 per MW of Reserved Capacity per week.

(3) Daily On-Peak delivery: $125.81 per MW of Reserved On-Peak Capacity per day. The total charge in any week, pursuant to a reservation for Daily On-Peak delivery, shall not exceed the rate specified in section (2) above times the highest amount in megawatts of Reserved On-Peak Capacity in any day during such week.

(4) Hourly On-Peak delivery: $7.863 per MWh of Reserved On-Peak Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly On-Peak delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily On-Peak delivery, shall not exceed the rate specified in section (2) above times the highest amount in megawatts of Reserved On-Peak Capacity in any hour during such week.

(5) Daily Off-Peak delivery: $89.86 per MW of Reserved Off-Peak Capacity per day. The total charge in any week, pursuant to a

reservation for Daily Off-Peak delivery, shall not exceed the rate specified in section (2) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any day during such week.

(6) Hourly Off-Peak delivery: $3.744 per MWh of Reserved Off-Peak Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly Off-Peak delivery, shall not exceed the rate specified in section (5) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily Off-Peak delivery, shall not exceed the rate specified in section (2) above times the highest amount in megawatts of Reserved Off-Peak Capacity in any hour during such week.

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

(8) **Resales**: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

(9) **Exceeding Reserved Capacity**: In the event the Transmission Customer exceeds its reserved capacity at any Point of Receipt and/or Point of Delivery the Transmission Customer shall pay 150 percent of the applicable transmission charge for the maximum amount that the Transmission Customer exceeds its capacity reservation.

SCHEDULE 9

Ancillary Service Charge for Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

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

result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

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

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

ATTACHMENT A

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

1.0 This Service Agreement, dated as of _____, is entered into, by and between Lincoln Electric System (the Transmission Provider), and _____ ("Transmission Customer") pursuant to Transmission Provider's Open Access Transmission Tariff (Tariff).

2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.

3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

4.0 Service under this agreement shall commence on the later of (l) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as mutually agreed upon by the parties.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

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

Transmission Provider:

Vice-President of Power Supply Division
Lincoln Electric System
P.O. Box 80869
Lincoln, NE 68501-0869

Transmission Customer:

_____
_____
_____
_____

7.0 The Tariff is incorporated herein and made a part hereof.
IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials.

Transmission Provider:	Transmission Customer:
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

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

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

_____

3.0 Point(s) of Receipt:_____

Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

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

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

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

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

8.1 Transmission Charge:_____
_____

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

8.3 Direct Assignment Facilities Charge:_____
_____

8.4 Ancillary Services Charges: _____
_____
_____
_____
_____
_____
_____

ATTACHMENT A-1

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

1.0 This Service Agreement, dated as of _____, is entered into, by and between Lincoln Electric System (the Transmission Provider), and _____ (the Assignee) pursuant to Transmission Provider's Open Access Transmission Tariff (Tariff).

2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.

3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.

4.0 The Transmission Provider shall credit the Reseller for the price reflected in the Assignee's Service Agreement or the associated OASIS schedule.

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

Transmission Provider:

_____
_____
_____

Assignee:

_____
_____
_____

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

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

Transmission Provider:
By: _____
Title: _____
Date: _____

Transmission Customer:
By: _____
Title: _____
Date: _____

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

1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____

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

3.0 Point(s) of Receipt:_____
Delivering Party:_____

4.0 Point(s) of Delivery:_____
Receiving Party:_____

5.0 Maximum amount of reassigned capacity: _____

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

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

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

8.1 Transmission Charge:_____
_____

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

_____
_____

8.3 Direct Assignment Facilities Charge:_____

_____

8.4 Ancillary Services Charges: _____
_____
_____
_____
_____
_____
_____

9.0 Name of Reseller of the reassigned transmission capacity:
_____

ATTACHMENT B

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

1.0 This Service Agreement, dated as of _____, is entered into, by and between Lincoln Electric System (the Transmission Provider), and _____ _____ (Transmission Customer) pursuant to Transmission Provider's Open Access Transmission Tariff (Tariff).

2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.

3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.

4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.

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

Transmission Provider:

Vice-President of Power Supply Division
Lincoln Electric System
P.O. Box 80869
Lincoln, NE 68501-0869

Transmission Customer:

_____
_____
_____

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

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

Transmission Provider:	Transmission Customer:
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

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

1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____

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

3.0 Point(s) of Receipt:_____
Delivering Party:_____

4.0 Point(s) of Delivery:_____

Receiving Party:_____

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

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

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

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

8.1 Transmission Charge:_____
_____

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

8.3 Direct Assignment Facilities Charge:_____
_____

8.4 Ancillary Services Charges: _____
_____
_____
_____
_____
_____
_____

ATTACHMENT C

Methodology To Assess Available Transfer Capability

SPP performs all assessments of Available Transfer Capability, and any such assessments related to LES will be performed by SPP pursuant to the SPP OATT.

ATTACHMENT D

Methodology for Completing a System Impact Study

Upon receipt of a valid request for Network Integration Transmission Service, the Transmission Provider will prepare a System Impact Study to determine (i) the adequacy of the Transmission System to accommodate a request for Network Integration Transmission Service and/or (ii) whether any costs would be incurred in order to provide transmission service. The methodology used will be consistent with the methodology used by the Transmission Provider to analyze its own network additions.

Factors to be considered in determining the capacity availability on Transmission Provider's transmission system will include but not be limited to:

1. Steady state power flow study results;
2. NERC and Regional Reliability Council criteria;
3. Transmission capacity of the existing system;
4. Transmission capacity of the system after the request is added;
5. Reliability requirements of Transmission Provider and Transmission Customer; and
6. Type and term of the Service requested.

The study procedure will use good Utility Practice and the engineering and operating principles, standards, guidelines and criteria of Transmission Provider, the Regional Reliability Council of which Transmission Provider is a member, any entity of which Transmission Provider is a member and is approved by the Commission to promulgate or apply regional or national planning and reliability standards (such as a region transmission group, RTG), NERC or similar organization that may exist in the future of which Transmission Provider is then a member.

