

CHELAN COUNTY PUBLIC UTILITY DISTRICT
OPEN ACCESS TRANSMISSION TARIFF

Table of Contents

CHELAN COUNTY PUBLIC UTILITY DISTRICT	1
I. COMMON SERVICE PROVISIONS.....	9
1 DEFINITIONS.....	9
2 INITIAL ALLOCATION AND RENEWAL PROCEDURES.....	17
2.1 Initial Allocation of Available Transfer Capability:	17
2.2 Reservation Priority For Existing Firm Service Customers:	17
3 ANCILLARY SERVICES	18
4 PUBLIC WEBSITE POSTINGS	21
5 TAX EXEMPT BONDS	22
5.1 Facilities Financed by Tax Exempt Bonds:	22
5.2 Alternative Procedures for Requesting Transmission Service:	22
6 RECIPROCITY	22
7 BILLING AND PAYMENT	23
7.1 Billing Procedure:	23
7.2 Interest on Unpaid Balances:	23
7.3 Customer Default:	24
8 ACCOUNTING FOR THE TRANSMISSION PROVIDER’S USE OF THE TRANSMISSION SYSTEM	24
8.1 Transmission Revenues:	24
8.2 Study Costs and Revenues:	25
9 FORCE MAJEURE AND INDEMNIFICATION	25
9.1 Force Majeure:	25
9.2 Indemnification:	25
10 CREDITWORTHINESS.....	26
11 DISPUTE RESOLUTION PROCEDURES	26
11.1 Applicability of Section 11:.....	26
11.2 Internal Dispute Resolution Procedures:	26
11.3 External Arbitration Procedures:	26
11.4 Arbitration Decisions:	27
11.5 Costs:	27
12 [RESERVED].....	27

13	CHANGES TO THIS TARIFF BY THE TRANSMISSION PROVIDER AND TARIFF AVAILABILITY	27
13.1	Unilateral Right to Change:.....	27
13.2	Tariff Availability:	28
II.	POINT-TO-POINT TRANSMISSION SERVICE	28
14	NATURE OF FIRM POINT-TO-POINT TRANSMISSION SERVICE	28
14.1	Term:	28
14.2	Reservation Priority:.....	29
14.3	Use of the Transmission System by the Transmission Provider:	30
14.4	Service Agreements:	31
14.5	Transmission Customer Obligations for Facility Additions:.....	31
14.6	Curtailment of Firm Transmission Service:	32
14.7	Classification of Firm Transmission Service:	33
14.8	Scheduling of Firm Point-To-Point Transmission Service:.....	34
15	NATURE OF NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE	35
15.1	Term:	35
15.2	Reservation Priority:.....	35
15.3	Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:	36
15.4	Service Agreements:	37
15.5	Classification of Non-Firm Point-To-Point Transmission Service:.....	37
15.6	Scheduling of Non-Firm Point-To-Point Transmission Service:.....	37
15.7	Curtailment or Interruption of Service:	38
16	SERVICE AVAILABILITY	39
16.1	General Conditions:.....	39
16.2	Determination of Available Transfer Capability:.....	40
16.3	Initiating Service in the Absence of an Executed Service Agreement:	40
16.4	Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System or Conditional Curtailment:	40
16.5	Deferral of Service:	41
16.6	Other Transmission Service Schedules:	42
16.7	Real Power Losses:	42
17	TRANSMISSION CUSTOMER RESPONSIBILITIES.....	42
17.1	Conditions Required of Transmission Customers:.....	42
17.2	Transmission Customer Responsibility for Third-Party Arrangements:	43

18	PROCEDURES FOR ARRANGING FIRM POINT-TO-POINT TRANSMISSION SERVICE	43
18.1	Application:	43
18.2	Completed Application:	44
18.3	Deposit:	45
18.4	Notice of Deficient Application:	46
18.5	Response to a Completed Application:	46
18.6	Execution of Service Agreement:	47
18.7	Extensions for Commencement of Service:	47
19	PROCEDURES FOR ARRANGING NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE	48
19.1	Application:	48
19.2	Completed Application:	48
19.3	Reservation of Non-Firm Point-To-Point Transmission Service:	49
19.4	Determination of Available Transfer Capability:	49
20	ADDITIONAL STUDY PROCEDURES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE REQUESTS.....	50
20.1	Notice of Need for System Impact Study:.....	50
20.2	System Impact Study Agreement and Cost Reimbursement:.....	50
20.3	System Impact Study Procedures:	51
20.4	Facilities Study Procedures:	52
20.5	Facilities Study Modifications:	53
20.6	Due Diligence in Completing New Facilities:	54
20.7	Partial Interim Service:.....	54
20.8	Expedited Procedures for New Facilities:	54
21	PROCEDURES IF THE TRANSMISSION PROVIDER IS UNABLE TO COMPLETE NEW TRANSMISSION FACILITIES FOR FIRM POINT-TO- POINT TRANSMISSION SERVICE	55
21.1	Delays in Construction of New Facilities:	55
21.2	Alternatives to the Original Facility Additions:	55
21.3	Refund Obligation for Unfinished Facility Additions:.....	56
22	PROVISIONS RELATING TO TRANSMISSION CONSTRUCTION AND SERVICES ON THE SYSTEMS OF OTHER UTILITIES	56
22.1	Responsibility for Third-Party System Additions:	56
22.2	Coordination of Third-Party System Additions:	57

23	CHANGES IN SERVICE SPECIFICATIONS	57
	23.1 Modifications on a Non-Firm Basis:	57
	23.2 Modification on a Firm Basis:.....	58
24	SALE OR ASSIGNMENT OF TRANSMISSION SERVICE	59
	24.1 Procedures for Assignment or Transfer of Service:.....	59
	24.2 Limitations on Assignment or Transfer of Service:.....	59
	24.3 Information on Assignment or Transfer of Service:	60
25	METERING AND POWER FACTOR CORRECTION AT RECEIPT AND DELIVERY POINTS.....	60
	25.1 Transmission Customer Obligations:	60
	25.2 Transmission Provider Access to Metering Data:	60
	25.3 Power Factor:	61
26	COMPENSATION FOR TRANSMISSION SERVICE	61
27	STRANDED COST RECOVERY	61
28	COMPENSATION FOR NEW FACILITIES	61
	III. NETWORK INTEGRATION TRANSMISSION SERVICE	61
29	NATURE OF NETWORK INTEGRATION TRANSMISSION SERVICE.....	62
	29.1 Scope of Service:.....	62
	29.2 Transmission Provider Responsibilities:	62
	29.3 Network Integration Transmission Service:	63
	29.4 Secondary Service:	63
	29.5 Real Power Losses:	63
	29.6 Restrictions on Use of Service:	64
30	INITIATING SERVICE	64
	30.1 Condition Precedent for Receiving Service:	64
	30.2 Application Procedures:	65
	30.3 Technical Arrangements to be Completed Prior to Commencement of Service:.....	69
	30.4 Network Customer Facilities:.....	69
	30.5 Initiating Service in the Absence of an Executed Service Agreement:	69
31	NETWORK RESOURCES.....	70
	31.1 Designation of Network Resources:.....	70
	31.2 Designation of New Network Resources:	70
	31.3 Termination of Network Resources:.....	71
	31.4 Operation of Network Resources:	72

31.5 [Reserved]	73
31.6 Transmission Arrangements for Network Resources Not Physically Interconnected with the Transmission Provider:	73
31.7 Limitation on Designation of Network Resources:	73
31.8 Use of Interface Capacity by the Network Customer:.....	73
31.9 Network Customer Owned Transmission Facilities:	74
32 DESIGNATION OF NETWORK LOAD	74
32.1 Network Load:.....	74
32.2 New Network Loads Connected With the Transmission Provider:.....	74
32.3 Network Load Not Physically Interconnected with the Transmission Provider:	75
32.4 New Interconnection Points:	75
32.5 Changes in Service Requests:.....	75
32.6 Annual Load and Resource Information Updates:	76
33 ADDITIONAL STUDY PROCEDURES FOR NETWORK INTEGRATION TRANSMISSION SERVICE REQUESTS.....	76
33.1 Notice of Need for System Impact Study:.....	76
33.2 System Impact Study Agreement and Cost Reimbursement:.....	77
33.3 System Impact Study Procedures:	78
33.4 Facilities Study Procedures:	79
33.5 [Reserved]	80
34 LOAD SHEDDING AND CURTAILMENTS	80
34.1 Procedures:	80
34.2 Transmission Constraints:	80
34.3 [Reserved]	81
34.4 Curtailments of Scheduled Deliveries:	81
34.5 Allocation of Curtailments:	81
34.6 Load Shedding:.....	81
34.7 System Reliability:	81
35 RATES AND CHARGES	82
35.1 Monthly Demand Charge:	82
35.2 Determination of Network Customer's Monthly Network Load:.....	82
35.3 Determination of Transmission Provider's Monthly Transmission System Load:	83
35.4 [Reserved]	83
35.5 Stranded Cost Recovery:	83

36	OPERATING ARRANGEMENTS.....	83
36.1	Operation under the Network Operating Agreement:.....	83
36.2	Network Operating Agreement:	83
36.3	Network Operating Committee:	84
	SCHEDULE 1.....	85
	Scheduling, System Control and Dispatch Service.....	85
	SCHEDULE 2.....	86
	Reactive Supply and Voltage Control from Generation or Other Sources Service.....	86
	SCHEDULE 3.....	88
	Regulation and Frequency Response Service	88
	SCHEDULE 4.....	91
	Energy Imbalance Service.....	91
	SCHEDULE 5.....	94
	Operating Reserve - Spinning Reserve Service	94
	SCHEDULE 6.....	96
	Operating Reserve - Supplemental Reserve Service.....	96
	SCHEDULE 7.....	98
	SCHEDULE 8.....	99
	SCHEDULE 9.....	100
	ATTACHMENT A.....	103
	Form Of Service Agreement For Firm Point-To-Point Transmission Service.....	103
	ATTACHMENT A-1	106
	Form Of Service Agreement For The Resale, Reassignment, Or Transfer Of Point-To-Point Transmission Service	106
	ATTACHMENT B.....	109
	Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service.....	109
	ATTACHMENT C	111
	Methodology To Assess Available Transfer Capability	111
	ATTACHMENT D	115
	Methodology for Completing a System Impact Study.....	115
	ATTACHMENT E.....	116
	Index of Point-To-Point Transmission Service Customers	116
	ATTACHMENT F	117
	Service Agreement For Network Integration Transmission Service.....	117

ATTACHMENT G	126
Network Operating Agreement	126
ATTACHMENT H	135
Rate For Network Integration Transmission Service	135
ATTACHMENT I	136
Index of Network Integration Transmission Service Customers	136
ATTACHMENT J	137
Procedures for Addressing Parallel Flows	137
ATTACHMENT K	138
Transmission Planning Process	138
ATTACHMENT L	148
Creditworthiness Procedures.....	148
ATTACHMENT M	158
STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)...	231

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 System in accordance with Good Utility Practice.

1.3 Application:

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

1.4 Balancing Authority:

The responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

1.5 Balancing Authority Area:

The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

1.6 Commission:

The Federal Energy Regulatory Commission.

1.7 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff,

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 Direct Assignment Facilities:

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

1.11 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 Federal Power Act section 212(h), such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

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

1.12 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications that will be required to provide the requested transmission service.

1.13 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.14 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215.

1.15 Interruption:

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

1.16 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 annually on a twelve-month average basis.

1.17 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

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

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

1.19 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.

1.20 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.

1.21. Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.22 Network Load:

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

1.23 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.

1.24 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.

1.25 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 reserve sharing program.

1.26 Network Upgrades:

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

1.27 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 15.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one day to one month.

1.28 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.29 Part I:

1.30 Part II:

Tariff Sections 14 through 28 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.31 Part III:

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

1.32 Parties:

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

1.33 Point(s) of Delivery:

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

1.34 Point(s) of Receipt:

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

1.35 Point-To-Point Transmission Service:

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

1.36 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.37 Receiving Party:

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

1.38 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.39 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission 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 60-minute interval (commencing on the clock hour) basis.

1.40 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.41 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 16.3 or Section 30.5 under the Tariff.

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

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

1.43 System Condition:

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

1.44 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.

1.45 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.

1.46 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.

1.47 Transmission Provider:

Public Utility District No. 1 of Chelan County, Washington.

1.48 Transmission Provider's Monthly Transmission System Peak:

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

1.49 Transmission Service:

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

1.50 Transmission System:

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

2 INITIAL ALLOCATION AND RENEWAL PROCEDURES

2.1 Initial Allocation of Available Transfer Capability:

For purposes of determining whether existing capability on the 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 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 60-day period shall be assigned a priority pursuant to Section 14.2

2.2 Reservation Priority For Existing Firm Service Customers:

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of 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. The existing customer must continue to deliver capacity and energy from a generating resource on the Transmission System or to a load on the Transmission System (including a generating resource or load that uses the Transmission System to pseudo-tie out of the Transmission Provider's Balancing Authority Area) using the rolled over or renewed transmission service. If at the end of the contract term, the Transmission System cannot accommodate all of the requests for transmission service,

the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current rate for such service. 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. A transmission service agreement entered into prior to January 1, 2021, unless terminated or associated with a bundled power sales agreement, will not be subject to the five year/one year requirement when first converted to a Service Agreement under the Tariff.

3 ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Balancing Authority Areas affected by the transmission service. The Transmission Provider is required to provide (or offer to arrange with the local Balancing Authority 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 Balancing Authority as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Balancing Authority 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 Balancing Authority Area is required to acquire these

The Transmission Provider is required to provide (or offer to arrange with the local Balancing Authority as discussed below), to the extent it is physically feasible to do so from its resources or from resources available to it, (i) Regulation and Frequency Response, (ii) Operating Reserve - Spinning, (iii) Operating Reserve - Supplemental, and (iv) Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Balancing Authority Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

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

(i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Balancing Authority, or (iii) secure the Ancillary Services 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 Transmission Provider's public website, (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 Transmission Provider's public website, and (3) once a discount is negotiated, details must be immediately posted on the Transmission Provider's public website. 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 methodology are described in Schedule 1.

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

3.3 – Regulation and Frequency Response Service: the rates and methodology are described in Schedule 3.

3.4 – Energy Imbalance Service: the rates and methodology are described in Schedule 4.

3.5 – Operating Reserve - Spinning Reserve Service: the rates and methodology are described in Schedule 5.

3.6 – Operating Reserve - Supplemental Reserve Service: the rates and methodology are described in Schedule 6.

3.7 – Generator Imbalance Service: the rates and methodology are described in Schedule 9.

4 PUBLIC WEBSITE POSTINGS

In the event available transfer capability as posted on the Transmission Provider's public website is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 20 and 33.

The Transmission Provider shall post on its public website 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 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 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. Transmission Provider shall post scheduled outages of its transmission facilities on its public website.

5 TAX EXEMPT BONDS

5.1 Facilities Financed by Tax Exempt Bonds:

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 bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

5.2 Alternative Procedures for Requesting Transmission Service:

If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any bond(s) used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer and shall not be obligated to provide service.

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 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 daily, at a rate equal to 200 basis points above the per annum Prime Rate reported daily in the Wall Street Journal for the period beginning on the day after the due date and ending on the day of

payment, provided that such interest shall not exceed the amount permitted by law. 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 30 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. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to terminate service pursuant to this Section 7.3.

8 ACCOUNTING FOR THE TRANSMISSION PROVIDER'S USE OF THE TRANSMISSION SYSTEM

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

8.1 Transmission Revenues:

Include in the annual rate calculation schedule, the portions of revenues attributable to bundled wholesale slice or generation-based sales that are attributable to Transmission Service that would have been provided under Part II of the Tariff if the transactions were unbundled.

8.2 Study Costs and Revenues:

Include in a separate financial project, costs properly chargeable to expenses 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. Include in a separate 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. 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's Creditworthiness procedures are specified in Attachment L.

11 DISPUTE RESOLUTION PROCEDURES

11.1 Applicability of Section 11:

The provisions of Section 11 shall apply to all disputes arising under this Tariff except: (i) disputes related to the LGIP, which are addressed under Section 13.5 of the LGIP; or (ii) disputes related to the LGIA, which are addressed under Article 27 of the LGIA. Disputes regarding rate changes, rate methodology changes, or other changes to the Tariff are not disputes arising under this Tariff and are not governed by the procedures in Section 11.

11.2 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under this Tariff (except those excluded by Section 11.1) 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 30 days (or such other period as the Parties may agree upon), such dispute may be submitted to arbitration upon agreement of the parties 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 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 20 days select

a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any Party to the arbitration (except prior arbitration). The arbitrator or arbitrators shall provide each of the Parties an opportunity to be heard and, except as otherwise provided in Section 11, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Regional Transmission Group rules.

11.4 Arbitration Decisions:

Unless otherwise agreed, the arbitrator or arbitrators shall render a decision within 90 days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. An arbitrator 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 shall be final and binding upon the Parties.

11.5 Costs:

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

(A) the cost of the arbitrator chosen by the Party to sit on the three member panel and one half of the cost of the third arbitrator chosen; or

(B) one half the cost of the single arbitrator jointly chosen by the Parties.

12 [RESERVED]

13 CHANGES TO THIS TARIFF BY THE TRANSMISSION PROVIDER AND TARIFF AVAILABILITY

13.1 Unilateral Right to Change:

Notwithstanding any other provision in this Tariff or a Service Agreement, the Transmission Provider shall have the right unilaterally to make a change in rates, charges,

classification of service, or any rule, regulation, or Service Agreement related thereto. Prior to the effectiveness of any change, the Transmission Provider shall provide 60 days' notice to its customers.

13.2 Tariff Availability:

Nothing contained in this Tariff shall restrict the Transmission Provider's right unilaterally to withdraw the Tariff at any time. Except as otherwise provided in this Section 13.2, such withdrawal shall not affect existing Service Agreements for Firm Point-to-Point Transmission Service entered into under the Tariff, except no Transmission Customer will have any right to roll-over or extend a Service Agreement. Upon such withdrawal of this Tariff, all Service Agreements for Non-Firm Point-to-Point Transmission Service shall terminate immediately, except 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

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.

14 NATURE OF FIRM POINT-TO-POINT TRANSMISSION SERVICE

14.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one day and the

maximum term shall be specified in the Service Agreement.

14.2 Reservation Priority:

- (a) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has reserved service.
- (b) 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.
- (c) 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 14.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-to-Point Transmission Service. When a longer duration request preempts multiple shorter duration 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.

- (d) 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.

14.3 Use of the Transmission System by the Transmission Provider:

The Transmission Provider uses bundled wholesale transactions when making Third-Party Sales. The Transmission Provider will be subject to comparable rates, and will provide bundled service on terms and conditions (not relating to rates) that are comparable to Part II of the Tariff and not unduly discriminatory or preferential. The Transmission Provider will maintain separate tracking, pursuant to Section 8, for any use of the Transmission System to make Third-Party Sales. Additionally, the Transmission Provider has a Standards of Conduct policy regarding the independent functioning of its merchant and transmission functions.

14.4 Service Agreements:

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

14.5 Transmission Customer Obligations for Facility Additions:

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 16.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 28. Any Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

14.6 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 16.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its

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

14.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may
 - (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 23.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 23.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point 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 23. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

14.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen-minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000

kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to 20 minutes before the start of the next scheduling interval 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 and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

15 NATURE OF NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

15.1 Term:

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

15.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from 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 requests or 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 request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (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 15.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

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

The Transmission Provider uses bundled wholesale transactions when making Third-Party Sales. The Transmission Provider will be subject to comparable rates, and will provide bundled service on terms and conditions (not relating to rates) that are comparable to Part II of the Tariff and not unduly discriminatory or preferential. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Transmission System to make Third-Party Sales. Additionally, the Transmission Provider has a Standards of Conduct policy regarding the independent functioning of its merchant and transmission functions.