In all cases, system addition(s) to the electric supply facilities shall maintain or improve Transmission Provider's Transmission System operation and reliability.

ATTACHMENT E

Index Of Point-To-Point Transmission Service Customers

Customer	Date of Service Agreement
Lincoln Electric System	

ATTACHMENT F

Service Agreement For
Network Integration Transmission Service

SERVICE AGREEMENT BETWEEN
NETWORK CUSTOMER
AND
LINCOLN ELECTRIC SYSTEM

This Service Agreement, made and entered into this _____ day of _____, 20 _____, by and between _____ _____ ("Network Customer"), a (legal/corporate description of Network Customer), and the City of Lincoln, Nebraska ("Transmission Provider"), a municipal corporation operating the Lincoln Electric System. Network Customer and Transmission Provider may be hereinafter referred to individually as "Party" and collectively as "Parties" where appropriate.

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

ARTICLE I
SCOPE OF SERVICE AGREEMENT

1.1 Availability: Transmission Provider agrees to furnish Network Integration Transmission Service to the Network Customer, and the Network Customer agrees to purchase and pay for such service, subject to the conditions of Transmission Provider's Open Access Transmission Tariff ("Tariff"), as they may be amended from time to time. The Tariff as in effect at any time is hereby incorporated by this reference and made a part of this Agreement. Nothing in this Agreement requires Transmission Provider to own or construct facilities outside its service area.

1.2 Application: The Application for Network Integration Transmission Service requested by the Network Customer and accepted by Transmission Provider for this Agreement is hereby incorporated by this reference and made a part of this Agreement.

1.3 System Impact/Facilities Studies: Study Agreements for a System Impact Study or a Facilities Study if performed for this Application are attached hereto.

1.4 Service Specifications: The Service Specifications for Network Integration Transmission Service under this Agreement as requested by the Network Customer and accepted by Transmission Provider are hereby incorporated by this reference and made a part of this Agreement.

ARTICLE II
TERM OF THE AGREEMENT

2.1 Term: Service under this Agreement shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this Agreement shall terminate on _____.

ARTICLE III
MISCELLANEOUS

3.1 Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska without giving effect to the principles of conflicts of laws. Any action at law, suit in equity, or judicial proceeding initiated by either Party arising out of this Agreement or any Transaction, not including those disputes that shall be resolved in accordance with the Tariff through arbitration, shall be instituted only in the state or federal courts in the State of Nebraska.

3.2 Notices Relating to Provisions of Service Agreement: Any notice, request, demand or statement, which may be given to or be made upon either Party by the other Party under any of the provisions of this Agreement, shall be in writing, unless it is specifically provided otherwise herein, and shall be considered delivered when the same is either (a) personally delivered to, or (b) deposited in the mail postage prepaid, and properly addressed to the Party to be served as follows:

NETWORK CUSTOMER:	**TRANSMISSION PROVIDER:**
Title: _____	Vice-President of Power Supply Division
Customer: _____	Lincoln Electric System
Address: _____	P.O. Box 80869
City/State/Zip: _____	Lincoln, NE 68501-0869

3.3 Notices of an Operating Nature: Any notice, request or demand pertaining to matters of an operating nature, which matters do not include requests for additional transmission service or modified transmission service under the Transmission Provider's transmission tariff may be served in person or by normal mail, messenger,

telephone, telegraph, facsimile transmission or orally, as circumstances dictate, to the person designated in writing by the Party as its representative for such purposes, provided that should the same not be written, confirmation thereof shall be made in writing as soon as reasonably practicable thereafter, upon request of the Party being served.

3.4 Section Headings Not to Affect Meaning: The descriptive headings of the various sections of this Agreement have been inserted for convenience of reference only and shall in no way define, modify or restrict any of the terms and provisions thereof.

3.5 Further Assurances: From time to time after the execution of this Agreement, the Parties may execute such instruments, upon the request of the other, as may be necessary or appropriate, to carry out the intent of this Agreement.

3.6 Execution Date of Agreement: The Execution Date of this Agreement shall be the date appearing at the beginning of this Agreement.

3.7 Amendments: This Agreement may be amended upon mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties and if applicable. Any regulatory filings necessitated by such amendment will be the sole responsibility of the affected Party.

3.8 Severability: In the event any of the terms, covenants or conditions of this Agreement, or any amendment hereto, or the application of any such terms, covenants or conditions shall be held invalid as to any Party or circumstance by any Court having jurisdiction, all other terms, covenants and conditions of this Agreement or any amendment hereto and their application shall not be affected thereby and shall remain in full force and effect.

3.9 Computation of Time: In computing any period of time prescribed or allowed by this Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of this period so computed shall be included unless it is a Saturday, Sunday or NERC holiday, in which event the period shall run until the end of the next business day which is neither a Saturday, Sunday or NERC holiday.

3.10 Limitation: This Agreement is not intended to and shall not create rights of any character whatsoever in favor of any persons, corporation, associations, or entity other than the Parties to this Agreement, and the obligations herein assumed are solely for the use and benefit of the Parties to this Agreement, their successors in interest or assigns.

3.11 No Dedication of Facilities: Any undertaking by one Party to the other under any provisions of this Agreement shall not constitute the dedication of the electric system, or any portion thereof, of any Party to the public or to the other Party, and it is understood and agreed that any such undertaking by any Party shall cease upon termination of this Agreement.

3.12 Interconnection with Other Systems: Nothing contained in this Agreement shall restrict or limit either Party from establishing, altering or terminating interconnection points with any entity not a party to this Agreement or amending or entering into such agreements.

3.13 No Partnerships: Notwithstanding any provisions of this Agreement to the contrary, the Parties do not intend to create hereby a joint venture, partnership, association taxable as a corporation, or other entity for the conduct of any business for profit, and any construction of this Agreement to the contrary which has an adverse tax effect on either Party shall render this Agreement null and void from its inception.