15.4 Service Agreements:

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

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

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of 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 scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

15.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted 20 minutes before the start of the next scheduling interval, 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 and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

15.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to curtail Non-Firm Point-To-Point Transmission Service provided under the Tariff, in whole or in part, 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 16.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the

transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions and weekly non-firm transactions will be Curtailed or Interrupted before monthly 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.

16 SERVICE AVAILABILITY

16.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on, or across its Transmission System to any Transmission Customer that has met the requirements of Section 17. If a Transmission Customer requests service that involves use of the Transmission Provider's facilities recorded on the Transmission Provider's book of accounts as distribution plant, the Transmission Provider and Transmission Customer will negotiate the rate treatment, losses, and all related terms and conditions of such service. If the Parties are unable to reach an agreement as to the losses and terms and conditions for such service the Parties shall submit all disputes related thereto to the resolution procedures of Section 11.

16.2 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 public website (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.

16.3 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 the requested Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at its published rates and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 18.3.

16.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System 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 28. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

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

16.5 Deferral of Service:

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

16.6 Other Transmission Service 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 expire or be terminated.

16.7 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 factor is 0.347%, which is recomputed by the Transmission Provider from time to time.

17 TRANSMISSION CUSTOMER RESPONSIBILITIES

17.1 Conditions Required of Transmission Customers:

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

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 10;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of 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 16.3.

17.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of 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.

18 PROCEDURES FOR ARRANGING FIRM POINT-TO-POINT TRANSMISSION SERVICE

18.1 Application:

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

Chelan PUD
Attn: Transmission Engineering Manager
P.O. Box 1231
Wenatchee, WA 98807-1231

at least 60 days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 18.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the

information listed below on the Transmission Provider's public website. Prior to implementation of the Transmission Provider's public website, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the priority of the Application.

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 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 or facilities 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;
- (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.

18.3 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, without 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 without 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, without interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the

Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 20. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, without interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service.

18.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within 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, without 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.

18.5 Response to a Completed Application:

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 16.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than 30 days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 20.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications

(including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

18.6 Execution of Service Agreement:

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than 30 days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 20 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request service under the unexecuted service agreement pursuant to Section 16.3, within 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 without interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

18.7 Extensions for Commencement of Service:

The Transmission Customer can obtain, subject to availability, up to five one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year or fraction thereof within 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 30 days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release

the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

19 PROCEDURES FOR ARRANGING NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

19.1 Application:

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

19.2 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.

- (viii) A statement indicating that, if the Eligible Customer submits to 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.

19.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than 60 days before service is to commence; requests for weekly service shall be submitted no earlier than 14 days before service is to commence, requests for daily service shall be submitted no earlier than two days 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.

19.4 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 16.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later

than the following time periods for the following terms of service (i) 30 minutes for daily service, (ii) four hours for weekly service, and (iii) two days for monthly service.

20 ADDITIONAL STUDY PROCEDURES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE REQUESTS

20.1 Notice of Need for System Impact Study:

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study 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 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 15 days. If the Eligible Customer elects not to execute the System Impact Study agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned without interest.

20.2 System Impact Study Agreement and Cost Reimbursement:

- (a) The System Impact Study agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the

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

- (b) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (c) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.2.

20.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a 60-day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year or the System Conditions during which conditional curtailment may occur, and (3) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. If the Transmission Provider possesses information indicating that any resource outside its Balancing Authority 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 15 days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request service under the unexecuted Service Agreement pursuant to Section 16.3, or the Application shall be deemed terminated and withdrawn.

7.3A Notice of Need for Environmental Review:

If the Transmission Provider determines that environmental review is required in response to a request for service, the Transmission Provider shall tender an environmental review agreement as soon as practicable. Pursuant to such agreement the Eligible Customer shall agree to reimburse the Transmission Provider for performing the environmental review. The Eligible Customer shall execute and return the environmental review agreement within 30 days of receipt or its application shall be deemed withdrawn and its deposit shall be returned without interest.

20.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within 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 15 days. If the Eligible Customer elects not to execute the Facilities Study agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned without interest. Upon receipt of an executed Facilities Study agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a 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 30 days to execute a Service Agreement or request service under the 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.

20.5 Facilities Study Modifications:

Any change in design arising from the 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.

20.6 Due Diligence in Completing New Facilities:

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

20.7 Partial Interim Service:

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

20.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible

Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an Expedited Service Agreement covering all of the above-specified items within 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 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.

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

21.1 Delays in Construction of New Facilities:

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

21.2 Alternatives to the Original Facility Additions:

When the review process of Section 21.1 determines that one or more alternatives exist to

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

21.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of 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 without interest. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

22 PROVISIONS RELATING TO TRANSMISSION CONSTRUCTION AND SERVICES ON THE SYSTEMS OF OTHER UTILITIES

22.1 Responsibility for Third-Party System Additions:

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The

Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

22.2 Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of 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 60 days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 11.

23 CHANGES IN SERVICE SPECIFICATIONS

23.1 Modifications on a Non-Firm Basis:

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

Agreement, subject to the following conditions.

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

23.2 Modification on a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 18 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.

Effective Date: 7/1/2025

24 SALE OR ASSIGNMENT OF TRANSMISSION SERVICE

24.1 Procedures for Assignment or Transfer of Service:

- (e) 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. All terms and conditions related to the sale, assignment, or transfer of rights shall be established by separate agreement between the Reseller and the Assignee. The Transmission Provider shall amend the Resellers Service Agreement to reflect its revised service level if Reseller sells, assigns, or transfers a portion of its rights.
- (f) 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. 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 14.2.

24.2 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.

24.3 Information on Assignment or Transfer of Service:

In accordance with Section 4, all sales or assignments of capacity must be conducted through or otherwise posted on the Transmission Provider's public website on or before the date the reassigned service commences and are subject to Section 24.1. Resellers may also use the Transmission Provider's public website to post transmission capacity available for resale for periods of one month or more. Transmission Provider will update these postings on a monthly basis.

25 METERING AND POWER FACTOR CORRECTION AT RECEIPT AND DELIVERY POINTS

25.1 Transmission Customer Obligations:

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

25.2 Transmission Provider Access to Metering Data:

The Transmission Provider shall have access to metering data, which may reasonably be

required to facilitate measurements and billing under the Service Agreement.

25.3 Power Factor:

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

26 COMPENSATION FOR TRANSMISSION SERVICE

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall account for its use of the Transmission System at applicable Tariff rates, pursuant to Section 8.

27 STRANDED COST RECOVERY

The Transmission Provider may recover stranded costs from the Transmission 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 procedures of this Tariff.

28 COMPENSATION FOR NEW FACILITIES

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

III. NETWORK INTEGRATION TRANSMISSION SERVICE

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.

29 NATURE OF NETWORK INTEGRATION TRANSMISSION SERVICE

29.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Balancing Authority Area and any additional load that may be designated pursuant to Section 32.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3. If a Transmission Customer requests service that involves use of the Transmission Provider's facilities recorded on the Transmission Provider's book of accounts as distribution plant, the Transmission Provider and Transmission Customer will negotiate the rate treatment, losses, and all related terms and conditions of such service. If the Parties are unable to reach an agreement as to the losses and terms and conditions for such service the Parties shall submit all disputes related thereto to the resolution procedures of Section 11.

29.2 Transmission Provider Responsibilities:

The Transmission Provider will plan, construct, operate and maintain its Transmission

System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider 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.

29.3 Network Integration Transmission Service:

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

29.4 Secondary Service:

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

29.5 Real Power Losses:

Real power losses are associated with all transmission service. The Transmission Provider

is not obligated to provide real power losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable real power loss factor is 0.347%, which is recomputed by the Transmission Provider from time to time.

29.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of 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 29.4 to facilitate a wholesale sale that does not serve a Network Load.

30 INITIATING SERVICE

30.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of 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 30.3 and 30.4, (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 30.5 apply, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.

30.2 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 public website. Prior to implementation of the Transmission Provider's public website, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. 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 or distribution voltage level, and the loads to be served from each Transmission Provider substation at the same transmission or distribution voltage level. The description should include a 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
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider's Balancing Authority 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 Balancing Authority Area 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

(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 Balancing Authority Area ties with other Balancing Authority 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 30.2(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, except for purposes of fulfilling obligations under a reserve sharing program; 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 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 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.

30.3 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.

30.4 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.

30.5 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the 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 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 Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for the requested Transmission Service subject to the Transmission Customer agreeing to: (i) compensate the Transmission Provider under its published rates and (ii) comply with the terms of this Tariff.

31 NETWORK RESOURCES

31.1 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 any portion of resources 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, except for purposes of fulfilling obligations under a reserve sharing program. 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.

31.2 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 public website by a request for modification of service pursuant to an Application under Section 30. 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, except for purposes of fulfilling obligations under a reserve sharing program. 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 30.2 of the Tariff.

31.3 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 the Transmission Provider's public website 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 the Transmission Provider's public website, 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 31.2; 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 30.2 of the Tariff.

31.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Balancing Authority Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as

specified in the Network Customer's Application pursuant to Section 30, 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 29.4. 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.

31.5 [Reserved]

31.6 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.

31.7 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.

31.8 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.

31.9 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 January 1, 2021, 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. 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.

32 DESIGNATION OF NETWORK LOAD

32.1 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.

32.2 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 33.4 and shall be charged to the Network Customer.

32.3 Network Load Not Physically Interconnected with the Transmission Provider:

This section applies to both initial designation pursuant to Section 32.1 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.

32.4 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.

32.5 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.

32.6 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 30.2(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.

33 ADDITIONAL STUDY PROCEDURES FOR NETWORK INTEGRATION TRANSMISSION SERVICE REQUESTS

33.1 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 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 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 without interest.

33.2 System Impact Study Agreement and Cost Reimbursement:

- (a) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (b) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among the Eligible Customers.
- (c) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

33.3 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 60-day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flowgate, (2) available options for installation of automatic devices to curtail service (when requested by an Eligible Customer), and (3) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. If the Transmission Provider possesses information indicating that any resource outside its Balancing Authority 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 15 days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request that the provisions of Section 30.5 apply, or the Application shall be deemed terminated and withdrawn.

5.3A Notice of Need for Environmental Review:

If the Transmission Provider determines that environmental review is required in response to a request for service, the Transmission Provider shall tender an environmental review agreement as soon as practicable. Pursuant to such agreement the Eligible Customer shall agree to reimburse the Transmission Provider for performing the environmental review. The Eligible Customer shall execute and return the environmental review agreement within 30 days of receipt or its application shall be deemed withdrawn and its deposit shall be returned without interest.

33.4 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 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 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 without interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a 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 30 days to execute a Service Agreement 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.

33.5 [Reserved]

34 LOAD SHEDDING AND CURTAILMENTS

34.1 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.

34.2 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.

34.3 [Reserved]

34.4 Curtailments of Scheduled Deliveries:

If the Transmission Provider determines that it is necessary to curtail scheduled deliveries in response to a transmission constraint on the Transmission System, 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.

34.5 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.

34.6 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.

34.7 System Reliability:

Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right to curtail Network Integration Transmission Service, consistent with Good Utility Practice and on a not unduly discriminatory basis, and 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.

35 RATES AND CHARGES

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

35.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying the twelve-month average, calculated annually, of the Network Customer's monthly Network Load computed in accordance with Section 35.2 times the rate for Network Integration Transmission Service specified in Attachment H.

35.2 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 32.3)

coincident with the Transmission Provider's Monthly Transmission System Peak.

35.3 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.

35.4 [Reserved]

35.5 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 procedures of this Tariff.

36 OPERATING ARRANGEMENTS

36.1 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.

36.2 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 remote terminal units, metering, communications equipment and

relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, 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 Balancing Authority Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its Balancing Authority Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Balancing Authority 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. 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.

36.3 Network Operating Committee:

A Network Operating 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 Network Operating Committee. The Network Operating Committee shall meet as need requires, but no less than once each calendar year.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area. This service can be provided only by the Balancing Authority 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 Balancing Authority) or indirectly by the Transmission Provider making arrangements with the Balancing Authority that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Balancing Authority. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Balancing Authority 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 Balancing Authority.

The charges for Scheduling, System Control and Dispatch Service provided by the Transmission Provider under this Tariff will be:

- 1) Yearly Delivery Charge: \$7.9660 per KW-year.
- 2) Monthly Delivery Charge: \$0.6638 per KW-month.
- 3) Weekly Delivery Charge: \$0.1532 per KW-week.
- 4) Daily Delivery Charge: \$0.0218 per KW-day.

SCHEDULE 2

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 Balancing Authority 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 Balancing Authority) or indirectly by the Transmission Provider making arrangements with the Balancing Authority that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Balancing Authority. The charges for such service will be based on the rates set forth below. To the extent the Balancing Authority 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 Balancing Authority.

For Reactive Supply and Voltage Control from Generation or Other Sources Service under

this Schedule, the Transmission Customer shall compensate the Transmission Provider each month

up to the sum of the applicable rate set forth below times the Transmission Customer's Reserved

Capacity for the Transmission Customer's Network Load for Network Integration Transmission

Service:

- 1) Yearly Delivery Charge: \$0.7292 per KW-year.
- 2) Monthly Delivery Charge: \$0.0608 per KW-month.
- 3) Weekly Delivery Charge: \$0.0140 per KW-week.
- 4) Daily Delivery Charge: \$0.0020 per KW-day

The total charge for Reactive Supply and Voltage Control from Generation Sources Service in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

SCHEDULE 3

Regulation and Frequency Response Service

Regulation and Frequency Response Service is necessary to provide for the continuous balancing of resources (generation and interchange) with load and for maintaining scheduled Interconnection frequency at sixty cycles per second (60 Hz). Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and by other non-generation resources capable of providing this service 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 Balancing Authority 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 Balancing Authority Area, or when the transmission service is used to deliver energy from a generator located within its Balancing Authority 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 Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, the Transmission Provider will share with the Transmission Customer its reasoning and any related data used to make the determination of whether the Transmission Customer has made alternative comparable arrangements. The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Balancing Authority 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 Balancing Authority.

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of Regulation and Frequency Response Service based on its characteristics:

- 1) For a Transmission Customer using transmission service to serve load within the Balancing Authority Area, an amount equal to 100 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service or 100 percent of the Transmission Customer's Network Load for Network Integration Service;
- 2) For a Transmission Customer using transmission service to deliver energy from a dispatchable generator located within the Balancing Authority Area, an amount equal to 100 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service;
- 3) For a Transmission Customer using transmission service to deliver energy from a variable energy resource located within the Balancing Authority Area, the amount will be determined based on a study of the resource that takes into account details of the specific request.

The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

For Regulation and Frequency Response Service under this Schedule, the Transmission Customer shall compensate the Transmission Provider each month up to the sum of the applicable charges set forth below:

- 1) Yearly Delivery Charge: \$3.2548/KW per year.
- 2) Monthly Delivery Charge: \$0.2712/KW per month.
- 3) Weekly Delivery Charge: \$0.0626/KW per week.
- 4) Daily Delivery Charge: \$0.0089/KW per day.

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

SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Balancing Authority Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority 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 Balancing Authority 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 Balancing Authority. 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 115 percent of incremental cost or 85 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 are determined as follows:

- For actual load greater than scheduled load, the incremental cost will be the greater of the Mid-Columbia Powerdex hourly index or zero. For deviations netted on a monthly basis, the incremental cost will be the average of the Mid-Columbia Powerdex hourly index over the month, except \$0/MWh will be substituted for the hours when the index is less than zero.
- For actual load less than scheduled load, the decremental cost will be the Mid-Columbia Powerdex hourly index. For deviations netted on a monthly basis, the decremental cost will be the average of the Mid-Columbia Powerdex hourly index over the month, except \$0/MWh will be substituted for the hours when the Transmission Provider incurs spill at any of its hydroelectric projects.

If the Mid-Columbia Powerdex hourly index is no longer published or utilized by the industry, the Transmission Provider will select another industry-recognized hourly index and notify Transmission Customer of the index to be used for all hours.

Transmission Customer is prohibited from scheduling deliveries in such a manner as to result in Persistent Deviation(s), which is scheduling in a pattern which results in deviations that occur generally or at specific times of day. If Transmission Provider, in its sole discretion, determines that Transmission Customer's schedules result in a Persistent Deviation, Transmission Provider may impose a penalty of up to the greater of \$100 per MW or 150% of the incremental cost.

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service may be provided by generating units that are on-line and loaded at less than maximum output and by non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority 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 Balancing Authority 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 Balancing Authority.

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of Reserved Capacity equal to 100 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service or 100 percent, less the customer obligation percentage for Regulation and Frequency Response Service, of the Transmission Customer's Network Load for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 100 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

For Spinning Reserve Service under this Schedule, the Transmission Customer shall compensate the Transmission Provider each month up to the sum of the applicable charges set forth below:

- 1) Yearly Delivery Charge: \$4.9794/KW per year.
- 2) Monthly Delivery Charge: \$0.4149/KW per month.
- 3) Weekly Delivery Charge: \$0.0958/KW per week.
- 4) Daily Delivery Charge: \$0.0136/KW per day.

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

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

Supplemental Reserve Service is needed to serve load in the event of a system contingency; however, it is not available immediately to serve load but rather within a short period of time. Supplemental Reserve Service may be provided by generating units that are on-line but unloaded, by quick-start generation or by interruptible load or other non-generation resources capable of providing this service. The Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority 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 Balancing Authority 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 Balancing Authority.

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of Reserved Capacity equal to 100 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service or 100 percent of the Transmission Customer's Network Load for Network Integration Transmission Service. The billing determinants for this service shall be reduced by any portion of the 100 percent purchase obligation that a Transmission Customer obtains from third parties or supplies itself.

For Supplemental Reserve Service under this Schedule, the Transmission Customer shall compensate the Transmission Provider each month up to the sum of the applicable charges set forth below:

- 1) Yearly Delivery Charge: \$3.9835/KW per year.
- 2) Monthly Delivery Charge: \$0.3320/KW per month.
- 3) Weekly Delivery Charge: \$0.0766/KW per week.
- 4) Daily Delivery Charge: \$0.0109/KW per day.

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

SCHEDULE 7

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

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

- | | |
|-----------------------------|-------------------|
| 1) Yearly Delivery Charge: | \$13.2856/KW-year |
| 2) Monthly Delivery Charge: | \$1.1071/KW-month |
| 3) Weekly Delivery Charge: | \$0.2555/KW-week |
| 4) Daily Delivery Charge: | \$0.0364/KW-day |

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

In the event that the Transmission Customer exceeds its firm reserved capacity at any Point of Receipt and/or Point of Delivery (except as otherwise specified in Section 23 of this Tariff), the Transmission Customer shall pay 150% of the Schedule 7 charge for the delivery period (i.e., yearly, 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% of the applicable Schedule 8 transmission charge for the maximum amount that the Transmission Customer exceeds its capacity reservation.

SCHEDULE 8
Non-Firm Point-To-Point Transmission Service

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

- | | |
|-----------------------------|-------------------|
| 1) Yearly Delivery Charge: | \$13.2856/KW-year |
| 2) Monthly Delivery Charge: | \$1.1071/KW-month |
| 3) Weekly Delivery Charge: | \$0.2555/KW-week |
| 4) Daily Delivery Charge: | \$0.0364/KW-day |

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

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% of the applicable transmission charge for the maximum amount that the Transmission Customer exceeds its capacity reservation.

SCHEDULE 9

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Balancing Authority Area and a delivery schedule from that generator to (1) another Balancing Authority Area or (2) a load within the Transmission Provider's Balancing Authority 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 Balancing Authority 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 Balancing Authority 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 Balancing Authority. 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 115 percent of incremental cost or 85 percent of decremental cost, except that an intermittent resource will pay 100 percent of incremental or decremental cost deviations in this band, 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. 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.

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 are determined as follows:

- For actual generation greater than scheduled generation, the incremental cost will be the greater of the Mid-Columbia Powerdex hourly index or zero. For deviations netted on a monthly basis, the incremental cost will be the average of the Mid-Columbia Powerdex hourly index over the month, except \$0/MWh will

be substituted for the hours when the index is either more or less than zero or the

Transmission Provider incurs spill at any of its hydroelectric projects.

- For actual generation less than scheduled generation, the decremental cost will be the Mid-Columbia Powerdex hourly index. For deviations netted on a monthly basis, the decremental cost will be the average of the Mid-Columbia Powerdex hourly index over the month, except \$0/MWh will be substituted for the hours when the Transmission Provider incurs spill any of its hydroelectric projects.

If the Mid-Columbia Powerdex hourly index is no longer published or utilized by the industry, the Transmission Provider will select another industry-recognized hourly index and notify Transmission Customer of the index to be used for all hours.

Transmission Customer is prohibited from scheduling deliveries in such a manner as to result in Persistent Deviation(s), which is scheduling in a pattern which results in deviations that occur generally or at specific times of day. If Transmission Provider, in its sole discretion, determines that Transmission Customer's schedules result in a Persistent Deviation, Transmission Provider may impose a penalty of up to the greater of \$100 per MW or 150% of the incremental cost.

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 Public Utility District No. 1 of Chelan County (the Transmission Provider), and _____ (“Transmission Customer”).
- 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 18.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of 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.

Chelan County PUD:

Transmission Customer:

- 7.0 Specifications for Long-Term Firm Point-To-Point Transmission Service:

- 7.1 Term of Transaction: _____

Start Date: _____

Termination Date: _____

- 7.2 Description of capacity and energy to be transmitted by Transmission Provider including the electric Balancing Authority Area in which the transaction originates.

- 7.3 Point(s) of Receipt: _____

Delivering Party: _____

- 7.4 Point(s) of Delivery: _____

Receiving Party: _____

- 7.5 Maximum amount of capacity and energy to be transmitted (Reserved Capacity):

- 7.6 Designation of party or parties subject to reciprocal service obligation:

- 7.7 Name(s) of any Intervening Systems providing transmission service:

- 7.8 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.)

7.8.1 Transmission Charge: As specified in Transmission Provider's Rate Schedules

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

7.8.3 Direct Assignment Facilities Charge:

7.8.4 Ancillary Services Charges: As specified in Transmission Provider's Rate Schedules

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

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

Public Utility District No. 1 of Chelan County, Washington:

By: _____
Name

Title: _____

Date: _____

Transmission Customer:

By: _____
Name

Title: _____

Date: _____

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 Public Utility District No. 1 of Chelan County (the Transmission Provider), and _____(the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 24.1 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 24.2 of this Tariff.
- 4.0 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.

Chelan County PUD:

Assignee:

5.0 Specifications for the Resale, Reassignment, or Transfer of Long-Term Firm Point-To-Point Transmission Service:

5.1 Term of Transaction:_____

Start Date:_____

Termination Date:_____

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

5.3 Point(s) of Receipt:_____

Delivering Party:_____

5.4 Point(s) of Delivery:_____

Receiving Party:_____

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

5.6 Designation of party or parties subject to reciprocal service obligation:

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

5.8 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.)

5.8.1 Transmission Charge: As specified in Transmission Provider's Rate Schedules

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

5.8.3 Direct Assignment Facilities Charge:

5.8.4 Ancillary Services Charges: As specified in Transmission Provider's Rate Schedules

5.9 Name of Name of Reseller of the reassigned transmission capacity:

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.

Public Utility District No. 1 of Chelan County, Washington:

By: _____
Name

Title: _____

Date: _____

Assignee:

By: _____
Name

Title: _____

Date: _____

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 Public Utility District No. 1 of Chelan County (the Transmission Provider), and _____ (“Transmission Customer”).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 19.2 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.

Chelan County PUD:

Transmission Customer:

7.0 Service under this Agreement will be subject to the Transmission Charge and Ancillary Services Charges specified in Transmission Provider's Rate Schedules. (The appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

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

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

Public Utility District No. 1 of Chelan County, Washington:

By: _____
Name

Title: _____

Date: _____

Transmission Customer:

By: _____
Name

Title: _____

Date: _____

ATTACHMENT C

Methodology To Assess Available Transfer Capability

This Attachment C contains Transmission Provider’s methodology for determination of Available Transfer Capability (ATC). (Capitalized terms not defined in the Tariff have the meanings provided by this Attachment C or as defined in the NERC Glossary of Terms.) Transmission Provider is not required to maintain an Available Transfer Capability Identification Document (ATCID) per NERC reliability standards; however, Transmission Provider has developed a methodology to assess ATC consistent with Good Utility Practice. ATC is customarily calculated in the operations timeframe (through month 13). Transmission Provider’s methodology calculates ATC for summer, winter, and spring run-off seasons in the Near-Term Transmission Planning Horizon. The District calculates only firm ATC. Transmission Provider’s ATCID is available upon request in accordance with MOD-001-1a R4 and R5.

1. Description of Mathematical Algorithm Used to Calculate Firm ATC

- 1.1. Transmission Provider uses the following equation to calculate firm ATC as provided in MOD-029-2a, R7:

Firm ATC Calculations:

Scheduling Horizon:

$$\text{ATC}_F = \text{TTC} - (\text{NL} + \text{NITS} + \text{GF} + \text{PTP} + \text{ROR})_F - \text{CBM} - \text{TRM} \\ + \text{Postbacks} + \text{Counterflows}$$

Operating Horizon:

$$\text{ATC}_F = \text{TTC} - (\text{NL} + \text{NITS} + \text{GF} + \text{PTP} + \text{ROR})_F - \text{CBM} - \text{TRM} \\ + \text{Postbacks} + \text{Counterflows}$$

Planning Horizon:

$$\text{ATC}_F = \text{TTC} - (\text{NL} + \text{NITS} + \text{GF} + \text{PTP} + \text{ROR})_F - \text{CBM} - \text{TRM} \\ + \text{Postbacks} + \text{Counterflows}$$

Where:

$$ETC_F = (NL + NITS + GF + PTP + ROR)_F$$

CBM – Capacity Benefit Margin is the amount of firm transmission capability set aside by the transmission service provider for load-serving entities, whose loads are located on that transmission service provider’s system, to enable access by the load-serving entities to generation from interconnected systems to meet generation reliability requirements. The Transmission Provider does not adjust for CBM and, as a result, the CBM adjustment is set equal to zero.

TRM – Transmission Reliability Margin is the amount of transmission transfer capability that is set aside to provide reasonable assurance that the interconnection transmission network will be secure. The Transmission Provider does not adjust for TRM and, as a result, the TRM adjustment is set equal to zero.

Postbacks – are a variable component that positively impacts based on a change in status of a Transmission Service reservation or use of reserved capacity, or other conditions that may include processing of redirects and unscheduled service. The Transmission Provider does not reflect postbacks and, as a result, the postback adjustment is set equal to zero.

Counterflows – are a variable component that positively impacts based on changes of power flowing on the system. The Transmission Provider does not adjust to reflect counterflows and, as a result, the counterflow adjustment is set equal to zero.

2. ATC Calculation Horizons and Model Development

2.1. Transmission Provider calculates ATC annually for the following seasons:

2.1.1. Summer

2.1.2. Winter

2.1.3. Spring run-off

2.2. Model development is described in the Transmission Provider's ATCID.

3. Description of How Each ATC Component is Calculated

3.1. Total Transfer Capability (TTC)

Total Transfer Capability (TTC) is the amount of electric power that can be transferred over the interconnected transmission network in a reliable manner under specified system conditions. The methodology and assumptions used to determine TTC are described in the Transmission Provider's ATCID.

3.2 Existing Transmission Commitments (ETC)

Transmission Provider uses the following equation to calculate firm ETC as provided in MOD-029-2a, R5:

$$ETC_F = NL_F + NITS_F + GF_F + PTP_F + ROR_F + OS_F$$

NL_F is the firm capacity set aside to serve peak Native Load forecast commitments for the time period being calculated, to include losses, and Native Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

$NITS_F$ is the firm capacity reserved for Network Integration Transmission Service serving Load, including losses, and Load growth, not otherwise included in Transmission Reliability Margin or Capacity Benefit Margin.

GF_F is the firm capacity set aside for grandfathered Transmission Service and contracts for energy and/or Transmission Service.

PTP_F is the firm capacity reserved for confirmed Point-to-Point Transmission Service.

ROR_F is the firm capacity reserved for Roll-Over Rights for contracts granting Transmission Customers the right of first refusal to take or continue to take Transmission Service when the Transmission Customer's Transmission Service contract expires or is eligible for renewal.

OS_F is the firm capacity reserved for any other services, contracts, or agreements not specified above using Firm Transmission Service as specified in the ATCID.

ATTACHMENT D

Methodology for Completing a System Impact Study

Transmission Provider will complete a System Impact Study (SIS) to assess the impact of a Transmission Service Request on the Transmission Provider's Transmission System. Transmission Provider will perform the assessment using the criteria and process for assessing the capability of the Transmission System as detailed in Sections 4 and 5 of Transmission Provider's then most recent FERC Form 715 submittal. In determining the level of capacity available for new requests for Point-to-Point Transmission Service, Transmission Provider may exclude, from capacity to be made available for new requests for Point-to-Point Transmission Service, that capacity needed to meet current and reasonably forecasted loads of Native Load Customers and Network Customers, existing commitments to Transmission Provider or others of Firm Point-To-Point Transmission Service and Network Integration Transmission Service, previously received pending Applications for Firm Point-To-Point Transmission Service and for Network Integration Transmission Service, and other contractual obligations existing at the time of the study. Where possible, the Transmission Provider will utilize existing studies to evaluate new or upgraded service requests.

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers

A list of Point-to-Point Transmission Service customers and Service Agreements can be found on the Transmission Provider's public website.

ATTACHMENT F

Service Agreement For Network Integration Transmission Service

This document is intended to provide basic contract provisions for a Service Agreement for Network Integration Transmission Service under the Tariff, and therefore may not contain all provisions which may be necessary in specific instances. Other provisions may be addressed in the specific agreements for each Transmission Customer requesting Network Integration Transmission Service.

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SERVICE AGREEMENT
for
NETWORK INTEGRATION TRANSMISSION SERVICE
between
<TRANSMISSION CUSTOMER>
and
PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY

<u>Section</u>	<u>Description</u>	<u>Page</u>
1.	Definitions	-
2.	Standard Provisions	-
3.	Term	-
4.	Network Integration Transmission Service	-
5.	Other Services	-
6.	Construction of Facilities	-
7.	Billing and Payments	-
8.	Miscellaneous Provisions	-

Exhibit 1: Specifications for Network Integration Transmission Service

Exhibit 2: Specifications and Charges for Ancillary Services

Exhibit 3: Network Operating Agreement

This NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT (“Service Agreement”) is made and entered into this _____ day of _____, 20____, by and between Public Utility District No. 1 of Chelan County (“Transmission Provider” and “Transmission Owner”) and <TRANSMISSION CUSTOMER> (“Transmission Customer”). Transmission Provider and Transmission Customer each may be referred to individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, Transmission Provider provides Network Integration Transmission Service over the Transmission System under its Tariff; and

<Additional recitals as necessary to provide background for Service Agreement>

NOW THEREFORE, the Parties agree as follows:

Section 1 – Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in the Tariff.

Section 2 – Standard Provisions

- 21 **Terms and Conditions and Incorporation of Tariff:** The terms and conditions under which Network Integration Transmission Service is offered and accepted are pursuant to this Service Agreement and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this Service Agreement. Transmission Provider may change the terms and conditions of the Tariff as provided in the Tariff.
- 22 **Incorporation of Exhibits:** The following exhibits are incorporated herein and made a part of this Service Agreement: Exhibit 1 (Specifications and Charges for Network Integration Transmission Service), Exhibit 2 (Specifications and Charges for Ancillary Services), and Exhibit 3 (Network Operating Agreement).
- 23 **Completed Application:** By receipt of Transmission Customer’s request for transmission service dated _____, 20____, Transmission Provider has determined that Transmission Customer has provided a Completed Application for Network Integration Transmission Service under the Tariff.

Section 3 – Term

- 3.1 **Effective Date and Filing:** This Service Agreement shall be effective on the date executed by both Parties (“Effective Date”).

- 3.2 Service Commencement Date: Service under this Service Agreement shall commence on _____, 20____, (“Service Commencement Date”).
- 3.3 Cancellation Rights: If any part of this Service Agreement must be changed as the result of a binding arbitration decision under Section 11 of the Tariff, Transmission Provider shall offer an amended Service Agreement reflecting such changes to Transmission Customer. In the event such amended Service Agreement is not executed by Transmission Customer within 21 days after it is offered by Transmission Provider, this Service Agreement shall be void and have no further force and effect.
- 3.4 Termination of Agreement: Except as provided in Section 3.3, this Service Agreement shall remain in effect through _____, 20____.

Section 4 – Network Integration Transmission Service

Beginning on the Service Commencement Date, Transmission Provider shall provide, and Transmission Customer shall take and pay for, Network Integration Transmission Service pursuant to the Tariff. Transmission Provider’s obligation to provide Network Integration Transmission Service shall be subject to Transmission Provider’s right to curtail or interrupt schedules pursuant to the Tariff. Exhibit 1 to this Service Agreement lists Transmission Customer’s designated Network Resources and Network Loads.

- 4.1 Transmission Service: Exhibit 1 to this Service Agreement and Section 35 of the Tariff describe the applicable rates and charges for Network Integration Transmission Service.
- 4.2 Direct Assignment Facilities and Low-voltage Substation and Distribution Facilities: Exhibit 1 describes the applicable rates and charges for any Direct Assignment facilities and for transfer service over any low-voltage substation and distribution facilities.
- 4.3 Power Factor Penalty Adjustment: Power delivered at each Point of Delivery shall be at a power factor greater than or equal to 0.95, leading or lagging, unless otherwise mutually agreed upon by the Parties. To compensate for deliveries made to a Point of Delivery at a power factor of less than 0.95, leading or lagging, Transmission Provider may adjust the billing demand at such Point of Delivery. Transmission Provider shall provide one month’s notice to Transmission Customer prior to applying any such penalty adjustment for the first time at a Point of Delivery. Exhibit 1 describes the methodology for a power factor penalty adjustment.

Section 5 – Other Services

Beginning on the Service Commencement Date Transmission Provider shall provide, and Transmission Customer shall take and pay for, all applicable Ancillary Services. The amounts of such services, specific terms and conditions associated with such services and the charges for such

services are listed in Exhibit 2 to this Service Agreement.

Section 6 – Construction of Facilities

Beginning on the Service Commencement Date, <no construction/construction> of new or additional Direct Assignment Facilities <and/or> Network Upgrades are required for Transmission Provider to provide Network Integration Transmission Service. Such facilities, if any, shall be specified in Exhibit 1 or in a separate Facilities Construction Agreement between the Parties.

Section 7 – Billing and Payment

Billing and payment for all services provided under this Service Agreement shall be pursuant to Section 7 of the Tariff. Bills sent to Transmission Customer shall be sent to:

Attention: < >

< >

< >

< >

All payments to Transmission Provider shall be submitted as specified on each billing invoice.

Section 8 – Miscellaneous Provisions

- 8.1 Interconnection with Other Systems: Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering, or terminating interconnection points with any entity not a party to this Service Agreement or entering into or amending agreements with such entity.
- 8.2 Future Changes or Additions: Future changes or additions that increase Transmission System capability shall not obligate Transmission Provider to provide any transmission or other services in addition to those services provided under this Service Agreement, except by separate Application pursuant to Section 30.2 of the Tariff or pursuant to Transmission Provider's responsibilities under Section 29.2 of the Tariff.
- 8.3 Waivers: Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Service Agreement shall not be considered a waiver with respect to any other default of the same or any other matter.
- 8.4 Effect of Section Headings: Section headings appearing in this Service Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Service Agreement.

8.5 Assignment: Transmission Provider may assign this Service Agreement only upon the prior written consent of Transmission Customer, except that Transmission Customer hereby consents to assignment of this Service Agreement to a successor where such successor acquires all or substantially all of Transmission Provider's electric transmission assets. Transmission Customer may request an assignment of this Service Agreement. This assignment shall include all rights and post-assignment obligations associated with this Service Agreement. Such assignment shall require mutual agreement by Transmission Provider and Transmission Customer. Transmission Provider shall not unreasonably withhold such agreement. When notice of such assignment is provided to Transmission Provider, the Parties shall work in good faith to make any necessary modifications to this Service Agreement and the Network Operating Agreement, implement metering modifications, ensure compliance with the Tariff, and make any other adjustments necessary to allow such assignment to proceed. If Transmission Provider withholds agreement to such assignment, Transmission Provider shall provide a detailed written explanation as to why it is withholding agreement and shall include a detailed list of remedies that would allow Transmission Provider to agree to such assignment. A Party requesting assignment shall provide at least six months' prior notice to the other Party. Subject to the foregoing restrictions on assignment, this Service Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties and their successors and assigns.

8.6 Notices: Any formal written notice or request made to Transmission Provider under this Service Agreement shall be directed to:

Attention: < >

< >

< >

< >

Any formal written notice or request made to Transmission Customer under this Service Agreement shall be directed to:

Attention: < >

< >

< >

< >

8.7 Notices of an Operating Nature: Any notice or request pertaining to matters of an operating or maintenance nature, or of a routine character pertaining to delivery or receipt of power, shall be given in such manner as the Parties from time to time shall arrange.

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be

Effective Date: 7/1/2025

executed in their respective names by their duly authorized representatives as of the date first noted above.

Public Utility District No. 1 of Chelan County, Washington

By: _____

Title: _____

Date: _____

<Transmission Customer>

By: _____

Title: _____

Date: _____

Exhibit 1 to Service Agreement For Network Integration Transmission Service

**SPECIFICATIONS AND CHARGES FOR
NETWORK INTEGRATION TRANSMISSION SERVICE**

Designated Network Resources

< >

Designated Network Loads

< >

Monthly Demand Charge

(Pursuant to Section 35 of the Tariff)

[Applicable to new Network Customers only]

For each month of the first contract year, through June 30th (<beginning month> through <ending month>) Transmission Provider shall calculate Transmission Customer's monthly Demand Charge using rolling average data for only those months to-date. In the invoice for monthly Demand Charges for the month of <June>, Transmission Provider shall include a billing adjustment for each of the first eleven months of the first contract year using the rolling average data for twelve months then available as of the end of <end of first contract year>. Thereafter, all calculations for Transmission Customer's monthly Demand Charge shall be made pursuant to Section 35 of the Tariff.

Monthly Charges for Direct Assignment and Low Voltage Facilities

< >

Power Factor Penalty Adjustment

Subject to the one-month notice provision contained in Section 4.3, in Transmission Provider's determination of Transmission Customer's Monthly Demand Charge and Monthly Charges for Direct Assignment and Low Voltage Facilities, Transmission Provider may adjust the monthly billing demand applicable to a Point of Delivery with a power factor of less than 0.95, leading or lagging. Such adjustment shall be made by multiplying the monthly demand by 0.95 and dividing the result by the monthly average power factor at such Point of Delivery.

Losses

(Pursuant to Section 29.5 of the Tariff)

In addition to the transmission loss factor specified in Section 29.5 of the Tariff, Transmission Provider shall specify low-voltage loss factors for applicable substation and distribution facilities at each Point of Delivery. Transmission Provider shall provide at least 30 days' prior written notice to Transmission Customer of any revision to a low-voltage loss factor, including appropriate background information supporting such revision. Any such revision to a low-voltage loss factor shall be made effective on the first day of a specified month.