3.14 Waivers: Any waiver at any time by either Party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.

3.15 Successors and Assigns: The Tariff and this Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns.

3.16 Tariff Govern: In the event any irreconcilable difference exists between the Tariff and this Agreement, the Tariff, as amended from time to time, shall govern.

3.17 Entire Agreement: The Tariff, Specifications for Network Integration Transmission Service, and the Network Operating Agreement, all as may be amended from time to time, are incorporated herein and made a party hereof.

IN WITNESS WHEREOF, the duly authorized representatives of the Network Customer and Transmission Provider have executed this Agreement as of the date first above written.

NETWORK CUSTOMER:	**TRANSMISSION PROVIDER:**
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Term of Network Service: _____
Start Date: _____
Termination Date: _____

2.0 Description of capacity and/or energy to be transmitted by Transmission Provider across the Transmission Provider's Transmission System (including electric control area in which the transaction originates):

_____
_____
_____

3.0 Network Resources

(1) Transmission Customer Generation Owned:

Resource Capacity	Capacity Designated as Network Resource

(2) Transmission Customer Generation Purchased:

Source	Capacity
Total Network Resources:	(1) + (2) =

4.0 Network Load

(1) Transmission Customer Network Load:

Network Load	Transmission Voltage Level

(2) Member Systems Loads Designated and Network Load:

Member Systems Load	Transmission Voltage Level
Total Network Load (Estimated):	(1) + (2) =

5.0 Transmission System

(1) Transmission Customer transmission facilities:

_____

(2) Transmission Customer service and metering voltage:

_____

(3) Indication of whether the Applicant will be a Control Area, in another utility's Control Area or in Transmission Provider's:

_____

6.0 Designation of party subject to reciprocal service obligation:

_____

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

7.1 Load ratio Share of Annual Transmission Revenue Requirement
7.2 Facilities Study Charge
7.3 Direct Assignment Facilities Charge
7.4 Ancillary Service Charges
7.5 Redispatch Charges

ATTACHMENT G

Network Operating Agreement

**NETWORK OPERATING AGREEMENT BETWEEN
NETWORK CUSTOMER
AND
LINCOLN ELECTRIC SYSTEM**

This Network Operating Agreement, made and entered into this _____ day of _____, 20_____, by and between ("Network Customer"), a (legal/corporate description of Network Customer), and the City of Lincoln, Nebraska ("Transmission Provider"), a municipal corporation operating the Lincoln Electric System. Network Customer and Transmission Provider may be hereinafter referred to individually as "Party" and collectively as "Parties" where appropriate.

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

ARTICLE I
PURPOSE

1.1 Purpose: This Agreement defines the terms and conditions under which the Network Customer shall operate its facilities; the interconnections between the Parties and associated responsibilities; the operational procedures to be utilized by the Parties; and any other technical or operational requirements needed for implementation of Network Integration Transmission Service under Transmission Provider's Open Access Transmission Tariff ("Tariff"), as it may be amended from time to time. This Agreement shall require the Network Customer to plan, construct, operate and maintain its facilities and system in accordance with Good Utility Practice, which shall include, but not be limited to, all applicable guidelines of NERC and Regional Reliability Council, as they may be amended from time to time, and any generally accepted practices in the region that are consistently adhered to by Transmission Provider.

ARTICLE II
POINTS OF INTERCONNECTION

2.1 Contract Specific.

ARTICLE III

CONTROL AREA RESPONSIBILITY

3.1 Network Customer Requirements: All Network Customers must designate their operations as a Control Area Operator, a Scheduling Customer or a Non-Scheduling customer and, if applicable, shall identify its Primary Host Control Area Operator.

3.2 Control Area Operator: A Control Area Operator is a party that operates a NERC-recognized Control Area and is responsible for meeting all policies, procedures and guidelines established by NERC or one of its Regional Reliability Councils. It therefore has full authority through appropriate contracts to schedule with other Control Area Operators and act as a Host Control Area Operator (Host) for parties whose customer loads or generation reside within the Host's Control Area boundaries, or to act as a facilitator for the scheduling of energy for other parties. In no case shall the scheduled power between two Control Areas exceed the total installed capacity of owned or arranged for transmission facilities between the two Control Areas. Each Control Area Operator shall operate sufficient generating capability under automatic control to meet its obligation to continuously balance its generation and interchange schedules to its load. It shall also provide its proper contribution to interchange frequency regulation. Each Control Area Operator shall perform reactive generation scheduling, reactive device switching, transmission line switching and load shedding, if necessary to maintain system and interconnection voltages within regionally established limits.

A Host is a Control Area Operator that also serves as a facilitator to schedule energy into or out of its Control Area on behalf of other parties. It may also provide ancillary services to various parties, control jointly-owned generating units and act as a scheduling agent. A Host may require a Scheduling or Non-Scheduling Customer in its Control Area to provide reactive generation from its Network Resources, switch reactive devices or transmission lines when necessary to maintain acceptable voltage levels and if additional corrective measures are necessary, to shed load on a coordinated and not unduly discriminatory basis. Reporting of all NERC and Regional Reliability Council Control Area performance-related data is required of the Host. A Network Customer may obtain control area services from more than one Host.

A Primary Host is a Control Area Operator that facilitates scheduling and accepts responsibility for energy accounting, including inadvertent, for a Scheduling Customer.

3.3 Scheduling Customer: A Scheduling Customer is a Customer that accepts part of the Control Area responsibility. Each Scheduling Customer shall designate a Primary Host. It is desirable, but not required, that the Primary Host be a Control Area in which the Scheduling Customer has generation or load. The Scheduling Customer shall maintain a 24-hour per day operations center and shall have clear arrangements with its Primary Host as to delegation and reporting of scheduling

and other NERC and Regional Reliability Council responsibilities. Each Host may delegate appropriate responsibilities to the Scheduling Customer provided there is a clear understanding for this division of responsibility, and appropriate contractual arrangements are in place. The Scheduling Customer shall calculate generation, load and schedules at least hourly. A Scheduling Customer does not operate Automatic Generation Control (AGC) for Control Area regulation, but may provide regulation for controlling its net tie flows with its Hosts.

3.4 Non-Scheduling Customer: A Non-Scheduling Network Customer is a Customer that does not operate a Control Area or schedule energy. Each Non-Scheduling Customer must contract with a Host to facilitate energy scheduling across Control Area boundaries, as well as to meet other NERC and Regional Council requirements.

3.5 General Requirements: The general designations provided above are solely for the convenience of the Parties to this Agreement and do not absolve either party from having to meet all provisions of specific NERC and Regional Reliability Council standards, policies, and operating guides including accepted Good Utility Practices.

3.6 Designations: Transmission Provider hereby claims designation as a NERC-recognized Control Area Operator.

Customer hereby claims designation as **(Insert one: Control Area Operator, Scheduling Customer, Non-Scheduling Customer).**

If applicable, Customer hereby designates its Primary Host Control Area Operator as **(Insert name of a NERC-recognized Control Area Operator).**

Parties may change their respective designation upon written notice to the other Party, which shall provide a sufficient notification period to implement any required administrative changes.

ARTICLE IV
REDISPATCH RESPONSIBILITY

4.1 Redispatch Procedures: If the Transmission Provider determines that redispatching resources (including reductions in off-system purchases and sales) to relieve an existing or potential transmission constraint is the most effective way to ensure the reliable operation of the Transmission System, the Transmission Provider will redispatch the Transmission Provider's resources, and request the Transmission Customer to redispatch its resources, on a least-cost basis, without regard to the ownership of such resources. The Transmission Provider will apprise the Transmission

Customer of its redispatch practices and procedures, as they may be modified from time to time.

The Transmission Customer will submit verifiable cost data for its resources, which estimates the cost to the Transmission Customer of changing the generation output of its Network Resources, to the Transmission Provider. This cost data will be used, along with similar data for the Transmission Provider's resources, as the basis for least-cost dispatch. The Transmission Provider's bulk power operations personnel will keep this data confidential, and will not disclose it to the Transmission Provider's marketing personnel. If the Transmission Customer experiences changes to its costs, the Transmission Customer will submit those changes to the Transmission Provider's designated representative in its Energy Control Center. The Transmission Provider will implement least-cost redispatch consistent with its existing contractual obligations and its current practices and procedures for its own resources. The Transmission Customer shall respond immediately to requests for redispatch from the Transmission Provider's designated representative in its Energy Control Center.

The Transmission Customer may audit, at its own expense, particular redispatch events (such as the cause or necessity of the redispatch) during normal business hours following reasonable notice to the Transmission Provider. Either the Transmission Customer or the Transmission Provider may request an audit of the other Party's cost data. Any audit of cost data will be performed by an independent agent at the requesting Party's cost. Such independent agent will be a nationally recognized accounting firm and will be required to keep all cost data confidential.

Once redispatch has been implemented, the Transmission Provider will book in a separate account the redispatch cost incurred by the Transmission Provider and the Transmission Customer based on the submitted cost data. The Transmission Provider and the Transmission Customer will each bear a proportional share of the total redispatch costs based on their then current Load Ratio Shares. The redispatch charge or credit, as appropriate, will be reflected on the Transmission Customer's monthly bill.

ARTICLE V
NETWORK RESOURCES

5.1 Network Customer Requirements: Network Resources shall include all generation owned or purchased by the Network Customer except for capacity sold to third parties. The Network Customer shall maintain generating capacity reserves consistent with Regional Reliability Council guidelines. If the Network Customer's designated Network Resources are judged not to meet the Regional Reliability Council accreditation guidelines or the Network Customer's generating capacity reserves are inadequate to meet the Regional Reliability Council guidelines, the Network Customer shall pay any and all charges or penalties that the Transmission Provider incurs as a

result of the Network Customer's generating capacity shortfall.

ARTICLE VI
METERING AND RECORDS

6.1 Metering: The electric power and energy received from resources and delivered pursuant to this Tariff shall be determined from measurements taken at, or adjusted to measurements taken at, such resources and the Customer's Network Load, or from a schedule of delivered quantities. Suitable metering equipment shall include standard types of electric meters, potential and current transformers, and such other appurtenances as shall be necessary to give the instantaneous values of kilowatts and kilovars, and an automatic record of kilowatt-hours for each clock hour. When there is a possibility of flows of electricity in either direction, metering equipment shall be installed to provide metering data for each direction of flow. The specific types of metering equipment, the details of the metering arrangement and the records to be kept shall be determined by the Transmission Provider. The timing devices of all meters having such devices shall be maintained in time synchronism as closely as practicable. The meters shall be sealed and seals shall be broken only upon occasions when the meters are to be tested or adjusted.

6.2 Testing: The aforesaid metering equipment shall be tested at suitable intervals by the Party providing such equipment and its accuracy of registration shall be maintained in accordance with then current utility industry practice. On request of either Party, a special test may be made at the expense of the Party requesting such special test. Representatives of both of the Parties shall be afforded an opportunity to be present at all routine or special tests and upon occasions when any readings, for purposes of settlements, are taken from meters not bearing an automatic record.

If any test of metering equipment shall disclose any inaccuracy exceeding two percent (2%), the accounts between the Parties for service theretofore delivered pursuant to this Tariff shall be adjusted to correct for the inaccuracy disclosed over the shorter of the following two periods: (a) for the thirty (30)-day period immediately preceding the day of the test; or (b) for the period that such inaccuracy may be determined to have existed. If the metering equipment as provided hereunder at any time fails to register, the electric power and energy delivered shall be determined from the best available data.