[Applicable to a Transmission customer electing physical return of losses]

Transmission Customer shall return losses concurrent with its scheduled power delivered to Transmission Provider. Any deviation amounts associated with such return of losses shall be settled pursuant to the terms and conditions specified for Energy Imbalance Service.

Transmission Customer and Transmission Provider may from time-to-time agree to terms for financial settlement of losses. Any change between physical return and financial settlement of losses shall have a term of at least one year and shall be preceded by at least six months' notice, unless otherwise mutually agreed upon by the Parties.

[Applicable to a Transmission Customer electing financial settlement of losses]

Should the Transmission Customer elect to settle losses financially, the Parties shall specify terms for financial settlement of losses.

Transmission Customer and Transmission Provider may from time-to-time agree to terms for physical return of losses. Any change between financial settlement and physical return of losses shall have a term of at least one year and shall be preceded by at least six months' notice, unless otherwise mutually agreed upon by the Parties.

Exhibit 2 to Service Agreement For Network Integration Transmission Service

SPECIFICATIONS AND CHARGES FOR ANCILLARY SERVICES

Scheduling, System Control and Dispatch Service

(Pursuant to Schedule 1 of the Tariff)

< >

Reactive Supply and Voltage Control from Generation or Other Sources Service

(Pursuant to Schedule 2 of the Tariff)

< >

Regulation and Frequency Response Service

(Pursuant to Schedule 3 of the Tariff)

<Method of establishing billing determinants shall be specified >

Energy Imbalance Service

(Pursuant to Schedule 4 of the Tariff)

< >

Operating Reserve - Spinning Reserve Service

(Pursuant to Schedule 5 of the Tariff)

<Any exceptions or special conditions shall be specified>

Operating Reserve - Supplemental Reserve Service

(Pursuant to Schedule 6 of the Tariff)

<Any exceptions or special conditions shall be specified >

ATTACHMENT G

Network Operating Agreement

This document is intended to provide basic contract provisions for a Network Operating Agreement under the Tariff, and therefore may not contain all provisions which may be necessary in specific instances. Other provisions may be addressed in the specific agreements for each Transmission Customer requesting Network Integration Transmission Service.

NETWORK OPERATING AGREEMENT between <TRANSMISSION CUSTOMER> PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY

This NETWORK OPERATING AGREEMENT (“Agreement”) is attached to the Network Integration Transmission Service Agreement (“Service Agreement”) between Public Utility District No. 1 of Chelan County (“Transmission Provider”) and <Transmission Customer> (“Transmission Customer”) and incorporated therein.

Section 1 – Purpose of Network Operating Agreement

The purpose of this Agreement is to provide for terms and conditions associated with technical and operational issues necessary for the implementation of Network Integration Transmission Service under the Tariff. The Parties shall adhere to Good Utility Practice, including all applicable NERC, WECC, and NWPP reliability criteria, subject to the Agreement Limiting Liability Among Western Interconnected Systems, so long as both Transmission Provider and Transmission Customer are parties to such agreement.

Section 2 – Definitions

All capitalized terms not defined herein shall have their respective meanings as set forth in the Tariff or the Service Agreement.

- 2.1 NERC – The North American Electric Reliability Corporation, or its successor.
- 2.2 NWPP – The Northwest Power Pool, or its successor.
- 2.3 WECC – The Western Electricity Coordinating Council, or its successor.

Section 3 – Term

This Agreement shall become effective and remain effective concurrent with the term of the Service Agreement.

Section 4 – Network Operating Committee

- 4.1 **Membership** – The Network Operating Committee shall be composed of representatives from Transmission Provider, Transmission Customer, and other Network Customers of Transmission Provider.
- 4.2 **Responsibilities** – The Network Operating Committee shall meet at least once per year to:
- (i) adopt rules and procedures consistent with this Agreement and the Tariff governing operating and technical requirements necessary for implementing Network Integration Transmission Service under the Tariff;
 - (ii) review Network Resources and Network Loads on an annual basis in order to assess the adequacy of the Transmission System; and
 - (iii) obtain from Transmission Provider its operating policies, procedures, and guidelines for network interconnection and operation.
- 4.3 **General Customer Information Requirement** – When requested by Transmission Provider, Transmission Customer shall provide load forecasts, generation forecasts, schedules and any other information necessary for Transmission Provider’s calculation of available transmission capability on the Transmission System, Curtailment, Load Shedding, and congestion management procedures.

Section 5 – Interconnection Principles and Requirements

Transmission Provider and Transmission Customer are parties to the Interconnection and Operating Agreement (<reference contract number>) (“Interconnection Agreement”) providing for, among other things, the ownership, operation and maintenance of the Parties’ interconnected electric facilities. Principles and requirements associated with the interconnection of the Parties’ electric facilities shall be pursuant to the Interconnection Agreement or its successor. If at any time Transmission Provider and Transmission Customer shall fail to be parties to the Interconnection Agreement or its successor, Transmission Provider may amend this Agreement to provide for the ownership, operation and maintenance of the Parties’ interconnected electric facilities.

Section 6 – Interconnection of Network Resources

- 6.1 **Interconnection with the Transmission System** – Terms and conditions for the connection

of a Network Resource to the Transmission System shall be pursuant to the applicable Large Generation Interconnection Procedures or Small Generation Interconnection Procedures under the Tariff.

- 6.2 Interconnection with Non-Transmission Provider Facilities within Transmission Provider Balancing Authority Area – Unless otherwise agreed upon with a third party, Transmission Customer shall be responsible for all costs associated with the connection of any generation resource, to be designated a Network Resource under the Service Agreement, to non-Transmission Provider facilities within Transmission Provider’s Balancing Authority Area and/or operated in parallel with Transmission Provider’s electric system. Such costs shall include, but not be limited to, those costs associated with system protection requirements and revisions. All such interconnections shall be pursuant to Transmission Provider’s Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC, and NWPP standards or criteria and Good Utility Practice. All Network Resources shall be operated to avoid disturbances or interference with the safe and reliable operation of the Transmission System and shall be operated and maintained in accordance with NERC, WECC, and NWPP standards and criteria and Good Utility Practice.

Section 7 – Curtailment of Network Resources

- 7.1 Curtailment of Network Resources Pursuant to Section 34 of the Tariff – Consistent with Section 34 of the Tariff, Transmission Provider may direct specific operation of a Network Resource, including Curtailment, without prior notice to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. Transmission Provider may direct specific operation of a Network Resource, including Curtailment, on a planned basis with prior notice to facilitate maintenance on the Transmission System or to respond to a condition which may impair or degrade the reliability of the Transmission System.
- 7.2 Curtailment of Contract Resources – Pursuant to Section 34 of the Tariff, Transmission Provider may require the Curtailment of scheduled deliveries from contract Network Resources at a specified Point of Receipt. In the event of such Curtailment Transmission Provider shall, pursuant to Good Utility Practice and on a comparable basis with service to all other affected Network Customers and Transmission Provider’s bundled retail Native Load Customers, accept scheduled deliveries up to an amount equal to the Curtailment at any other available Point of Receipt on Transmission Provider’s system. Any Energy Imbalances outside the smallest deviation band in Schedule 4 that are incurred for the hour in which any such Curtailment is implemented shall be settled as if such Energy Imbalances are within the smallest deviation band. If no alternative Point of Receipt is available to Transmission Customer for the following hour or hours during such Curtailment, any

resulting Energy Imbalances shall continue to be settled as if they are within the smallest deviation band.

Section 8 – Scheduling

8.1 Scheduling and Schedule Revisions – Schedules for Transmission Customer’s designated Network Resources shall be submitted to Transmission Provider on the scheduling day prior to commencement of service and no later than the earlier of 10:00 a.m. or such other reasonable time that is generally accepted within the region and consistently adhered to by Transmission Provider. Schedules shall be stated in increments of one megawatt per hour. Electronic tag or schedule revisions for Network Integration Transmission Service will be permitted up to 20 minutes prior to the start of the <hour/scheduling interval> in which such scheduled power flows, subject to the scheduling requirements of this section:

- (A) Transmission Customer shall submit schedule revisions during the normal schedule revision time period ending 80 minutes prior to the start of the hour in which such scheduled power flows. For example, for the flow hour beginning at 1000 hours and ending at 1100 hours, Transmission Customer shall submit any revision to an electronic tag or schedule for such hour prior to 0840 hours. Transmission Customer may further revise such electronic tag or schedule prior to 0940 hours.
- (B) Transmission Customer shall make best efforts to ensure that its 80-minutes prior schedule revision is as accurate as possible and that any 20-minutes prior schedule revision is minimized. In determining its 80-minutes prior schedule revision, Transmission Customer shall incorporate the same load forecasting tools, including, but not limited to, assumptions, measurements, algorithms and calculations, that it uses in determining any 20-minutes prior schedule revision. Transmission Customer shall not place any bounds or restrictions on its determination of its 80-minutes prior schedule revision that will limit the accuracy or otherwise restrict its 80-minutes prior schedule revision for a given hour with respect to any such determination of its 20-minutes prior schedule revision for such hour.
- (C) If at any such time Transmission Provider determines that Transmission Customer’s 20-minutes prior schedule revisions are too large, Transmission Provider may request that the Parties meet to address the issue. In such event, Transmission Provider shall document and justify its concerns and the Parties shall work in good faith to address the issue.

8.2 Scheduling of Network Resources – <Parties shall specify specific scheduling requirements based on type of resource (identified resource vs system power), resource

location (on or off system), and scheduling type (standard, dynamic, or pseudo-tie)>.

- 8.3 Combining Schedules from Multiple Agreements – For purposes of administratively simplifying scheduling and imbalance calculation requirements, Transmission Provider may consent to the combining of schedules for multiple agreements for Network Integration Transmission Service and the Parties shall agree upon any such combination of schedules. Transmission Provider shall retain the right to require scheduling to be performed separately under separate agreements. Transmission Provider shall provide a minimum of six months' notice prior to implementing any such transition from combined schedules to separate schedules.
- 8.4 Sharing of Aggregate Schedule Information – For purposes of reliable and economic operation of Transmission Provider's Balancing Authority Area, Transmission Customer consents to Transmission Provider's transmission function passing on an aggregated sum of Transmission Customer's schedules associated with all of its borderline wheeling loads to Transmission Provider's load-serving entity and Balancing Authority function. Transmission Provider shall manage this information in accordance with Transmission Provider's Standards of Conduct policy posted on Transmission Provider's public website.

Section 9 – Metering and Communications

- 9.1 Meters and Meter Reading – <Transmission Provider/Transmission Customer> shall own and maintain all meters used to determine any billing associated with the Service Agreement. As of the Effective Date, meters at the Points of Delivery are provided by <Transmission Provider/Transmission Customer>. Meters at the Point(s) of Delivery shall be read pursuant to the Meter Reading and Meter Test Procedures outlined in Section 9.5.
- 9.2 Exchange of Metering Data – The Party owning, operating, and maintaining each meter used to determine billing associated with the Service Agreement shall provide to the other Party all hourly meter readings and any more frequent readings, if existing, from each such meter. All meter reading information for a given month shall be validated and made available to Transmission Provider in the succeeding month by 10:00 a.m. of the fifth (5th) working day of such succeeding month. All meter reading records and scheduled amounts shall be exchanged electronically between the Parties on a monthly basis. Either Party shall notify the other as soon as practicable in the event of system configuration changes or other events which may affect meter readings or access to meter reading information including, but not limited to, advance notice of planned line and substation outages and planned communications outages.
- 9.3 Use of <Transmission Provider/Transmission Customer>'s Meter Reading Information – <Pending the specific nature and associated information systems of the applicable Party's real and reactive power metering data, the Parties shall specify terms and conditions

regarding the sharing of such data>.

- 9.4 Tests of Metering Installations – Each Party shall, at its expense, test its measuring installations associated with this Agreement and the Service Agreement in accordance with the Meter Reading and Meter Test Procedures outlined in Section 9.5. The Parties may mutually agree to use a single set of meters. In the event that a single set of meters are utilized, tests of such meters shall be conducted jointly by the Parties in accordance with Section 9.5 and shall be witnessed and agreed to by representatives of each Party.

9.5 Meter Reading and Meter Test Procedures

- (A) Meter Readings – Meter readings associated with the delivery of electric power to the Point(s) of Delivery shall be the responsibility of the Party owning such meters. Electric power deliveries in any month shall be calculated on information based on meter readings, with any necessary date adjustments made by pro-rating metered amounts to the number of days in such month. In the event a recording metering device is installed, actual hourly and monthly energy deliveries shall be determined from the record developed. Each Party shall permit representatives of the other Party to inspect all of the records relating to the delivery or transmission of electric power under the Service Agreement.
- (B) Meter Testing – <Transmission Provider/Transmission Customer> shall own and maintain all meters used to determine any billing under the Service Agreement.
- (i) Transmission Provider meters shall be tested and inspected in accordance with Transmission Provider's meter testing practices. If requested by Transmission Customer, Transmission Provider shall provide copies of applicable test and calibration records and calculations. Transmission Provider shall permit representatives of Transmission Customer, and/or Transmission Customer's wholesale utility customer to be present at all times the meters are being tested. Additionally, Transmission Provider shall test any or all such meters as may reasonably be requested by Transmission Customer. Reasonable costs for such requested test shall be paid by Transmission Customer unless any of the meters are found to be inaccurate, as determined by the Transmission Provider consistent with its practices, in which case Transmission Provider shall pay for the test.
- (ii) Transmission Customer's meters shall be tested and inspected in accordance with Transmission Customer's meter testing program. If requested by Transmission Provider, Transmission Customer shall provide copies of applicable test and calibration records and calculations. Transmission Customer shall permit a representative of Transmission

Provider to be present at all times the meters are being tested. Additionally, Transmission Customer shall test any or all such meters as may reasonably be requested by Transmission Provider. Reasonable costs for such requested test shall be paid by Transmission Provider unless any of the meters are found to be inaccurate, as defined in the Transmission Customer's meter testing program, in which case Transmission Customer shall pay for the test.

- (iii) Each Party shall give reasonable notice of the time when any such test or inspection is to be made to the other Party who may have representatives present at such tests or inspections. Any component of such installations found to be defective or inaccurate shall be adjusted, repaired or replaced to provide accurate metering.

- (C) Adjustments – If any meter fails to register, or if the measurement made by such meter during a test made as provided below fails to meet the standards of such test, or if an error in meter reading occurs, adjustment shall be made correcting all measurements for the actual period during which such inaccurate measurements were made. Should any metering equipment at any time fail to register, or should registration thereof be so erratic as to be meaningless, the capacity, energy and reactive power delivered shall be determined from the best available data. If an estimate is required due to metering equipment malfunction, the method of estimating capacity, energy and reactive power delivered shall be made available and agreed upon by both Parties. The approval process shall not delay billings. Such corrected measurements shall be used to re-calculate billed amounts under the Service Agreement.

- 9.6 Metering and Communications Required for Integration of Network Resources – Unless otherwise agreed upon with a third party, Transmission Customer shall be responsible for all costs associated with the installation, operation and maintenance of any metering, communications and SCADA equipment necessary for the integration of any generation resource to be designated a Network Resource under the Service Agreement and connected to the Transmission System or within Transmission Provider's Balancing Authority Area. All such installations shall be pursuant to Transmission Provider's Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC, and NWPP standards or criteria and Good Utility Practice.

- 9.7 Metering and Communications Required for Ancillary Services – Unless otherwise agreed upon with a third party, Transmission Customer shall be responsible for all costs associated with the installation, operation, and maintenance of any metering, communications and SCADA equipment necessary for the provision of Ancillary Services by Transmission Customer or by a third party. All such installations shall be pursuant to Transmission

Provider's Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC, and NWPP standards or criteria and Good Utility Practice.

- 9.8 Installation and Use of Transmission Provider Meters – Notwithstanding any other provision in this Section 9, Transmission Provider may at any time install meters or metering equipment to make any measurements for any Point of Delivery required for any computation or determination mentioned in this Agreement or the Service Agreement. If such meters or metering equipment are so installed, such measurements shall be used thereafter in such computation or determination.
- 9.9 Real-Time Data Acquisition – For the purpose of enabling Transmission Provider to monitor the loads on the Transmission System, Transmission Provider may require the acquisition of real-time load data (megawatts and megavars) at Points of Delivery that have meters and metering equipment owned by Transmission Customer. The Parties shall facilitate such data acquisition pursuant to Good Utility Practice and Transmission Customer shall provide either of the following to Transmission Provider:
- (A) Megawatt and megavar indications from Transmission Customer's supervisory control and data acquisition (SCADA) system, if existing, in a format agreed upon by the Parties; or
 - (B) The following:
 - (i) Metering current transformers ("CTs") and potential transformers ("PTs");
 - (ii) Space in Transmission Customer's substation control house or cabinet for a Transmission Provider remote terminal unit or such other equipment that performs a comparable function ("Transmission Provider Equipment"), to be supplied by Transmission Provider;
 - (iii) Voltage and current indications from Transmission Customer's CTs and PTs to the Transmission Provider Equipment; and
 - (iv) Space for any conduit needed by Transmission Provider for its communications out of the substation.

Section 10 – Operation and Maintenance

- 10.1 Maintenance Scheduling and Continuity of Service – Transmission Provider may curtail or otherwise temporarily suspend service at the Points of Delivery:
- (A) pursuant to Section 34.7 of the Tariff; and

- (B) without prior notice of such Curtailment or temporary suspension as may be necessary due to Force Majeure pursuant to Section 9 of the Tariff. Consistent with Section 34.7 of the Tariff, Transmission Provider shall use reasonable efforts to repair the cause of any such Curtailment or temporary suspension comparable to such reasonable efforts Transmission Provider uses with respect to its bundled retail Native Load Customers.
- 10.2 Emergency Planning and Operation – Transmission Provider is responsible for planning, coordinating, and implementing emergency operation schemes applicable to the Transmission System. Examples of such schemes include NWPP programs related to underfrequency load shedding, undervoltage load shedding, and system restoration. Other schemes may be developed to meet NERC, WECC, or NWPP reliability planning and operations objectives. Transmission Customer shall:
- (A) participate in the development and implementation of such programs to facilitate system reliability and security;
 - (B) install and maintain or, in the alternative, require its wholesale utility customer served via the Service Agreement to install and maintain, any required relays, including underfrequency and undervoltage relays; and
 - (C) participate in system restoration planning.

Section 11 – Miscellaneous

- 11.1 Supremacy of Tariff – In the event of any irreconcilable difference between the Tariff and this Agreement, the language of the Tariff shall govern.
- 11.2 Notices – Any formal notice to be served, given or made in connection with this Agreement shall be in writing and shall be directed as provided in the Service Agreement. Notices of an operating nature shall be given as provided in the Service Agreement.
- 11.3 Assignment – Any assignment of this Agreement shall be pursuant to the terms of assignment in the Service Agreement.
- 11.4 Amendment – Any amendment to this Agreement shall be pursuant to the terms of amendment in the Service Agreement.

ATTACHMENT H

Rate For Network Integration Transmission Service

The rate for Network Integration Transmission Service shall be the Monthly Delivery Charge, expressed in \$/kW-month, in Schedule 7, Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service. Transmission Provider will update the rate from time to time.

ATTACHMENT I

Index of Network Integration Transmission Service Customers

A list of Network Integration Transmission Service customers and Service Agreements can be found on the Transmission Provider's public website at.

ATTACHMENT J

Procedures for Addressing Parallel Flows

The North American Electric Reliability Corporation's ("NERC") Qualified Transfer Path Unscheduled Flow Relief for the Western Electricity Coordinating Council (WECC), Reliability Standard IRO-006-WECC-2, filed by NERC in Docket No. RD14-9-000 on December 20, 2013, and approved by the Commission on May 13, 2014, and any amendments thereto, are hereby incorporated and made part of this Tariff. See www.nerc.com for the current version of the NERC's Qualified Transfer Path Unscheduled Flow Relief Procedures for WECC.