For the purpose of checking the records of the metering equipment installed by one of the Parties as herein above provided, the other Party shall have the right to install check metering equipment at the metering points. Metering equipment so installed by one Party on the premises of the other Party, unless otherwise provided for in the Service Agreement, shall be owned and maintained by the Party installing such equipment. Upon termination of the Service Agreement under the Tariff, the Party

owning such metering equipment shall remove it from the premises of the other Party. Authorized representatives of both Parties shall have access at all reasonable business hours to the premises where the meters are located and to the records made by the meters.

6.3 Data Acquisition: Service under the Tariff shall not commence until the Network Customer and Transmission Provider have installed all metering equipment, data acquisition facilities, communication equipment and associated equipment necessary to provide the metered data at the various locations of the Network Resources and Network Loads to Transmission Provider's System Control Center in a manner comparable with Transmission Provider's technical specifications and consistent with applicable NERC and Regional Reliability Council guidelines for the reliable operation of the Transmission Provider's Transmission System.

6.4 Record-Keeping Obligations: Transmission Provider and the Network Customer shall keep such records as may be needed to afford a history of all transactions with the Network Customer under the Tariff. The originals of all such records shall be retained in accordance with applicable law. Copies shall be delivered to the other Party on request.

6.5 Supply of Data: Transmission Provider and Network Customer shall furnish to the other data available to it on such time basis as they may establish when such data are needed for settlement, operating records, or other purposes consistent with the objectives thereof. As promptly as reasonably practicable, Transmission Provider and Network Customer shall render to the other statements setting forth data from sources available to it in such detail and with such segregation as may be needed for the Transmission Service provided pursuant to the Tariff, operating records, verification of billings or settlements relating to such service.

6.6 Network Customer's Right to Examine Records: The Network Customer shall have the right, during normal business hours, to examine the accounting and other records for the last five (5) calendar years relating to its transactions under the Tariff and shall have the right to make reasonable audits and copies of such records. Such examinations shall be at the Network Customer's expense and may be conducted no more than once per year.

ARTICLE VII
OPERATING COMMITTEE

7.1 Representatives: Each Party will appoint one representative to act for it in matters pertaining to the interconnected operation of their respective electric systems and in the operating arrangements for the deliveries of power and energy herein provided for, said two representatives being hereinafter referred to collectively as the

Operating Committee. Each Party will evidence such appointment by written notice to the other Party, and by similar notice either Party may at any time change its representative on the Operating Committee. Any representative, by written notice to the other representative, may authorize an alternate to act in his/her place with respect to matters specified in such notice.

Each Party, by written notice to the other Party, may withhold or withdraw from its representative on the Operating Committee authority to act for it with respect to matters specified in such notice, provided it designates in such notice a substitute representative to act for it with respect to such matters.

7.2 Meetings: The Operating Committee shall hold a special meeting whenever a request for a meeting is made by one member of the Operating Committee. The Operating Committee shall also meet annually, at a date and place to be mutually agreed to by the members of the Operating Committee. Such meetings shall be held to coordinate transmission planning and maintenance schedules. Network Customer shall furnish to Transmission Provider on or before the date of each annual meeting a load and capability forecast for its system.

7.3 Parallel Operation: When the systems of the Parties both operate in parallel with some other system or systems, there may be periods when the actual deliveries of energy among the various systems cannot be reconciled with the deliveries by each system to each other system. In such an event it shall be the duty of the Operating Committee, in cooperation with the authorized representative or representatives of the other system or systems concerned, to reconcile such deliveries and determine the actual deliveries hereunder.

7.4 Disputes: The representatives constituting the Operating Committee shall be of equal authority, and all decisions made and directions given must be unanimous. In the event of a disagreement between members of the Operating Committee, the subject shall be referred to a designated senior representative of Transmission Provider and a senior representative of Customer for resolution on an informal basis as promptly as practical in accordance with provisions of the Tariff.

7.5 Minutes: Written minutes shall be kept of all meetings of the Operating Committee, and all decisions or agreements made by the Operating Committee shall be reduced to writing.

IN WITNESS WHEREOF, the duly authorized representatives of the Network Customer and Transmission Provider have executed this Agreement as of the date first above written.

NETWORK CUSTOMER:
By: _____
Title: _____
Date: _____

TRANSMISSION PROVIDER:
By: _____
Title: _____
Date: _____

ATTACHMENT H

Annual Transmission Revenue Requirement
For Network Integration Transmission Service

Transmission Service requested on LES facilities after April 1, 2009 will be processed on the SPP OASIS under the SPP Regional Tariff

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be $22,583,229.

2. The amount in (1) shall be effective until amended by the Transmission Provider.

3. Network Integration Transmission Service:

   Each Transmission Customer will pay a monthly demand charge based on its load ratio share times $1,881,936 (one-twelfth of the Transmission Provider's annual transmission revenue requirement). The load ratio share is based on the contribution of each Transmission Customer's network load to the Transmission Provider's total load, calculated on a rolling twelve month basis. The Transmission Customer's monthly network load is its hourly load, including any designated network load not physically interconnected with the Transmission Provider, coincident with the Transmission Provider's monthly transmission system peak.

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

Customer	Date of Service Agreement
Lincoln Electric System retail customers	NA

ATTACHMENT J

Procedures for Addressing Parallel Flows

North American Electric Reliability Council Transmission
Loading Relief ("TRL") Procedure

LES uses the SPP TLR procedure which is based on the current NERC Standard currently IRO-006-3 or its successor.

ATTACHMENT K

Transmission Planning Process

LES participates in the Southwest Power Pool (SPP) planning process.

ATTACHMENT L

Creditworthiness Procedures

I. Summary of procedure for determining the level of secured and unsecured credit

To determine the likelihood of a Transmission Customer to successfully fulfill its financial obligations related to electric transmission service provided by Lincoln Electric System (LES) under its Open Access Transmission Tariff (OATT), LES will complete a creditworthiness review that shall consist of an evaluation of the Transmission Customer's ability to meet the creditworthiness criteria set out in this Attachment. A credit review shall be completed for each Transmission Customer:

(a) before such customer initially begins service under LES's OATT;

(b) at least annually thereafter as long as the Transmission Customer continues to take service under LES' OATT; and

(c) upon the reasonable request of the Transmission Customer.

II. Creditworthiness review

A Transmission Customer that meets the following requirements shall not be required to post collateral prior to taking service under LES' OATT:

(a) The Transmission Customer is not in default of any previous financial obligations under LES' OATT; and

(b) It meets at least one of the following criteria:

(i) The Transmission Customer provides evidence that it has obtained an issuer credit rating from Moody's Investors Service of at least Baa3, Standard & Poor's of BBB- or Fitch Ratings of BBB-; or

(ii) A Transmission Customer that is a publicly-held corporation provides its most recent three fiscal years audited financial statements, its four most recent quarterly audited financial statements and other reasonably requested quantitative and qualitative

information to LES and LES determines that the Transmission Customer has demonstrated that it meets standards at least equivalent to an issuer credit rating from Standard & Poor's of BBB-; or

(iii) A Transmission Customer that is a privately-held corporation provides its most recent three fiscal years audited financial statements, its four most recent quarterly audited financial statements and other reasonable requested quantitative and qualitative information to LES and LES determines that the Transmission Customer has demonstrated that it meets standards at least equivalent to an issuer credit rating from Standard & Poor's of BBB-; or

(iv) A Transmission Customer that is a Rural Electric Cooperative (REC) provides its most recent three fiscal years audited financial statements, its four most recent quarterly audited financial statements and other reasonably requested quantitative and qualitative information to LES and LES determines that the Transmission Customer has demonstrated that it meets standards at least equivalent to an issuer credit rating from Standard & Poor's of BBB-; or

(v) A Transmission Customer that is a municipal electric utility provides its most recent three fiscal years' audited financial statements, its four most recent quarterly audited financial statements and other reasonably requested quantitative and qualitative information to LES and LES determines that the Transmission Customer has demonstrated that it meets standards at least equivalent to an issuer credit rating from Standard & Poor's of BBB-; or

(vi) The Transmission Customer has a parent company or other organization that meets the criteria set out in (a) and (b)(i), (b)(ii), (b)(iii) or (b)(iv) above, and the parent company or other organization provides a written guarantee that it will be unconditionally responsible for all financial obligations incurred by the Transmission Customer under LES' OATT.

III. Required level of security for Non-Creditworthy Customers

A Transmission Customer that does not meet the creditworthiness standards described above will not be permitted to take electric transmission service under LES' OATT unless such Transmission Customer complies with the following: Not less than one (1) business day before commencement of service the Transmission Customer shall provide a Letter of Credit or a wire transfer cash collateral deposit to LES equal to the lesser of the total expected charge for service or the total expected charge for 90 days of service. LES shall pay interest on any cash collateral received at the rates established pursuant to 18 C.F.R. 35.19a(a)(2)(iii).

IV. List of acceptable type of collateral or security

Any of the following three methods shall constitute acceptable collateral for transmission service from LES: (1) an unconditional and irrevocable Letter of Credit from a recognized financial institution naming LES as beneficiary; (2) a wire transfer cash collateral deposit to Lincoln Electric System equal to the lesser of the total expected charge for service or the total expected charge for 90 days of service, or (3) an alternative form of security proposed by the Transmission Customer and acceptable to Lincoln Electric System, and consistent with commercial practices established by the Uniform Commercial Code that protects the Transmission Provider against risk of non-payment.

V. Procedure for providing customers with reasonable notice of changes in credit levels and collateral requirements

LES will suspend electric transmission service to the Transmission Customer no less than thirty (30) days after written notice to the Transmission Customer for:

(a) Failure to pay for service rendered under LES' OATT under Article 7 of the OATT, including failure to initiate a billing dispute pursuant to Section 7.3; or

(b) Failure to maintain collateral at the required level.

LES will suspend electric transmission service to the Transmission Customer after one (1) written notice to the Transmission Customer in the event that the Transmission Customer loses creditworthy status as defined under Section II above and also fails to post collateral at the requested level under the provisions of Section III. The suspension of service shall continue for as long as the circumstances that entitle LES to suspend

service exist.

If a Transmission Customer that had failed to meet the requirements of Section II above, subsequently meets those requirements while continuing to take service under LES' OATT, within five (5) business days, LES shall return to the Transmission Customer its Letter of Credit or cash collateral.

VI. Procedure for providing customers, upon request, a written explanation for any change in credit levels or collateral requirements

If a Transmission Customer who was notified by LES of a change of either credit level or collateral required so requests of LES, LES will provide within ten (10) business days' written notice to the Transmission Customer an explanation for LES' decision regarding the change in its credit level or its collateral required by LES.

VII. Reasonable opportunity to contest determinations of credit levels or collateral requirements

If a Transmission Customer has been notified by LES that its credit level or its collateral requirement has changed, that Transmission Customer may request a second review by LES of its credit position. LES will respond to such a request within ten (10) business days, unless both parties agree to extend the time period.

VIII. Reasonable opportunity to post additional collateral, including curing any non-creditworthy determination

If a Transmission Customer that originally meets the requirements of Section II above subsequently fails to meet those requirements at any time while taking service under LES' OATT, the Transmission Customer shall have the opportunity to remedy the situation by complying with the requirements of Section III above within five (5) business days of the notification by LES that the Transmission Customer no longer meets LES' creditworthiness standards.