ATTACHMENT K

Transmission Planning Process

Section 1. Definitions

The following terms have the following definitions when used in this Attachment K. Other initially capitalized terms used in this Attachment K shall have the meanings set forth in the Tariff.

Chelan PUD Plan means Transmission Provider’s plan that identifies planned new transmission facilities and facility replacements or upgrades for the Transmission System.

Confidential Information means all information, regardless of the manner in which it is furnished, marked as “Confidential Information” at the time of its furnishing; *provided that* Confidential Information shall not include information: (i) in the public domain or generally available or known to the public; (ii) disclosed to a recipient by a Person who had a legal right to do so; (iii) independently developed by the receiving party or known to such party prior to its disclosure to Transmission Provider in connection with its local transmission planning process, or to NorthernGrid in connection with the regional transmission planning process; (iv) normally disclosed by entities in the Western Interconnection without limitation; (v) disclosed in aggregate form where specific identifying information is unidentifiable; or (vi) required to be disclosed by subpoena, law, or other directive of a court, administrative agency, or arbitration panel.

Critical Energy Infrastructure Information or **CEII** means information as defined in 18 C.F.R. § 388.113(c), as may be amended from time to time.

Material Adverse Impact means one or more significant and verifiable adverse impacts on any electrically interconnected transmission system that needs to be mitigated if it reduces the transfer capability of existing transmission facilities.

NorthernGrid means the association described in Part C of this Attachment K.

Person means an individual, corporation, cooperative corporation, municipal corporation, quasi-municipal corporation, joint operating entity, limited liability company, mutual association, partnership, limited partnership, limited liability partnership, association, joint stock company, trust, unincorporated organization, government entity or political subdivision thereof (including a federal power marketing administration), tribes, or organization recognized as a legal entity by law in the United States or Canada.

Planning Cycle means each two-year period beginning on January 1 of even numbered years and ending on December 31 of odd numbered years, undertaken by NorthernGrid, to create a regional transmission plan.

Public Policy Requirement means any applicable requirement established through one or more enacted statutes or regulations promulgated by a local, state, or federal governmental authority.

WECC means the Western Electricity Coordinating Council or any successor entity.

Western Interconnection refers to the western interconnected electric grid in North America. It spans 14 western states in the United States, the Canadian provinces of British Columbia and Alberta, and the northern portion of Baja California in Mexico.

Section 2. Local Transmission Planning Process

2.1 Development and Update of Chelan PUD Plan

Transmission Provider shall prepare one local transmission plan—the Chelan PUD Plan—during each two-year study cycle. Transmission Provider shall prepare the Chelan PUD Plan in year one and provide any necessary updates to the Chelan PUD Plan in year two. The Chelan PUD Plan will identify transmission needs over the ensuing ten-year planning horizon and potential solutions to those needs.

2.2 Chelan PUD Plan Availability

The main body of the Chelan PUD Plan will be made publicly available and posted on Transmission Provider’s public website. However, Critical Energy Infrastructure Information (CEII) may be included in an appendix to the Chelan PUD Plan, and disclosure of any such CEII by Transmission Provider shall be subject to the provisions in Attachment K Section 2.8 “Confidential Information and CEII”.

2.3 Integrated Resource Planning

The Transmission Provider’s state planning group is to take the Chelan PUD Plan into consideration, to the extent required by state law, when preparing its next state-required integrated resource plan and, as appropriate, when preparing studies.

2.4 Reliability Studies

Transmission Provider will perform or cause to be performed reliability studies with respect to the Transmission System to assess whether applicable North American Electric Reliability Corporation, WECC, and local reliability standards are met for the ten-year planning horizon.

2.5 Planning Study Methodology

The Chelan PUD Plan will be based on seasonally-based reliability studies that include load flow, short circuit, and stability analyses. The primary data source for the analyses will be WECC base case data. Base case software analysis will be performed using software commonly accepted in the industry.

2.5.1 Identification of Needs

The factors considered when selecting local transmission needs (including those driven by Public Policy Requirements) for analysis in developing the Chelan PUD Plan shall include the following:

- a. the level and form of support for addressing the potential local transmission need (such as indications of willingness to purchase capacity and existing transmission service requests that could use capacity consistent with solutions that would address the potential local transmission need);
- b. the feasibility of addressing the potential local transmission need;
- c. the extent, if any, that addressing the potential local transmission need would also address other potential transmission needs; and,
- d. the factual basis supporting the potential local transmission need.

No single factor shall necessarily be determinative in selecting any potential local transmission need for analysis in developing the Chelan PUD Plan.

With respect to identified local transmission needs driven by Public Policy Requirements, if any, Transmission Provider will post on its public website an explanation of which of such needs will be evaluated in Transmission Provider's local transmission planning

process or an explanation of why any of such needs will not be evaluated in the local transmission planning process.

2.5.2 Identification of Solutions

Transmission Provider will identify solutions to the local transmission needs. The factors considered when selecting solutions to the local transmission needs in the Chelan PUD Plan shall include the following:

- a. sponsorship and degree of development of proposed solution;
- b. feasibility;
- c. coordination with any affected transmission system;
- d. economics;
- e. effectiveness of performance of wired, non-wired and/or a combination of wired and non-wired solutions;
- f. satisfaction of identified local transmission needs, including those driven by Public Policy Requirements and including the extent to which the proposed solution satisfies multiple identified local transmission needs;
- g. mitigation of any Material Adverse Impacts on any transmission system;
- h. consistency with applicable state, regional, and federal planning requirements and regulations; and,
- i. consistency with such additional criteria as are then accepted or developed by Transmission Provider.

No single factor shall necessarily be determinative in evaluating proposed solutions in developing the Chelan PUD Plan.

Additional information regarding Transmission Provider’s planning study methodology and guidelines will be posted from time-to-time on its public website.

2.6 Formatting of Chelan PUD Plan; Contact Person

- a. The Chelan PUD Plan shall be written, as feasible, in a non-technical manner.

Technical studies may be included in the appendices of the Chelan PUD Plan to support the findings of the local planning process, subject to CEII restrictions.
- b. The Chelan PUD Plan shall include a point of contact for the Transmission Provider to answer questions, subject to CEII restrictions, related to modeling criteria, assumptions and the data underlying the results and proposed projects included in the Chelan PUD Plan.

2.7 Attachment K Planning Costs

Transmission Provider will not provide reimbursement of any costs incurred by any Persons participating in the planning processes under this Attachment K. Except as may be otherwise provided in this Attachment K, the Transmission Provider’s costs associated with the Attachment K processes, including Transmission Provider’s share of the NorthernGrid planning costs, will be subject to recovery in Transmission Provider’s rates.

2.8 Confidential Information and CEII

2.8.1 WECC Proprietary, Confidential and Sensitive Information

Transmission Provider’s transmission planning studies may include base case data that are WECC proprietary data and the sharing of certain WECC data will need to adhere to the WECC Information Sharing Policy as amended from time-to-time. A Requestor must demonstrate to Transmission Provider’s satisfaction that it has received written

permission from WECC for Transmission Provider to disclose WECC proprietary data, such as base case data, to Requestor.

2.8.2 RC West Data

Transmission Provider's may possess confidential information as defined in the California Independent System Operator Reliability Coordinator Services Agreement as updated from time-to-time (the "RC Agreement"), which is accessible in accordance with the terms of the RC Agreement. A Requestor must demonstrate to Transmission Provider's satisfaction that it has received written permission from the California Independent System Operator for Transmission Provider to disclose confidential California Independent System Operator Reliability Coordinator Services Agreement information to Requestor.

2.8.3 Confidential Data and CEII Data Requests

A Requester may request CEII, confidential, or proprietary information using the procedures set forth below. As used in these procedures, CEII has the meaning given to such term in 18 C.F.R 388.113, as such term may be amended from time to time, and interpreted by Transmission Provider. Confidential and proprietary information are information designated as such by Transmission Provider.

- a. Only an individual may request information ("Requesters"). Requests may not be made on behalf of groups, organizations, businesses, or the like.
- b. Requester shall concurrently deliver fully executed originals of the General Critical Energy Infrastructure Information and Confidential Information Request Form and General CEII and Confidential Information Nondisclosure and

Confidentiality Agreement (“NDA”) to Transmission Provider at the following
address:

Chelan PUD
Attn: Transmission Engineering Manager
P.O. Box 1231
Wenatchee, WA 98807-1231

- c. To the fullest extent practicable, Requester will provide specific, detailed information in the General Critical Energy Infrastructure Information and Confidential Information Request Form to facilitate Transmission Provider’s efficient review of the request. If Transmission Provider accepts Requester’s application, the General Critical Energy Infrastructure Information and Confidential Information Request Form will become part of Requester’s NDA pursuant to the terms of the NDA.
- d. As part of the application, Requester must show to Transmission Provider’s satisfaction and approval that the Requester has a legitimate interest in and legitimate need for the requested information from Transmission Provider.
- e. If the request is for materials proprietary to the WECC (such as base case data), NorthernGrid, or any other entity, Requester must also attach to the request proof of agreement to any nondisclosure agreements or other agreements required by such entities.
- f. Transmission Provider will make a determination of whether it considers the requested information to be CEII or otherwise confidential and whether to comply with the request or deny the request in whole or in part. Transmission Provider’s determination on whether to grant a request is based upon, among

other factors

Transmission Provider deems relevant at the time of the request, the Requester's legitimate need for the information, the extent to which the Requester intends to use the information, the Requester's technical ability to make use of the information, to whom the Requester intends to share the information, and Transmission Provider's belief in the extent to which the Requester is willing and capable of complying with the NDA.

- g. Transmission Provider will notify the Requester within 20 working days after Transmission Provider's receipt via postal service of the request of its determination. If Transmission Provider determines that the Requester is eligible to and should receive the requested information, Transmission Provider will determine what additional conditions beyond the NDA, if any, to place on the release of the information and may forward a supplemental nondisclosure form to the Requester for execution.

2.9 Dispute Resolution

Procedural and substantive disputes related to Attachment K shall be initiated and addressed in accordance with Section 11 of the Tariff ("Dispute Resolution Procedures").

Section 3. NorthernGrid's Enrolled Region Transmission Planning Process

NorthernGrid is an unincorporated association of entities that either own or operate, or that propose to own or operate, electric transmission facilities in the Western Interconnection.

NorthernGrid promotes coordinated, open, and transparent transmission planning. NorthernGrid also facilitates compliance with certain Commission transmission planning directives for the parties enrolled in NorthernGrid's regional transmission planning process. Transmission

Provider participates in NorthernGrid's transmission planning processes, including sharing the Chelan PUD Plan with NorthernGrid.

NorthernGrid is to develop a regional transmission plan each Planning Cycle. Each Planning Cycle considers a ten-year planning horizon to commence on the first day of that Planning Cycle. The regional transmission plan is not intended to be a construction plan; however, the regional transmission plan is intended to provide insight and information regarding regional transmission planning.

Transmission Provider is a member of NorthernGrid but is enrolled in NorthernGrid's regional transmission planning process. Transmission Provider does not participate in NorthernGrid's Enrolled Region or Interregional processes. Descriptions of NorthernGrid's Enrolled Region and Interregional processes can be found on NorthernGrid's website at www.northerngrid.net.

ATTACHMENT L

Creditworthiness Procedures

To determine the ability of the Transmission Customer to meet its obligations related to Transmission Service, the Transmission Provider will employ the following credit procedures:

(1) Credit Application – Prior to a Transmission Customer or potential Transmission Customer receiving Transmission Service, the Transmission Customer must submit a credit application in the form of Appendix 1. This credit application, along with other data described in this section, will form the basis for determining the Transmission Customer’s financial creditworthiness. Transmission Provider and the Transmission Customer will estimate the Transmission Customer’s total Transmission Service charges for a three-month period. If Transmission Provider determines that the Transmission Customer’s (or its Guarantor’s) financial creditworthiness is sufficient to support it, Transmission Provider will extend unsecured credit to the Transmission Customer for up to three months of Transmission Service charges. An acceptable corporate guaranty is an irrevocable and unconditional corporate guaranty obtained from a parent or an affiliate of the Transmission Customer (“Guarantor”) guaranteeing the full and prompt payment of all amounts payable by the Transmission Customer under the Service Agreements. The Guarantor must meet the same creditworthiness requirements imposed on the Transmission Customer. The corporate guaranty must clearly state the identity of the Guarantor; the relationship between the Guarantor and the Transmission Customer; and must name Transmission Provider as the beneficiary. The corporate guaranty must be duly authorized by the Guarantor, must be signed by an officer of the Guarantor, and must be accompanied by an executed and sealed Secretary’s Certificate stating that the Guarantor is duly authorized to provide such guaranty and the person signing the corporate guaranty is duly authorized. If the Transmission Customer’s (or its

Guarantor's) financial creditworthiness is insufficient to support an extension of credit for the three months of charges, a lesser amount of credit may be extended, and the Transmission Customer will need to either make prepayments, increase settlement frequency, or post Performance Assurance in form acceptable to the Transmission Provider. If Transmission Provider determines that it is not able to support any extension of credit, the Transmission Provider will require the Transmission Customer to provide Performance Assurance equal to three months of Transmission Service charges. The Transmission Customer must provide requested Performance Assurance by the later of either (i) the last Business Day before Transmission Service begins or (ii) the fifth Business Day after Transmission Provider requests the Performance Assurance from the Transmission Customer.

(2) Other Requirements – In addition to the credit application, a Transmission Customer must submit both quantitative and qualitative data to support Transmission Provider's financial creditworthiness analysis. Transmission Customers must provide financial statements as well as any related information that Transmission Provider requests within ten Business Days of such request. The data submitted must demonstrate the Transmission Customer's ability to meet its payment obligations to Transmission Provider ("Obligations") on an unsecured basis or, prior to receiving or continuing to receive Transmission Service, Transmission Provider will require the Transmission Customer to provide Performance Assurance. A Transmission Customer that provides Performance Assurance may still be required to provide financial statements and other information. In determining if unsecured credit will be extended, and in what amount, Transmission Provider will consider rating agency reports; financial conditions as demonstrated by the Transmission Customer's (or its Guarantor's) financial statements and related information;

information obtained in the creditworthiness due diligence process.

(a) Rating Agency Reports – A Transmission Customer is sufficiently creditworthy to take or continue taking Transmission Service without furnishing additional Performance Assurance if the Transmission Customer's (or its Guarantor's) corporate Senior Unsecured Debt Rating or Long Term Issuer Credit Rating is a minimum of "BBB-" by Standard and Poor's or Fitch; or is rated a minimum "Baa3" by Moody's. If a Transmission Customer's (or its Guarantor's) debt is not rated by any rating agency, the Transmission Customer may still be extended unsecured credit following a financial analysis coupled with a satisfactory payment history to Transmission Provider or another utility, or a demonstrated and consistent record of compliance with the terms of the Service Agreement and the Tariff.

(b) Financial Statements and Related Information – Each Transmission Customer must submit audited or otherwise acceptable financial statements for itself or its Guarantor for at least the immediately preceding three fiscal years, or the period of the Transmission Customer's existence, if shorter. Additionally, each Transmission Customer may be asked to submit current fiscal year interim un-audited financial statements for itself or its Guarantor, if available. The information should include the following:

(i) if publicly traded:

1. Annual and quarterly reports on Form 10-K and Form 10-Q, respectively
2. Form 8-K reports, if any.

1. Management’s discussion and analysis
2. Report of independent accountants
3. Audited Financial statements, including:
 - balance sheet
 - income statement
 - statement of cash flows
 - statement of stockholders’ equity
4. Notes to financial statements

(c) References – Each Transmission Customer must provide bank and utility credit references. If the Transmission Customer does not have utility references, trade-payable vendor references may be substituted.

(d) Litigation, Commitments, and Contingencies – Each Transmission Customer is required to provide information about any known or anticipated material litigation, commitments, or contingencies, as well as any prior bankruptcy declarations or material defalcations by the Transmission Customers or its predecessors.

(e) Ongoing Financial Review – On an ongoing basis, Transmission Customer is required to submit its (or its Guarantor’s) current rating agency report and recent financial statements, 10-Ks, 10-Qs, and 8-Ks, promptly upon their issuance. In addition, each Transmission Customer must inform Transmission Provider, in writing, within five Business Days of any material change in its financial condition. A material change in financial condition may include, but is not limited to, the following:

- change in ownership by way of a merger, acquisition, or substantial sale of assets
- a downgrade of long- or short-term debt rating by a major rating agency;
- being placed on a credit watch with negative implications by a major rating agency;
- a bankruptcy filing;

- any action requiring filing of a Form 8-K;
- a declaration of or acknowledgement of insolvency;
- a report of a significant quarterly loss or decline in earnings;
- the resignation of a key officer;
- the issuance of a regulatory order or the filing of a lawsuit that could materially adversely impact current or future financial results.

A Transmission Customer's failure to provide this information may constitute default under the Service Agreements. If there is a material adverse change in the financial condition of the Transmission Customer (or its Guarantor), Transmission Provider may require the Transmission Customer to provide additional Performance Assurance. If this additional Performance Assurance is not provided within three days of Transmission Provider's request, the Transmission Customer will be in default of its Service Agreement. Upon written request of the Transmission Customer, Transmission Provider will provide a written explanation of the reason for any change in the financial creditworthiness or Performance Assurance Requirements.

(3) Performance Assurance – Transmission Customers that are unable to meet the financial creditworthiness requirements based on Transmission Provider's credit review process, or whose Obligations are greater than the amount of unsecured credit available to them, must provide one of the forms of Performance Assurance that are described below in order to receive or continue receiving Transmission Service. The amount of the Performance Assurance required ("Performance Assurance Requirement") will be based upon the Transmission Customers' estimated or established Transmission Service charges for a three-month period. If the Transmission Customer's actual transmission charges for the three-month period exceed the estimated transmission charges, the Performance Assurance Requirement will be increased to the level of the actual Transmission Service charges. All costs associated with obtaining Performance

Assurance are the responsibility of the Transmission Customer. Transmission Provider may waive the Performance Assurance requirements to accommodate small or short-term Obligations. Performance Assurance will be returned when Transmission Service has been terminated and all Obligations have been paid in full.

(a) Letter of Credit – An acceptable letter of credit is an unconditional irrevocable standby letter of credit for the full value of the Performance Assurance Requirement. The letter of credit shall provide that it will renew automatically except upon at least 90 days' prior notice from the issuing bank, or such other terms that Transmission Provider may reasonably agree to. The letter of credit must clearly state the full names of the "Issue" and "Account Party;" must name Transmission Provider as the beneficiary; must state the dollar amount available for drawing; and must be unconditional. It must specify that funds will be disbursed upon presentation of the drawing certificate. The draw statements drafted in the letter of credit must be in form acceptable to the Transmission Provider. The bank issuing the letter of credit must have a minimum corporate Senior Unsecured Debt Rating or Long Term Issuer Credig rating of "A+" by Standard & Poor's or Fitch, or "A1" by Moody's and be an entity organized under the laws of the United States of America or any state thereof, or a domestic branch of a foreign entity, having capital and surplus of at least one billion dollars (\$1,000,000,000) or assets of at least ten billion dollars (\$10,000,000,000). If the letter of credit amount falls below the Performance Assurance Requirement because of a claim for payment, it must be replenished immediately; otherwise, Transmission Provider may declare the Transmission Customer to be in default under one or more of the Agreements.

(b) Cash Deposit – The Transmission Customer may provide a cash deposit in

an amount equal to the Performance Assurance Requirement. Transmission Customer must have a minimum corporate Senior Unsecured Debt Rating or Long Term Issuer Credit rating of “A+” by Standard & Poor’s or Fitch, or “A1” by Moody’s to use a cash deposit to meet the Performance Assurance Requirement. If Transmission Customer has provided a cash deposit and its rating falls below these minimums, Transmission Customer will be required to transition to a letter of credit to meet the Performance Assurance Requirement. The cash deposit will be held in a depository account by Transmission Provider and interest will accrue to the Transmission Customer. The applicable interest rate shall be the rate for that day opposite the caption “Federal Funds (Effective)” as set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System. Transmission Provider may apply amounts in the depository account, including any accrued interest, to meet the Transmission Customer’s Obligations to Transmission Provider. If it is necessary to use all or a portion of the cash deposit to pay the Transmission Customer’s Obligation, the cash deposit must be promptly replenished to the required level; otherwise, the Transmission Customer may be in default under one or more of the Service Agreements. Transmission Provider will promptly return the cash deposit and any accrued interest after receiving an acceptable letter of credit, or when Transmission Customer no longer has a Performance Assurance Requirement.

(4) Credit Limitations

(a) Notification – A Transmission Customer will be notified when its outstanding Obligations to Transmission Provider for Transmission exceed the amount of unsecured credit that Transmission Provider has extended to the Transmission Customer.

(b) Suspension – A Transmission Customer that fails to maintain acceptable Performance Assurance is subject to suspension from scheduling any Transmission Service until such time that the Transmission Customer meets the Performance Assurance Requirement. Additionally, Transmission Provider may take such actions as may be required or permitted under the Service Agreements to terminate the Transmission Customer's ongoing Transmission Service. Failure to comply with the terms described herein constitutes a default under one or more of the Service Agreements.

(c) Invoices and Payment – Invoices shall be rendered to each Transmission Customer as provide in the Tariff. Payments to Transmission Provider must be made by the due date via electronic funds transfer or other means acceptable to Transmission Provider.

(5) Default – Failure to comply with the credit requirements or terms of the Service Agreements shall be considered a default by a Transmission Customer under one or more of the applicable Service Agreements.

CREDIT APPLICATION FOR TRANSMISSION CUSTOMER

Additional information may be required based on the evaluation of the information below.

FULL LEGAL NAME: _____			
IS APPLICANT AN ESTABLISHED COUNTERPARTY WITH CHELAN PUD? _____			
IF YES, THE REST OF THE APPLICATION DOES NOT NEED TO BE FILLED OUT.			
PREMISE ADDRESS: _____		BILLING ADDRESS: _____	
PHONE: _____		PHONE: _____	
FAX: _____		FAX: _____	

Select:	PROPRIETORSHIP PARTNERSHIP CORPORATION LLC LLP
OTHER:	_____

D&B #:	_____
--------	-------

PRINCIPAL BUSINESS OF FIRM:	_____
YEAR BUSINESS STARTED:	_____

IS CORPORATE STOCK PUBLICLY TRADED? YES NO	_____
IF YES, WHAT IS TICKER SYMBOL?	_____

CREDIT CONTACT NAME _____ PHONE NUMBER _____	
EMAIL _____	
SENIOR UNSECURED CREDIT RATINGS: MOODY'S _____ S&P _____ FITCH _____	

BANK REFERENCES:					
	NAME	ADDRESS (COMPLETE)	CREDIT LIMIT	PHONE	FAX
1.		_____ _____ _____			
2.		_____ _____ _____			

UTILITY TRADE REFERENCES:					
	NAME	ADDRESS (COMPLETE)	CREDIT LIMIT	PHONE	FAX
1.		_____ _____ _____			
2.		_____ _____ _____			
3.		_____ _____ _____			

The undersigned, being authorized and acting on behalf of the (Corporation, Partnership, or Proprietorship)

1. Hereby authorizes Public Utility District No. 1 of Chelan County, Washington (Chelan PUD) to make such inquiries as necessary to obtain credit information and authorizes our bank(s) of record to release credit information regarding our account(s).
2. Hereby represents and warrants that any and all information, including Financial Statements, now or hereafter supplied by applicant are certified to be true and correct.
3. Hereby agrees buyer shall make purchases for Chelan PUD pursuant to procedures established in Contract(s) with Chelan PUD. All purchase shall be subject to acceptance by Chelan PUD and shall be governed solely by the terms and conditions of the Contracts(s). No additional or different provisions contained in the buyer's purchases orders, other business forms, or correspondence should be of any force whatsoever.

Any changes or modifications to the above will result in the rejection of the credit application.

SIGNATURE

DATE

PRINTED NAME

DATE

ATTACHMENT M

Standard Large Generator

Interconnection Procedures (LGIP)

(Applicable to Generating Facilities that exceed 20 MW)

TABLE OF CONTENTS

	Page No.
SECTION 1. DEFINITIONS	162
SECTION 2. SCOPE AND APPLICATION	169
2.1 SCOPE	169
2.2 COMPARABILITY	169
2.3 BASE CASE DATA.....	169
2.4 NO APPLICABILITY TO TRANSMISSION SERVICE	170
SECTION 3. INTERCONNECTION REQUESTS	170
3.1 GENERAL.....	170
3.2 IDENTIFICATION OF TYPES OF INTERCONNECTION SERVICES	171
3.2.1 Energy Resource Interconnection Service.....	171
3.2.2 Network Resource Interconnection Service	172
3.3 UTILIZATION OF SURPLUS INTERCONNECTION SERVICE	172
3.3.1 Surplus Interconnection Service Requests	173
3.4 VALID INTERCONNECTION REQUEST.....	173
3.4.1 Initiating an Interconnection Request.....	173
3.4.2 Acknowledgment of Interconnection Request	174
3.4.3 Deficiencies in Interconnection Request	174
3.4.4 Scoping Meeting.....	174
3.5 POSTINGS ON TRANSMISSION PROVIDER’S PUBLIC WEBSITE	175
3.6 COORDINATION WITH AFFECTED SYSTEMS.....	175
3.7 WITHDRAWAL	176
SECTION 4. QUEUE POSITION.....	177
4.1 GENERAL.....	177
4.2 CLUSTERING.....	177
4.3 TRANSFERABILITY OF QUEUE POSITION	178
4.4 MODIFICATIONS	178
SECTION 5. PROCEDURES FOR INTERCONNECTION REQUESTS	
SUBMITTED PRIOR TO EFFECTIVE DATE OF LGIP	179
5.1 QUEUE POSITION FOR PENDING REQUESTS	179
5.1.1 Pre-existing Queue Position	180
5.1.2 Transition Period	180
5.2 NEW TRANSMISSION PROVIDER.....	180
SECTION 6. INTERCONNECTION FEASIBILITY STUDY	181
6.1 INTERCONNECTION FEASIBILITY STUDY AGREEMENT	181
6.2 SCOPE OF INTERCONNECTION FEASIBILITY STUDY.....	182
6.3 INTERCONNECTION FEASIBILITY STUDY PROCEDURES	182
6.3.1 Meeting with Transmission Provider	182
6.4 RE-STUDY	183
SECTION 7. INTERCONNECTION SYSTEM IMPACT STUDY.....	183
7.1 INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT	183
7.2 EXECUTION OF INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT	
183	
7.3 SCOPE OF INTERCONNECTION SYSTEM IMPACT STUDY	184
7.4 INTERCONNECTION SYSTEM IMPACT STUDY PROCEDURES.....	184

7.5	MEETING WITH TRANSMISSION PROVIDER.....	185
7.6	RE-STUDY	185
SECTION 8.	INTERCONNECTION FACILITIES STUDY	185
8.1	INTERCONNECTION FACILITIES STUDY AGREEMENT	185
8.2	SCOPE OF INTERCONNECTION FACILITIES STUDY	186
8.3	INTERCONNECTION FACILITIES STUDY PROCEDURES	186
8.4	MEETING WITH TRANSMISSION PROVIDER.....	187
8.5	RE-STUDY	187
SECTION 8A.	ENVIRONMENTAL REVIEW	188
SECTION 9.	ENGINEERING & PROCUREMENT (E&P) AGREEMENT	188
SECTION 10.	OPTIONAL INTERCONNECTION STUDY	188
10.1	OPTIONAL INTERCONNECTION STUDY AGREEMENT	188
10.2	SCOPE OF OPTIONAL INTERCONNECTION STUDY	189
10.3	OPTIONAL INTERCONNECTION STUDY PROCEDURES.....	189
SECTION 11.	STANDARD LARGE GENERATOR INTERCONNECTION	
	AGREEMENT (LGIA).....	190
11.1	TENDER.....	190
11.2	NEGOTIATION.....	190
11.3	EXECUTION.....	191
11.4	COMMENCEMENT OF INTERCONNECTION ACTIVITIES.....	191
SECTION 12.	CONSTRUCTION OF TRANSMISSION PROVIDER'S	
	INTERCONNECTION FACILITIES AND NETWORK UPGRADES	191
12.1	SCHEDULE.....	191
12.2	CONSTRUCTION SEQUENCING	192
12.2.1	General.....	192
12.2.2	Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer.....	192
12.2.3	Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider.....	192
12.2.4	Amended Interconnection System Impact Study	193
SECTION 13.	MISCELLANEOUS	193
13.1	CONFIDENTIALITY	193
13.1.1	Scope	193
13.1.2	Release of Confidential Information	193
13.1.3	Rights.....	194
13.1.4	No Warranties	194
13.1.5	Standard of Care	194
13.1.6	Order of Disclosure	194
13.1.7	Remedies	195
13.1.8	Term.....	195
13.1.9	Washington Public Records Act.....	195
13.2	DELEGATION OF RESPONSIBILITY	196
13.3	OBLIGATION FOR STUDY COSTS.....	196
13.4	THIRD PARTIES CONDUCTING STUDIES.....	196
13.5	DISPUTES	197
13.5.1	Submission.....	197
13.5.2	External Arbitration Procedures	197
13.5.3	Arbitration Decisions.....	198

13.5.4	Costs	198
13.6	FACILITIES FINANCED BY TAX EXEMPT BONDS.....	198
13.7	JOINT OPERATING COMMITTEE	199

Appendix 1 – Interconnection Request for a Large Generating Facility

Appendix 2 – Interconnection Feasibility Study Agreement

Appendix 3 – Interconnection System Impact Study Agreement

Appendix 4 – Interconnection Facilities Study Agreement

Appendix 5 – Optional Interconnection Study Agreement

Appendix 6 – Standard Large Generator Interconnection Agreement

SECTION 1. DEFINITIONS

Affected System means an electric system other than the Transmission System that may be affected by the proposed interconnection.

Affected System Operator means the entity that operates an Affected System.

Affiliate means, 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.

Applicable Laws and Regulations means all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council means the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Base Case means the base power flow, short circuit, and stability databases used for the Interconnection Studies by Transmission Provider or Interconnection Customer.

Balancing Authority means the responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area means the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Breach means the failure to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Business Day means Monday through Friday, excluding Federal Holidays.

Clustering means the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Commercial Operation means the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date means the date on which a unit of the Generating Facility commences Commercial Operation as agreed to by the Parties and confirmed by Appendix E to

Confidential Information means any confidential, proprietary, or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy, or compilation relating to the present or planned business of a Party, including all information relating to a Party's technology, research and development, business affairs, and pricing, whether conveyed orally, electronically, in writing, through inspection, or otherwise, and which this LGIP or the Party supplying the information clearly designates as confidential.

Contingent Facility means any unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request's costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for restudies of the Interconnection Request or a reassessment of the Interconnection Facilities, Network Upgrades, or costs and timing.

Dispute Resolution means the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis under Section 13.5 of this LGIP.

Distribution System means Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points, but excluding facilities and equipment that are part of the Transmission System.

Distribution Upgrades means the additions, modifications, and upgrades to the Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Energy Resource Interconnection Service means an Interconnection Service that allows Interconnection Customer to connect its Generating Facility to the Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or nonfirm capacity of the Transmission System on an as available basis. Energy Resource Interconnection Service does not convey transmission service.

Engineering & Procurement (E&P) Agreement means an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

FERC means the Federal Energy Regulatory Commission or its successor.

Generating Facility means Interconnection Customer's device for the production or storage for later injection of electricity identified in the Interconnection Request, but shall not

Generating Facility Capacity means the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice means any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant 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.

Governmental Authority means any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental entity with jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power, except that such term does not include Transmission Provider, Interconnection Customer, or Interconnection Customer’s Affiliates.

In-Service Date means the date upon which Interconnection Customer reasonably expects it will be ready to begin use of Transmission Provider’s Interconnection Facilities to obtain back feed power.

Interconnection Customer means any entity, including Transmission Provider, Transmission Owner, or any Affiliate, that proposes to interconnect its Generating Facility with the Transmission System, or that proposes to increase the capacity of, or make a Material Modification to, a Generating Facility that is already interconnected with the Transmission System.

Interconnection Customer’s Interconnection Facilities means all facilities and equipment, as identified in Appendix A to the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission System. Interconnection Customer’s Interconnection Facilities are sole use facilities.

Interconnection Facilities means Transmission Provider’s Interconnection Facilities and Interconnection Customer’s Interconnection Facilities. Collectively, Interconnection Facilities

include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions, or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades, or Network Upgrades.

Interconnection Facilities Study means a study conducted by Transmission Provider or a third-party consultant for Interconnection Customer to determine a list of facilities (including Transmission Provider's Interconnection Facilities and Network Upgrades as identified in the Interconnection System Impact Study), the cost of those facilities, and the time required to interconnect the Generating Facility with the Transmission System. The scope of the study is defined in Section 8 of the Standard Large Generator Interconnection Procedures.

Interconnection Facilities Study Agreement means the form of agreement contained in Appendix 4 to the Standard Large Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

Interconnection Feasibility Study means a preliminary evaluation of the system impact and cost of interconnecting the Generating Facility to the Transmission System, the scope of which is described in Section 6 of the Standard Large Generator Interconnection Procedures.

Interconnection Feasibility Study Agreement means the form of agreement contained in Appendix 2 to the Standard Large Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request means an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures and in accordance with the Tariff, to interconnect a Generating Facility with the Transmission System, or to increase the capacity of, or make a Material Modification to, a Generating Facility that is already interconnected with the Transmission System.

Interconnection Service means the service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to the Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Tariff.

Interconnection Study means any of the following studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study means an engineering study that evaluates the

impact of the proposed interconnection on the safety and reliability of the Transmission System and, if applicable, an Affected System. The study shall identify and detail (i) the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system identified in the Interconnection Feasibility Study; or (ii) the potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Large Generator Interconnection Procedures.

Interconnection System Impact Study Agreement means the form of agreement contained in Appendix 3 of the Standard Large Generator Interconnection Procedures for conducting the Interconnection System Impact Study.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility means a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Material Modification means those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Network Resource means any designated generating resource owned, purchased, or leased by a Network Customer for Network Integration Transmission Service under the Tariff. Network Resources do not include any resource, or any portion of a resource, 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.

Network Resource Interconnection Service means an Interconnection Service that allows Interconnection Customer to integrate its Large Generating Facility with the Transmission System (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service does not convey transmission service.

Network Upgrades means the additions, modifications, and upgrades to the Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission System.

Notice of Dispute means a written notice of a dispute or claim that arises out of or in

Optional Interconnection Study means a sensitivity analysis based on assumptions specified by the Interconnection Customer in the Optional Interconnection Study Agreement.

Optional Interconnection Study Agreement means the form of agreement contained in Appendix 5 of the Standard Large Generator Interconnection Procedures for conducting the Optional Interconnection Study.

Party or Parties means Transmission Provider, Transmission Owner, Interconnection Customer, or any combination of the above.

Point of Change of Ownership means the point where Interconnection Customer's Interconnection Facilities connect to Transmission Provider's Interconnection Facilities, set forth in Appendix A to the Standard Large Generator Interconnection Agreement.

Point of Interconnection means the point where the Interconnection Facilities connect to the Transmission System, set forth in Appendix A to the Standard Large Generator Interconnection Agreement.

Queue Cluster Window means the period, not to exceed 180 calendar days, used to designate Interconnection Requests for Clustering.

Queue Position means the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.

Reasonable Efforts means efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Scoping Meeting means the meeting between representatives of the Interconnection Customer and Transmission Provider conducted for the purpose of discussing alternative interconnection options, to exchange information including any transmission data and earlier study evaluations that would be reasonably expected to impact such interconnection options, to analyze such information, and to determine the potential feasible Points of Interconnection.

Site Control means documentation reasonably demonstrating: (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; (2) an option to purchase or acquire a leasehold site for such purpose; or (3) an exclusivity or other business relationship between Interconnection Customer and the entity having the right to sell, lease, or grant Interconnection Customer the right to possess or occupy a site for such purpose.

Stand Alone Network Upgrades means Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both Transmission Provider and

Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, Transmission Provider must provide Interconnection Customer a written technical explanation outlining why Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) means the form of agreement contained in Appendix 6 of the Standard Large Generator Interconnection Procedures, including its appendices, for interconnecting a Large Generating Facility to the Transmission System.

Standard Large Generator Interconnection Procedures (LGIP) means the interconnection procedures contained in this Tariff Attachment M, including its appendices.

Surplus Interconnection Service means any unneeded portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the total amount of Interconnection Service at the Point of Interconnection would remain the same.

Tariff means Transmission Provider's tariff for transmission service and Interconnection Service, to which this LGIP is Attachment M.

Transmission Owner means an entity that owns, leases, or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider means Public Utility District No. 1 of Chelan County, Washington.

Transmission Provider's Interconnection Facilities means all facilities and equipment owned, controlled, or operated by Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider's Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System means the facilities owned, controlled, or operated by Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation means the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

SECTION 2. SCOPE AND APPLICATION

2.1 Scope

Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Large Generating Facility.

2.2 Comparability

Transmission Provider shall receive, process, and analyze all Interconnection Requests in a timely manner. Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers.

2.3 Base Case Data

Transmission Provider shall maintain its Base Case, including all underlying assumptions, and contingency list on its public website, subject to confidentiality provisions in LGIP Section 13.1. In addition, Transmission Provider shall maintain network models and underlying assumptions on its public website. Such network models and underlying assumptions should reasonably represent those used during the most recent Interconnection Study and be representative of current system conditions. Transmission Provider is permitted to require that Interconnection Customers sign a confidentiality agreement before the release of commercially sensitive information or information the Transmission Provider determines should be defined as Critical Energy Infrastructure Information in the Base Case data. The Base Case and lists shall include all generation projects and transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service

Nothing in this LGIP shall constitute a request for transmission service or confer upon an Interconnection Customer any right to receive transmission service.

SECTION 3. INTERCONNECTION REQUESTS

3.1 General

An Interconnection Customer shall submit to Transmission Provider an Interconnection Request and a non-refundable deposit of \$10,000. Transmission Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study. Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a

single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

At Interconnection Customer's option, Transmission Provider and Interconnection Customer will identify alternative Points of Interconnection and configurations at the Scoping Meeting to evaluate in this process and attempt to eliminate alternatives in a reasonable fashion given resources and information available. Interconnection Customer will select the definitive Points of Interconnection to be studied no later than the execution of the Interconnection Feasibility Study Agreement.

Transmission Provider shall have a process in place to consider requests for Interconnection Service below the Generating Facility Capacity. These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of Interconnection Facilities, Network Upgrades, and associated costs, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer. Any Interconnection Facility or Network Upgrade costs required for safety and reliability also would be borne by the Interconnection Customer. Interconnection Customers may be subject to additional control technologies as well as testing and validation of those technologies consistent with Article 6 of the LGIA. The necessary control technologies and protection systems, as well as any potential penalties for exceeding the level of Interconnection Service established in the executed LGIA, shall be set forth in Appendix C of that LGIA.

3.2 Identification of Types of Interconnection Services

When the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described. Any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facilities Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service if only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service

3.2.1.1 The Product

Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System to deliver the Large Generating Facility's output using the existing firm or

non-firm capacity of the Transmission System on an “as available” basis. Energy Resource Interconnection Service does not convey any right to deliver electricity to any specific customer or Point of Delivery.