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ending 12/31/11

LINCOLN ELECTRIC SYSTEM

Line No.						Allocated Amount
1	GROSS REVENUE REQUIREMENT	(page 2, line 23, col. 5)				$ 23,759,542
	REVENUE CREDITS	(Note Q)	Total	Allocator		
2	Account No. 454	(page 3, line 34)	248,128	TP	0.78183	193,994
3	Account No. 456	(page 3, line 37)	1,256,433	TP	0.78183	982,318
4	Revenues from Grandfathered Interzonal Transactions		0	TP	0.78183	0
5	Revenues from service provided by the ISO at a discount		0	TP	0.78183	0
6	TOTAL REVENUE CREDITS (sum lines 2-5)					1,176,312
7	NET REVENUE REQUIREMENT for all facilities		(line 1 minus line 6)			$ 22,583,229
8	Revenue Requirements for Base Plan Funded Projects					0
9	NET REVENUE REQUIREMENT less base plan funded projects		(line 7 minus line 8)			$ 22,583,229
	DIVISOR					
10	Average of 12 coincident system peaks for requirements (RQ) service				(Note A)	596.417 MW
11	Plus 12 CP of firm bundled sales over one year not in line 10				(Note B)	0.000 MW
12	Plus 12 CP of Network Load not in line 10				(Note C)	0.000 MW
13	Less 12 CP of firm P-T-P over one year (enter negative)				(Note D)	0.000 MW
14	Plus Contract Demand of firm P-T-P over one year					94.000 MW
15	Less Contract Demand from Grandfathered Interzonal transactions over one year (enter negative)				(Note P)	0.000 MW
16	Less 12 CP or Contract Demands from service over one year provided by ISO at a discount (enter negative)					0.000 MW
17	Divisor (sum lines 10-16)					690.417 MW
18	Annual Cost ($/MW/Yr)	(line 9/ line 17)	$32,710			
19	Network & P-to-P Rate ($/MW/Mo)	(line 18/ 12)	$2,726			
			Peak Rate			Off-Peak Rate
20	Point-To-Point Rate ($/MW/Wk)	(line 18 / 52; line 18/ 52)	$629.0			$629.0
21	Point-To-Point Rate ($/MW/Day)	(line 20/ 5; line 20/ 7)	$125.8	Capped at weekly rate		$89.86
22	Point-To-Point Rate ($/MWh)	(line 21/ 16; line 21/ 24)	$7.863	Capped at weekly and daily rates		$3.744
23	FERC Annual Charge($/MWh)	(Note E)	$0.000	Short Term		$0.000 Short Term
24			$0.000	Long Term		$0.000 Long Term

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ending 12/31/11

LINCOLN ELECTRIC SYSTEM

Line No.	(1)	(2) EIA 412 Reference	(3) Company Total	(4) Allocator		(5) Transmission (Col 3 times Col 4)
	O&M					
1	Transmission	VII.8.d	11,066,717	TE	0.76178	8,430,444
2	Less Account 565		1,886,112		1.00000	1,886,112
3	A&G	VII.13.d	19,158,054	W/S	0.07892	1,511,920
4	Less FERC Annual Fees		0	W/S	0.07892	0
5	Less EPRI & Reg. Comm. Exp. & Non-safety Ad (Note F)		509,930	W/S	0.07892	40,243
5a	Plus Transmission Related Reg. Comm. Exp. (Note F)		0	TE	0.76178	0
6	Common		0	CE	0.07892	0
7	Transmission Lease Payments		0		1.00000	0
8	TOTAL O&M (sum lines 1, 3, 5a, 6, 7 less 2, 4, 5)		27,828,729			8,016,010
	DEBT SERVICE					
9	Debt Service		**46,116,095**	GP	0.14905	6,873,376
10	Amortization of premium or discount		**-3,148**	GP	0.14905	-469
12	TOTAL DEBT SERVICE (Sum lines 9 - 10)		46,112,947			6,872,906
	TAXES OTHER THAN INCOME TAXES (Note G)					
	LABOR RELATED					
13	Payroll		**2,591,610**	W/S	0.07892	204,525
14	Highway and vehicle		**120**	W/S	0.07892	9
15	PLANT RELATED					
16	Property		**680,555**	GP	0.14905	101,433
17	Gross Receipts		**0**		zero	0
18	Other		**0**	GP	0.14905	0
19	Payments in lieu of taxes		**11,299,493**	GP	0.14905	1,684,133
20	TOTAL OTHER TAXES (sum lines 13 - 19)		14,571,778			1,990,102
21	SUBTOTAL (sum lines 8, 12, 20) (O&M + DS + Taxes)		88,513,454			16,879,018
22	MARGIN REQUIREMENT (Note H)		46,164,054	GP	0.14905	6,880,524
23	REV. REQUIREMENT (sum lines 21, 23)		134,677,508			23,759,542

Formula Rate - Cash Flow | Rate Formula Template Utilizing EIA Form 412 Data | For the 12 months ending 12/31/11

LINCOLN ELECTRIC SYSTEM

SUPPORTING CALCULATIONS AND NOTES

Line No.	GROSS PLANT IN SERVICE	EIA 412 Reference	Company Total	Allocator		Transmission
1	Production	IV.6.g	576,118,386	NA		
2	Transmission	IV.7.g	232,750,593	TP	0.78183	181,971,621
3	Distribution	IV.8.g	374,504,312	NA		
4	General & Intangible	IV.9.g + IV.1.g	79,793,928	W/S	0.07892	6,297,198
5	Common		0	CE	0.07892	0
6	TOTAL GROSS PLANT (sum lines 1-5)		1,263,167,219	GP=	14.905%	188,268,819

TRANSMISSION PLANT INCLUDED IN ISO RATES

			Gross	Net
7	Total transmission plant (line 2)		232,750,593	155,795,352
8	Less transmission plant excluded from ISO rates (Note J)		50,778,972	23,370,141
9	Less transmission plant included in OATT Ancillary Services (Note K)		0	0
10	Transmission plant included in ISO rates (line 7 less lines 8 & 9)		181,971,621	132,425,211
11	Percentage of transmission plant included in ISO Rates (line 10 divided by line 7)	TP=	0.78183	

TRANSMISSION EXPENSES

12	Total transmission expenses (page 2, line 1, column 3)		11,066,717
13	Less transmission expenses included in OATT Ancillary Services (Note I)		283,767
14	Included transmission expenses (line 12 less line 13)		10,782,950
15	Percentage of transmission expenses after adjustment (line 14 divided by line 12)		0.97436
16	Percentage of transmission plant included in ISO Rates (line 11)	TP	0.78183
17	Percentage of transmission expenses included in ISO Rates (line 15 times line 16)	TE=	0.76178

WAGES & SALARY ALLOCATOR (W&S) (Note L)

		$		Allocation		
18	Production	3,292,775	0.00	0		
19	Transmission	2,840,961	0.78	2,221,151		
20	Distribution	7,483,604	0.00	0		W&S Allocator
21	Other	14,527,619	0.00	0		($ / Allocation)
22	Total (sum lines 18-21)	28,144,959		2,221,151	=	0.07892

COMMON PLANT ALLOCATOR (CE) (Note M)

		$	% Electric (line 23 / line 26)		Labor Ratio (line 22)		CE
23	Electric	1,263,167,219					
24	Gas	0	1.00000	*	0.07892	=	0.07892
25	Water	0					
26	Total (sum lines 23-25)	1,263,167,219					

	FINANCING DATA		$
27	Long Term Debt	II.33.b +II.34.b	$656,440,000
28	Debt Service		46,116,095
29	Interest on Long Term Debt	III.16.b + III.17.b Note R	28,078,230
30	Bond Principal Amortization (line 28 less line 29)		18,037,865

REVENUE CREDITS

			Load
	ACCOUNT 447 (SALES FOR RESALE)		
31	a. Bundled Non-RQ Sales for Resale	(Note N)	0
32	b. Bundled Sales for Resale included in Divisor on page 1		0
33	Total of (a)-(b)		0
34	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY) (Note O)		$248,128
	ACCOUNT 456 (OTHER ELECTRIC REVENUES)		
35	a. Transmission charges for all transmission transactions		$1,953,361
36	b. Transmission charges for all transmission transactions included in Divisor on page 1		$696,928
37	Total of (a)-(b)		$1,256,433

Formula Rate - Cash Flow

Rate Formula Template
Utilizing EIA Form 412 Data

For the 12 months ending 12/31/11

LINCOLN ELECTRIC SYSTEM

General Note: References to pages in this formulary rate are indicated as: (page#, line#, col.#)
References to data from EIA Form 412 are indicated as: x.y.z (section, line, column)

To the extent the page references to EIA Form 412 are missing, the entity will include a "Notes" section in the EIA Form 412 to provide this data.

Note Letter	
A	The utility's maximum monthly megawatt load (60-minute integration) for RQ service at time of ISO coincident monthly peaks. RQ service is service which the supplier plans to provide on an on-going basis (i.e., the supplier includes projected load for this service in its system resource planning).
B	Includes LF, IF, LU, IU service. LF means "firm service" (cannot be interrupted for economic reasons and is intended to remain reliable even under adverse conditions), and long-term (duration of at least five years); does not meet definition of RQ service. IF is "firm service" for a term longer than one but less than five years. LU is service from a designated generating unit, of a term no less than five years. LI is service from a designated generating unit for a term between one and five years. Measured at time of ISO coincident monthly peaks.
C	LF as defined above at time of ISO coincident monthly peaks.
D	LF as defined above at time of ISO coincident monthly peaks.
E	The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff, if any
F	Line 5 - EPRI Annual Membership Dues, all Regulatory Commission Expenses, and non-safety related advertising. Line 5a - Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting.
G	Includes only FICA, unemployment, highway, property, gross receipts, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere.
H	The Margin Requirement is the margin the utility uses in calculating rates applicable to its native load sales. The Margin Requirement as a percent of interest expense yields a TIER (times interest earned ratio), and the Margin Requirement as a percent of debt service is the DSR (debt service ratio), either of which may be referred to as a Margin Ratio (MR). Some utilities have MRs required by bond covenants and/or MRs that include expenses additional to interest or debt service (for example, an MR equal to a percentage of the sum of DS+O&M). The ISO will review such party's filings to assure that the MRs are consistent with those applicable to native load or required by bond covenants and utility must provide workpapers showing derivation of margin.
I	Removes dollar amount of transmission expenses included in the OATT ancillary services rates, including all of Account No. 561.
J	Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until RUS 12 balances are adjusted to reflect application of seven-factor test).
K	Removes dollar amount of transmission plant included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
L	If the utility has more employees assigned to A&G than to the sum of production, transmission, and distribution, set the W&S allocator at page 3, line 22 equal to the gross plant allocator (GP) at page 3, line 6.
M	Enter dollar amounts.
N	Line 33 must equal zero since all short-term power sales must be unbundled and the transmission component reflected in Account No. 456 and all other uses are to be included in the divisor.
O	Includes income related only to transmission facilities, such as pole attachments, rentals and special use.
P	Grandfathered agreements whose rates have been changed to eliminate or mitigate pancaking - the revenues are included in line 4 page 1 and the loads are included in line 13, page 1. Grandfathered agreements whose rates have <u>not</u> been changed to eliminate or mitigate pancaking - the revenues are not included in line 4, page 1 nor are the loads included in line 13, page 1.
Q	The revenues credited on page 1 lines 2-5 shall include only the amounts received directly (in the case of grandfathered agreements) or from the ISO (for service under this tariff) reflecting the Transmission Owner's integrated transmission facilities. They do not include revenues associated with FERC annual charges, gross receipts taxes, ancillary services, facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
R	From Reference III.17.b include only the amount from Account 430.

12/31/2011 Scheduling, System Control and Dispatch Service

FERC Form 561	$283,767	(Load Dispatch)
"Divisor" from page 1	690.417 MW	
Dollars per MW - annua	$411.01	per MW-Annually
Dollars per MW - month	$34.25	per MW-Monthly