3.2.1.2 The Study

The study consists of short circuit/fault duty, grounding, reactive power, regional transfer capability, nuclear plant off-site power (where applicable), steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Large Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Large Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service

3.2.2.1 The Product

Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service Allows Interconnection Customer’s Large Generating Facility to be designated as a Network Resource, up to the Large Generating Facility’s full output, on the same basis as existing Network Resources interconnected to the Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

3.2.2.2 The Study

The Interconnection Study for Network Resource Interconnection Service shall assure that Interconnection Customer’s Large Generating Facility meets the requirements for Network Resource Interconnection Service and as a general matter, that such Large Generating Facility’s interconnection is also studied with the Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Large Generating Facility at full output, the aggregate of generation in the local

area can be delivered to the aggregate of load on the Transmission System, consistent with Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources is displaced by the output of Interconnection Customer's Large Generating Facility. Network Resource Interconnection Service does not convey any right to deliver electricity to any specific customer or Point of Delivery. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Utilization of Surplus Interconnection Service

Transmission Provider must provide a process that allows an Interconnection Customer to utilize or transfer Surplus Interconnection Service at an existing Point of Interconnection. The original Interconnection Customer or one of its affiliates shall have priority to utilize Surplus Interconnection Service. If the existing Interconnection Customer or one of its affiliates does not exercise its priority, then that service may be made available to other potential interconnection customers.

3.3.1 Surplus Interconnection Service Requests

Surplus Interconnection Service requests may be made by the existing Interconnection Customer whose Generating Facility is already interconnected or one of its affiliates. Surplus Interconnection Service requests also may be made by another Interconnection Customer. Transmission Provider shall provide a process for evaluating Interconnection Requests for Surplus Interconnection Service. Studies for Surplus Interconnection Service shall consist of reactive power, short circuit/fault duty, stability analyses, and any other appropriate studies. Steady-state (thermal/voltage) analyses may be performed as necessary to ensure that all required reliability conditions are studied. If the Surplus Interconnection Service was not studied under off-peak conditions, off-peak steady state analyses shall be performed to the required level necessary to demonstrate reliable operation of the Surplus Interconnection Service. If the original System Impact Study is not available for the Surplus Interconnection Service, both off-peak and peak analysis may need to be performed for the existing Generating Facility associated with the request for Surplus Interconnection Service. The reactive power, short circuit/fault duty, stability, and steady-state analyses for Surplus Interconnection Service will identify any additional Interconnection Facilities or Network Upgrades necessary.

3.4 Valid Interconnection Request

3.4.1 Initiating an Interconnection Request

To initiate an Interconnection Request, Interconnection Customer must submit all of the following: (i) a \$10,000 deposit, (ii) a completed application in the form of Appendix 1, and (iii) demonstration of Site Control or a posting of an additional deposit of \$10,000. Such deposits shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. If Interconnection Customer demonstrates Site Control within the cure period specified in Section 3.4.3 after submitting its Interconnection Request, the additional deposit shall be refundable; otherwise, all such deposits, additional and initial, become non-refundable.

The expected In-Service Date of the new Large Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the regional expansion planning period (or in the absence of a regional planning process, the process window for Transmission Provider's expansion planning period), and in any event shall not exceed seven years from the date the Interconnection Request is received by Transmission Provider, unless Interconnection Customer demonstrates that engineering, permitting, and construction of the new Large Generating Facility, or increase in capacity of the existing Generating Facility, will take longer than the regional expansion planning period.

3.4.2 Acknowledgment of Interconnection Request

Transmission Provider shall acknowledge receipt of the Interconnection Request within five Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.4.3 Deficiencies in Interconnection Request

An Interconnection Request will not be considered a valid request until all items in Section 3.4.1 have been received by Transmission Provider. If an Interconnection Request fails to meet the requirements in Section 3.4.1, Transmission Provider shall notify Interconnection Customer within five Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide Transmission Provider the additional requested information needed to constitute a valid request within ten Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.4.3 shall be treated in accordance with Section 3.7.

3.4.4 Scoping Meeting

Within ten Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, but no later than 30 calendar days from receipt of the valid Interconnection Request. The duration of the meeting shall be sufficient to accomplish its purpose.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information (including any transmission data that would reasonably be expected to impact such interconnection options), to analyze such information, and to determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer will bring to the meeting such technical data as may be reasonably required to accomplish the purpose of the meeting, including general: (i) facility loadings, (ii) instability issues, (iii) short circuit issues, (iv) voltage issues, and (v) reliability issues. Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. Based on the meeting, Interconnection Customer shall designate its Point of Interconnection and one or more available alternative Points of Interconnection, pursuant to Section 6.1.

3.5 Postings on Transmission Provider's Public Website

3.5.1 Transmission Provider will maintain a list of all Interconnection Requests on its public website. For each Interconnection Request, the list will identify:

- (i) the maximum summer and winter megawatt electrical output;
- (ii) the location by county and state;
- (iii) the station or transmission line or lines where the interconnection will be made;
- (iv) the projected In-Service Date;
- (v) the status of the Interconnection Request, including Queue Position;
- (vi) the type of Interconnection Service being requested; and (vii) the availability of any studies related to the Interconnection Request;
- (viii) the date of the Interconnection Request;
- (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and

(x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed.

The list will not disclose the identity of Interconnection Customer until Interconnection Customer executes an LGIA or requests that service be provided pursuant to an unexecuted LGIA, subject to Dispute Resolution. Anonymized Interconnection Study reports and Optional Interconnection Study reports shall be posted to Transmission Provider's public website after the meeting between Interconnection Customer and Transmission Provider to discuss the study results. Transmission Provider shall also post any known deviations in the Large Generating Facility's In-Service Date.

3.6 Coordination with Affected Systems

Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results (if available) in its applicable Interconnection Study within the time frame specified in this LGIP. Transmission Provider may include such Affected System Operators in all meetings held with Interconnection Customer as required by this LGIP. Interconnection Customer will cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. Affected System Operators shall cooperate with Transmission Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.7 Withdrawal

Interconnection Customer may withdraw its Interconnection Request at any time by written notice of such withdrawal to Transmission Provider. In addition, if Interconnection Customer fails to adhere to all requirements of this LGIP, except as provided in Section 13.5 (Disputes), Transmission Provider shall deem the Interconnection Request to be withdrawn and shall provide written notice to Interconnection Customer of the deemed withdrawal and an explanation of the reasons for such deemed withdrawal. Upon receipt of such written notice, Interconnection Customer shall have 15 Business Days in which to either respond with information or actions that cures the deficiency or to notify Transmission Provider of its intent to pursue Dispute Resolution.

Withdrawal shall result in the loss of Interconnection Customer's Queue Position. During Dispute Resolution, the Interconnection Request is eliminated from the queue until the outcome of Dispute Resolution restores its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to Transmission Provider all costs that Transmission Provider prudently incurs with respect to that Interconnection Request prior to Transmission Provider's receipt of notice described

above. Interconnection Customer must pay all monies due to Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

Transmission Provider shall (i) update the Queue Position posting and (ii) refund to Interconnection Customer any portion of Interconnection Customer's deposit or study payments that exceeds the costs that Transmission Provider has incurred, without interest. At Interconnection Customer's request, Transmission Provider shall provide, subject to the confidentiality provisions of Section 13.1, all information that Transmission Provider developed for any study completed before the date of withdrawal of the Interconnection Request.

SECTION 4. QUEUE POSITION

4.1 General

Transmission Provider shall assign a Queue Position based upon the date and time of receipt of the valid Interconnection Request; except that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and Interconnection Customer provides such information in accordance with Section 3.4.3, then Transmission Provider shall assign Interconnection Customer a Queue Position based on the date the application form was originally filed.

Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

The Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued.

Transmission Provider may allocate the cost of the common upgrades for clustered Interconnection Requests without regard to Queue Position.

4.2 Clustering

Transmission Provider may study Interconnection Requests serially or in clusters, at its option, for the Interconnection System Impact Study.

Clustering shall be based on Queue Position. If Transmission Provider elects to use Clustering, all Interconnection Requests received within the Queue Cluster Window shall be studied together without regard to the nature of the underlying Interconnection Service. The deadline for completing all Interconnection System Impact Studies for all Interconnection Requests assigned to the same Queue Cluster Window shall be in accordance with Section 7.4. Transmission Provider may study an Interconnection Request

separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Large Generating Facility.

Clustering shall be conducted in such a manner to ensure the efficient implementation of the applicable regional transmission expansion plan in light of the Transmission System's capabilities at the time of each study.

The Queue Cluster Window shall have a fixed time interval based on fixed annual opening and closing dates. Any changes to the established Queue Cluster Window interval and opening or closing dates shall be announced with a posting on Transmission Provider's public website beginning at least 180 calendar days in advance of the change and continuing thereafter through the end date of the first Queue Cluster Window that is to be modified.

4.3 Transferability of Queue Position

An Interconnection Customer may transfer its Queue Position to another entity only if such entity continues developing the specific Generating Facility identified in the Interconnection Request and the Point of Interconnection does not change.

4.4 Modifications

Interconnection Customer shall submit to Transmission Provider, in writing, modifications to any information provided in the Interconnection Request. Interconnection Customer shall retain its Queue Position if the modifications are in accordance with Sections 4.4.1, 4.4.2, or 4.4.5, or if they are determined not to be Material Modifications pursuant to Section 4.4.3.

Notwithstanding the above, during the course of the Interconnection Studies, either Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that improve the costs and benefits (including reliability) of the interconnection and the ability to accommodate the Interconnection Request. If Transmission Provider and Interconnection Customer agree to the identified changes, Transmission Provider shall modify the Point of Interconnection, configuration, or both in accordance with such changes and proceed with any re-studies necessary under Section 6.4, Section 7.6, or Section 8.5, and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the executed Interconnection System Impact Study Agreement to Transmission Provider, modifications permitted under this Section shall include specifically: (a) a decrease of up to 60 percent of electrical output (MW) of the proposed project, through either (1) a decrease in plant size or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1)

using injection-limiting equipment approved by Transmission Provider; (b) modifying the technical parameters associated with the Large Generating Facility technology or the Large Generating Facility step-up transformer impedance characteristics; and (c) modifying the interconnection configuration. For plant increases, the incremental increase in plant output will go to the end of the queue for the purposes of cost allocation and study analysis.

- 442** Prior to the return of the executed Interconnection Facilities Study Agreement to Transmission Provider, the modifications permitted under this Section shall include specifically: (a) additional 15 percent decrease of electrical output of the proposed project through either (1) a decrease in plant size (MW) or (2) a decrease in Interconnection Service level (consistent with the process described in Section 3.1) using injection-limiting equipment approved by Transmission Provider; (b) Large Generating Facility technical parameters associated with modifications to Large Generating Facility technology and transformer impedances, on condition that the requesting Interconnection Customer is responsible for the incremental costs associated with those modifications; and (c) a Permissible Technological Advancement for the Large Generating Facility after the submission of the Interconnection Request. Section 4.4.6 specifies a separate technological change procedure, including the requisite information and process to assess whether the Interconnection Customer's proposed technological advancement is a Material Modification.
- 443** Prior to making any modification, Interconnection Customer may first request that Transmission Provider evaluate whether such modification is a Material Modification. Transmission Provider shall evaluate the proposed modifications before making them and inform Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection, except those allowed under Section 4.4, Section 6.1, or Section 7.2, shall constitute a Material Modification. If the proposed modification would be a Material Modification, Interconnection Customer may withdraw the proposed modification or proceed with a new Interconnection Request for such modification.
- 444** If Interconnection Customer's request for modification is not a Material Modification, Transmission Provider shall commence any necessary additional studies as soon as practicable, but in any event no later than 30 calendar days, after receiving notice of Interconnection Customer's request. Interconnection Customer shall bear the cost of any additional studies resulting from such modification.
- 445** Extensions of less than three cumulative years in the Commercial Operation Date of the Large Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.

**SECTION 5. PROCEDURES FOR INTERCONNECTION REQUESTS
SUBMITTED PRIOR TO EFFECTIVE DATE OF LGIP**

5.1 Queue Position for Pending Requests

5.1.1 Pre-existing Queue Position

Any Interconnection Customer assigned a Queue Position prior to the effective date of this LGIP shall retain that Queue Position.

5.1.1.1 If an Interconnection Study agreement has not been executed as of the effective date of this LGIP, then such Interconnection Study, and any subsequent Interconnection Studies, shall be processed in accordance with this LGIP.

5.1.1.2 If an Interconnection Study agreement has been executed prior to the effective date of this LGIP, such Interconnection Study shall be completed in accordance with the terms of such agreement. With respect to any remaining studies for which an Interconnection Customer has not signed an Interconnection Study agreement prior to the effective date of the LGIP, Transmission Provider must offer Interconnection Customer the option of either continuing under Transmission Provider's existing interconnection study process or going forward with the completion of the necessary Interconnection Studies (for which it does not have a signed Interconnection Studies Agreement) in accordance with this LGIP.

5.1.1.3 If an LGIA has been executed by the Parties before the effective date of the LGIP, then the LGIA would be grandfathered.

5.1.2 Transition Period

Transmission Provider and any Interconnection Customer with an outstanding request (that is, an Interconnection Request for which an LGIA has not been executed as of the effective date of this LGIP) shall transition to this LGIP within a reasonable period of time, not to exceed 60 calendar days. Any Interconnection Customer with an outstanding request may request a reasonable extension of any deadline if necessary to avoid undue hardship or prejudice to its Interconnection Request. Transmission Provider shall grant a reasonable extension if consistent with the intent and process provided for under this LGIP.

5.2 New Transmission Provider

If Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the

original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment, without interest, that exceeds the cost that it incurred to evaluate the request for interconnection. The Interconnection Customer shall pay the original Transmission Customer for any costs incurred that exceed any deposit or payment.

The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If Transmission Provider has tendered a draft LGIA to Interconnection Customer but Interconnection Customer has not executed the LGIA or requested that service commence under an unexecuted LGIA subject to Dispute Resolution, Interconnection Customer must complete negotiations with the successor Transmission Provider.

SECTION 6. INTERCONNECTION FEASIBILITY STUDY

6.1 Interconnection Feasibility Study Agreement

Simultaneously with the acknowledgement of a valid Interconnection Request, Transmission Provider shall provide an Interconnection Feasibility Study Agreement. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point of Interconnection and any reasonable alternative Points of Interconnection. Within five Business Days following Transmission Provider's receipt of such designation, Transmission Provider shall provide a revised Interconnection Feasibility Study Agreement, which includes the designated Point of Interconnection and a good faith estimate of the cost for completing the Interconnection Feasibility Study. Interconnection Customer shall execute and deliver to Transmission Provider the Interconnection Feasibility Study Agreement along with a \$10,000 deposit no later than 30 calendar days after its receipt.

On or before the return of the executed Interconnection Feasibility Study Agreement to Transmission Provider, Interconnection Customer shall provide the technical data called for in Appendix 1, Attachment A.

If the Interconnection Feasibility Study uncovers any results not contemplated during the Scoping Meeting, a mutually acceptable substitute Point of Interconnection will be substituted for the designated Point of Interconnection without loss of Queue Position. If Transmission Provider and Interconnection Customer cannot agree on a substitute Point of Interconnection, then Interconnection Customer may direct that one of the alternatives specified in the Interconnection Feasibility Study Agreement shall be the substitute.

If Interconnection Customer and Transmission Provider agree to forgo the Interconnection Feasibility Study, Transmission Provider will initiate an Interconnection System Impact Study and apply any deposit towards the Interconnection System Impact Study.

6.2 Scope of Interconnection Feasibility Study

The Interconnection Feasibility Study shall preliminarily evaluate the feasibility of the proposed interconnection to the Transmission System.

The Interconnection Feasibility Study will consider the Base Case as well as all generating facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested the initiation of service under an unexecuted LGIA, subject to Dispute Resolution. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and non-binding, good faith estimates of cost responsibility and time to construct.

6.3 Interconnection Feasibility Study Procedures

Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than 45 calendar days after Transmission Provider receives the fully executed Interconnection Feasibility Study Agreement.

At Interconnection Customer's request, or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If Transmission Provider cannot complete the Interconnection Feasibility Study within that period, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, work papers, and relevant power flow, short circuit, and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

Transmission Provider shall study the Interconnection Request at the level of service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns.

6.3.1 Meeting with Transmission Provider

Within ten Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer—or as soon as practicable if unable to meet within ten Business Days—Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Feasibility Study.

6.4 Re-Study

If Transmission Provider must re-perform the Interconnection Feasibility Study due to a higher queued project dropping out of the queue, modification of a higher queued project, or re-designation of the Point of Interconnection pursuant to Section 6.1, Transmission Provider shall notify Interconnection Customer in writing. Re-study shall take no longer than 45 calendar days from the date of the notice. Any cost of re-study shall be borne by the Interconnection Customer being re-studied.

SECTION 7. INTERCONNECTION SYSTEM IMPACT STUDY

7.1 Interconnection System Impact Study Agreement

Unless otherwise agreed to at the Scoping Meeting, simultaneously with the delivery of the Interconnection Feasibility Study, Transmission Provider shall provide Interconnection Customer an Interconnection System Impact Study Agreement. The Interconnection System Impact Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection System Impact Study. Within three Business Days following the Interconnection Feasibility Study results meeting, Transmission Provider shall provide Interconnection Customer a non-binding, good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

7.2 Execution of Interconnection System Impact Study Agreement

Interconnection Customer shall execute the Interconnection System Impact Study Agreement and deliver the executed Interconnection System Impact Study Agreement to Transmission Provider no later than 30 calendar days after its receipt, along with demonstration of Site Control, required technical data, and a \$50,000 deposit.

If Interconnection Customer does not provide all such technical data when it delivers the Interconnection System Impact Study Agreement, Transmission Provider shall notify Interconnection Customer of the deficiency within five Business Days of the receipt of the executed Interconnection System Impact Study Agreement. Interconnection Customer

shall cure the deficiency within ten Business Days of receipt of the notice.

If the Interconnection System Impact Study uncovers any results not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a mutually acceptable substitute Point of Interconnection will be substituted for the designated Point of Interconnection without loss of Queue Position. If Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives specified in the Interconnection Feasibility Study Agreement shall be the substitute.

7.3 Scope of Interconnection System Impact Study

The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed an LGIA or requested the initiation of service under an unexecuted LGIA, subject to Dispute Resolution.

The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. For purposes of determining necessary Interconnection Facilities and Network Upgrades, the System Impact Study shall consider the level of Interconnection Service requested by the Interconnection Customer, unless otherwise required to study the full Generating Facility Capacity due to safety or reliability concerns. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and non-binding, good faith estimates of cost responsibility and time to construct.

7.4 Interconnection System Impact Study Procedures

Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System Operator pursuant to Section 3.6. Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within 90 calendar days after the receipt of the Interconnection System Impact Study Agreement

Effective Date: 7/1/2025

or notification to proceed, study payment, and technical data. If Transmission Provider uses Clustering, Transmission Provider shall use Reasonable Efforts to deliver a completed Interconnection System Impact Study within 90 calendar days after the close of the Queue Cluster Window.

At Interconnection Customer's request, or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If Transmission Provider cannot complete the Interconnection System Impact Study within the time frame, it shall notify Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, work papers, and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit, and stability databases for the Interconnection System Impact Study, subject to confidentiality requirements of Section 13.1.

7.5 Meeting with Transmission Provider

Within ten Business Days of providing an Interconnection System Impact Study report to Interconnection Customer—or as soon as practicable if unable to meet within ten Business Days—Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study.

7.6 Re-Study

If Transmission Provider must re-perform the Interconnection System Impact Study due to a higher queued project dropping out of the queue, modification of a higher queued project, or re-designation of the Point of Interconnection pursuant to Section 7.2, Transmission Provider shall notify Interconnection Customer in writing. Re-study shall take no longer than 60 calendar days from the date of notice. Any cost of re-study shall be borne by the Interconnection Customer being re-studied.

SECTION 8. INTERCONNECTION FACILITIES STUDY

8.1 Interconnection Facilities Study Agreement

Simultaneously with the delivery of the Interconnection System Impact Study, Transmission Provider shall provide an Interconnection Facilities Study Agreement. The Interconnection Facilities Study Agreement shall provide that Interconnection Customer is responsible for the actual cost of the Interconnection Facilities Study. Within three Business Days following the Interconnection System Impact Study results meeting,

Transmission Provider shall provide Interconnection Customer non-binding, good faith estimates of the cost and timeframe for completing the Interconnection Facilities Study. Interconnection Customer shall execute the Interconnection Facilities Study Agreement and deliver the executed Interconnection Facilities Study Agreement to Transmission Provider within 30 calendar days after its receipt, together with the required technical data and the greater of \$100,000 or Interconnection Customer's portion of the estimated monthly cost of conducting the Interconnection Facilities Study.

8.1.1 Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month, including any re-study. The invoice will include a summary of professional time. Interconnection Customer shall pay invoiced amounts within 30 calendar days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit, without interest, until settlement of the final invoice.

8.2 Scope of Interconnection Facilities Study

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to physically and electrically connect the Interconnection Facility to the Transmission System, in accordance with the Interconnection System Impact Study and Good Utility Practice. The Interconnection Facilities Study shall also identify:

- (i) the electrical switching configuration of the connection equipment, including: the transformer, switchgear, meters, and other station equipment, grounding, reactive power, regional transfer capability, and nuclear plant off-site power (where applicable);
- (ii) the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection;
- (iii) an estimate of the time required to complete the construction and installation of such facilities;
- (iv) any potential control equipment for requests for Interconnection Service that are lower than the Generating Facility Capacity.

8.3 Interconnection Facilities Study Procedures

Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System Operator pursuant to Section 3.6. Transmission Provider shall utilize existing studies to the extent practicable when it performs the Interconnection Facilities

Study. Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed Interconnection Facilities Study Agreement: 90 calendar days, with no more than a +/- 20 percent cost estimate contained in the report; or 180 calendar days if Interconnection Customer requests a +/- 10 percent cost estimate.

At Interconnection Customer's request, or at any time Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Facilities Study, Transmission Provider shall notify Interconnection Customer as to the schedule status of the Interconnection Facilities Study. If Transmission Provider cannot complete the Interconnection Facilities Study and issue a draft Interconnection Facilities Study report within the time required, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required.

Interconnection Customer may, within 30 calendar days after receipt of the draft report, provide written comments to Transmission Provider, which Transmission Provider shall include in the final report. Transmission Provider shall issue the final Interconnection Facilities Study report within 15 Business Days of receiving Interconnection Customer's comments or promptly upon receiving Interconnection Customer's statement that it will not provide comments. Transmission Provider may reasonably extend such fifteen-day period upon notice to Interconnection Customer if Interconnection Customer's comments require Transmission Provider to perform additional analyses or make other significant modifications before issuing the final Interconnection Facilities Report. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, work papers, and databases or data developed in the preparation of the Interconnection Facilities Study, subject to confidentiality requirements of Section 13.1.

8.4 Meeting with Transmission Provider

Within ten Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer—or as soon as practicable if unable to meet within ten Business Days—Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-Study

If Transmission Provider must re-perform the Interconnection Facilities Study due to a higher queued project dropping out of the queue or a modification of a higher queued project, Transmission Provider shall notify Interconnection Customer in writing. Re-study shall take no longer than 60 calendar days from the date of notice. Any cost of re-study shall be borne by the Interconnection Customer being re-studied.

SECTION 8A. ENVIRONMENTAL REVIEW

If Transmission Provider determines that environmental review is required in response to a request for interconnection, Transmission Provider shall tender an environmental review agreement as soon as practicable. Pursuant to such agreement the Eligible Customer shall agree to reimburse Transmission Provider for performing the environmental review. The Eligible Customer shall execute and return the environmental review agreement within 30 days of receipt or its application shall be deemed withdrawn and its deposit shall be returned without interest

SECTION 9. ENGINEERING & PROCUREMENT (E&P) AGREEMENT

Prior to executing an LGIA, an Interconnection Customer may request, and Transmission Provider shall offer, an E&P Agreement that authorizes Transmission Provider to begin engineering and procurement of long lead-time items necessary for the establishment of the interconnection. Transmission Provider is not obligated to offer an E&P Agreement if Interconnection Customer is in Dispute Resolution as a result of an allegation that Interconnection Customer has failed to meet any milestones or comply with any prerequisites specified in other parts of the LGIP. The E&P Agreement is an optional procedure and it will not alter the Interconnection Customer's Queue Position or In-Service Date. The E&P Agreement shall specify that Interconnection Customer is responsible for the cost of all activities and equipment authorized by Interconnection Customer, whether or not such items or equipment later become unnecessary, and is responsible to make advance payments or provide other satisfactory security for such costs.

If Interconnection Customer withdraws its application for interconnection or either Party terminates the E&P Agreement, Interconnection Customer shall be obligated to pay the associated cancellation costs, if the equipment ordered can be canceled under reasonable terms. If the equipment cannot be reasonably canceled, Transmission Provider may elect: (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

SECTION 10. OPTIONAL INTERCONNECTION STUDY

10.1 Optional Interconnection Study Agreement

On or after the date when Interconnection Customer receives Interconnection System

Impact Study results, Interconnection Customer may request, and Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that Interconnection Customer wants Transmission Provider to study within the scope described in Section 10.2. Within five Business Days after receipt of a request for an Optional Interconnection Study, Transmission Provider shall provide Interconnection Customer an Optional Interconnection Study Agreement.

The Optional Interconnection Study Agreement shall: (i) specify the technical data that Interconnection Customer must provide for each phase of the Optional Interconnection Study, (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the Optional Interconnection Study case, and (iii) Transmission Provider's estimate of the cost of the Optional Interconnection Study. To the extent known by Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System Operator whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any additional Interconnection Studies with respect to any other Interconnection Request.

Interconnection Customer shall execute the Optional Interconnection Study Agreement within ten Business Days of receipt and deliver the Optional Interconnection Study Agreement, the technical data, and a \$10,000 deposit to Transmission Provider.

10.2 Scope of Optional Interconnection Study

The Optional Interconnection Study will consist of a sensitivity analysis based on the assumptions specified by Interconnection Customer in the Optional Interconnection Study Agreement. The Optional Interconnection Study will also identify Transmission Provider's Interconnection Facilities and the Network Upgrades that may be required to provide transmission service or Interconnection Service based upon the results of the Optional Interconnection Study, and the estimated cost thereof. The Optional Interconnection Study shall be performed solely for informational purposes. Transmission Provider shall use Reasonable Efforts to coordinate the study with any Affected System Operator that may be affected by the types of Interconnection Services that are being studied. Transmission Provider shall utilize existing studies to the extent practicable in conducting the Optional Interconnection Study.

10.3 Optional Interconnection Study Procedures

Interconnection Customer must provide the executed Optional Interconnection Study Agreement, the prepayment, and the required technical and other data to Transmission

Provider within ten Business Days of Interconnection Customer's receipt of the Optional Interconnection Study Agreement. Transmission Provider shall use Reasonable Efforts to complete the Optional Interconnection Study within the period specified within the Optional Interconnection Study Agreement. If Transmission Provider cannot complete the Optional Interconnection Study within such period, it shall notify Interconnection Customer and provide an estimated completion date and an explanation of the reasons why additional time is required. Any difference between the study payment and the actual cost of the study shall be paid to Transmission Provider or refunded to Interconnection Customer, without interest, as appropriate. Upon request, Transmission Provider shall provide Interconnection Customer supporting documentation, work papers, and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality requirements of Section 13.1.

SECTION 11. STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT (LGIA)

11.1 Tender

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within 30 calendar days of receipt of the report. Within 30 calendar days after the comments are submitted, Transmission Provider shall tender a draft LGIA, together with draft appendices completed to the extent practicable. Interconnection Customer shall complete and return the draft appendices within 30 calendar days.

11.2 Negotiation

Notwithstanding Section 11.1, at Interconnection Customer's request, Transmission Provider may begin negotiations with Interconnection Customer concerning the appendices to the LGIA at any time after Interconnection Customer executes the Interconnection Facilities Study Agreement. Transmission Provider and Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft LGIA for not more than 60 calendar days after tender of the final Interconnection Facilities Study Report. If Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations at any time after tender of the draft LGIA and request that service commence under an unexecuted LGIA, subject to Dispute Resolution. If Interconnection Customer requests termination of the negotiations, but within 60 calendar days thereafter fails to request the initiation of service under the unexecuted LGIA and the initiation of Dispute Resolution, it shall be deemed to have withdrawn its Interconnection Request. Unless otherwise agreed by the Parties, if Interconnection Customer has not executed the LGIA, or requested service under an unexecuted LGIA and initiated Dispute Resolution procedures within 60 calendar days of

tender of the draft LGIA, it shall be deemed to have withdrawn its Interconnection Request. Transmission Provider shall provide Interconnection Customer a final LGIA within 15 Business Days after the completion of the negotiation process.

11.3 Execution

Within 15 Business Days after receipt of the final LGIA, Interconnection Customer shall provide Transmission Provider (A) reasonable evidence of continued Site Control or (B) of \$250,000 of non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer also shall provide reasonable evidence that one or more of the following milestones in the development of the Large Generating Facility, at Interconnection Customer election, has been achieved: (i) the execution of a contract for the supply or transportation of fuel to the Large Generating Facility; (ii) the execution of a contract for the supply of cooling water to the Large Generating Facility; (iii) execution of a contract for the engineering for, procurement of major equipment for, or construction of, the Large Generating Facility; (iv) execution of a contract for the sale of electric energy or capacity from the Large Generating Facility; or (v) application for an air, water, or land use permit.

Interconnection Customer shall either: (i) execute two originals of the tendered LGIA and return them to Transmission Provider; or (ii) submit a written request to initiate Dispute Resolution procedures under this agreement. If the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted LGIA, they may proceed pending Dispute Resolution.

11.4 Commencement of Interconnection Activities

If Interconnection Customer executes the final LGIA, Transmission Provider and Interconnection Customer shall perform their respective obligations in accordance with the terms of the LGIA. Upon submission of an unexecuted LGIA to Dispute Resolution, Interconnection Customer and Transmission Provider shall promptly comply with the unexecuted LGIA, subject to modification in Dispute Resolution.

SECTION 12. CONSTRUCTION OF TRANSMISSION PROVIDER'S INTERCONNECTION FACILITIES AND NETWORK UPGRADES

12.1 Schedule

Transmission Provider and Interconnection Customer shall negotiate a schedule for the construction of Transmission Provider's Interconnection Facilities and the Network Upgrades.

12.2.1 General

In general, the In-Service Date of an Interconnection Customer will determine the sequence of construction of Network Upgrades.

12.2.2 Advance Construction of Network Upgrades that are an Obligation of an Entity other than Interconnection Customer

In order to maintain its In-Service Date, an Interconnection Customer with an LGIA may request that Transmission Provider advance, to the extent necessary, the completion of Network Upgrades that: (i) were assumed in the Interconnection Studies for such Interconnection Customer, (ii) are necessary to support such In-Service Date, and (iii) would otherwise not be completed in time to support such In-Service Date, due to a contractual obligation of an entity other than Interconnection Customer. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades, and Interconnection Customer shall pay Transmission Provider: (i) any associated expediting costs and (ii) the cost of such Network Upgrades.

Transmission Provider will refund to Interconnection Customer both the expediting costs and the cost of Network Upgrades, in accordance with Article 11.4 of the LGIA. Consequently, the entity with a contractual obligation to construct such Network Upgrades shall be obligated to pay only that portion of the costs of the Network Upgrades that Transmission Provider has not refunded to Interconnection Customer. Payment by that entity shall be due on the date that it would have been due had there been no request for advance construction. Transmission Provider shall forward to Interconnection Customer the amount paid by the entity with a contractual obligation to construct the Network Upgrades as payment in full for the outstanding balance owed to Interconnection Customer. Transmission Provider then shall refund to that entity the amount that it paid for the Network Upgrades, in accordance with Article 11.4 of the LGIA.

12.2.3 Advancing Construction of Network Upgrades that are Part of an Expansion Plan of the Transmission Provider

In order to maintain its In-Service Date, an Interconnection Customer with an LGIA may request that Transmission Provider advance, to the extent necessary, the completion of Network Upgrades that: (i) are necessary to support such In-Service Date and (ii) would otherwise not be completed in time to support such In-Service Date, pursuant to an expansion plan of Transmission Provider. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of

such Network Upgrades, and Interconnection Customer shall pay Transmission Provider any associated expediting costs. Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Interconnection System Impact Study

An Interconnection System Impact Study will be amended to determine the facilities necessary to support the requested In-Service Date. This amended study will include those transmission and Large Generating Facilities that are expected to be in service on or before the requested In-Service Date.

SECTION 13. MISCELLANEOUS

13.1 Confidentiality

This Section 13.1 applies to all Confidential Information, including all Confidential Information supplied by either of the Parties to the other prior to the Effective Date of an LGIA.

At the receiving Party's request, the Party supplying Confidential Information shall provide, in writing, the basis for asserting that the Confidential Information warrants confidential treatment. The requesting Party may disclose such writing to an appropriate Governmental Authority.

13.1.1 Scope

Confidential Information does not include information that: (1) is generally available to the public, other than as a result of a disclosure by the receiving Party; (2) was lawfully possessed by the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied without restriction by a third party who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; or (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party. Information will no longer be Confidential Information if the Party that designated it as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information

A Party may release or disclose Confidential Information (1) to its Affiliates (limited by Transmission Provider's Standards of Conduct policy, posted on its public website), employees, consultants, or parties who are, or are considering,

providing financing to or equity participation with Interconnection Customer; (2) to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIP; (3) as necessary to fulfill its obligations under this LGIP, as a transmission service provider, or a Balancing Authority, including disclosing the Confidential Information to an RTO or ISO, a reliability coordinator, an Applicable Reliability Council, or NERC; (4) as required by any Governmental Authority or Applicable Laws and Regulations; or (5) in any legal proceeding establishing rights and obligations under this LGIP. For release or disclosure under (1) or (2), the disclosing Party shall ensure that the recipient has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. For release or disclosure under (4), the disclosing Party shall follow the procedures in Section 13.1.6. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights

Each Party retains all interests in the Confidential Information that it discloses to the other Party. Disclosure of Confidential Information shall not be deemed a waiver, by either Party or any other person or entity, of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties

By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party, nor to enter into any further agreements or proceed with any other relationship or joint venture.

13.1.5 Standard of Care

Each Party shall protect Confidential Information it receives using at least the same standard of care to as it uses to protect its own Confidential Information. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIP or its regulatory requirements.

13.1.6 Order of Disclosure

If a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party to disclose Confidential Information,

including through a public records request to Transmission Provider as described in Section 13.1.9, the Party subject to such request or requirement shall promptly notify the other Party so that the other Party may seek an appropriate protective order, at its own expense, or waive compliance with the terms of the LGIP. The Party subject to such request or requirement shall use Reasonable Efforts to assist the other Party in obtaining an appropriate protective order. If Applicable Laws and Regulations prevent the disclosing Party from providing notice of the request or prior notice of disclosure, the disclosing Party will provide notice as soon as practicable when permitted by Applicable Laws and Regulations. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which it determines it is legally compelled to disclose.

13.1.7 Remedies

The Parties agree that monetary damages would be inadequate compensation for a Party's breach of its obligations under this Section 13.1. Each Party shall be entitled to equitable relief, without bond or proof of damages, for the other Party's breach or threatened breach of its obligations under this Section 13.1. The receiving Party shall not plead in defense that there would be an adequate remedy at law. Such equitable remedy is in addition to all other available remedies. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, consequential, or punitive damages of any kind in connection with this Section 13.1.

13.1.8 Term

While the Interconnection Request is still valid, and for a period of three years after the Interconnection Request is withdrawn, or three years after termination of an LGIA, each Party shall hold Confidential Information in confidence and shall not disclose it to any person, except as otherwise provided in this Section 13.1.

Upon expiration of these confidentiality requirements, each Party shall, within ten days of receipt of a written request from the other Party, use Reasonable Efforts to (i) destroy, erase, or delete all Confidential Information received from the other Party, including any copies made, and certify such destruction, erasure, and deletion in writing to the other Party or (ii) return all Confidential Information received from the other Party, including any copies made.

13.1.9 Washington Public Records Act

Interconnection Customer expressly acknowledges that Transmission Provider is subject to the provisions of Chapter 42.56 RCW, Washington's Public Records Act,

that all documents and materials received by Transmission Provider shall be public records as defined by Public Records Act, and that those documents and materials may be subject to disclosure pursuant to the Act. If Transmission Provider receives a public records request that covers documents and materials provided by Interconnection Customer, Transmission Provider shall follow Section 13.1. with respect to Confidential Information. Transmission Provider may release documents and materials provided by Interconnection Customer that are not Confidential Information at any time in response to a public records request.

13.2 Delegation of Responsibility

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this LGIP. Transmission Provider shall remain primarily liable to Interconnection Customer for the performance of such subcontractors and compliance with its obligations under this LGIP. The subcontractor shall keep all Confidential Information provided confidential and shall use such information solely for the performance of the obligation for which it was provided and no other purpose. The obligations under this Section 13.2 will not be limited in any way by any limitation of subcontractor's insurance.

13.3 Obligation for Study Costs

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Except as otherwise provided in this LGIP, any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded to Interconnection Customer, without interest, or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any undisputed costs within 30 calendar days of receipt of an invoice. Transmission Provider shall not be obligated to perform or continue to perform any studies, or provide any completed studies, supporting documentation, work papers, or databases unless Interconnection Customer has paid all undisputed, invoiced amounts.

13.4 Third Parties Conducting Studies

If (i) at execution of an Interconnection Study agreement the Parties disagree on the estimated time to complete an Interconnection Study, (ii) Interconnection Customer receives notice pursuant to Section 6.3, Section 7.4, or Section 8.3 that Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or (iii) Interconnection Customer receives neither the

Interconnection Study nor a notice under Section 6.3, Section 7.4, or Section 8.3 within the applicable timeframe, then Interconnection Customer may request Transmission Provider to utilize a third-party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under Transmission Provider's direction.

In cases where Interconnection Customer requests use of a third-party consultant, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms, including reimbursement arrangements and the estimated study completion date and study review deadline. Upon Interconnection Customer's request, Transmission Provider shall convey work papers, data bases, study results, and other supporting documentation prepared to date as soon as soon as practicable, subject to the confidentiality provision in Section 13.1. A third-party contract may be entered into by either Interconnection Customer or Transmission Provider, at Transmission Provider's sole discretion. In the case of (iii) Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third-party study. Such third-party consultant shall be required to comply with this LGIP and the relevant Tariff procedures and protocols that would apply if Transmission Provider were to conduct the Interconnection Study. The third-party consultant shall use the information provided to it solely for purposes of performing Interconnection Studies and for no other purposes. Transmission Provider shall cooperate with the third-party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes

13.5.1 Submission

If either Party has a dispute, or asserts a claim, related to this LGIP or performance under the Interconnection Study agreements, such Party shall provide the other Party with a Notice of Dispute. The Parties, through their designated senior representatives, shall attempt to resolve the dispute or claim on an informal basis. If the designated representatives are unable to resolve the claim or dispute within 30 days of receipt of the Notice of Dispute, the Parties may agree to submit such claim or dispute to arbitration in accordance with the arbitration procedures set forth in Section 13.5.2. If the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise its rights and pursue all remedies available to it consistent with the terms of this LGIP.

13.5.2 External Arbitration Procedures

Any arbitration initiated under this LGIP shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten days of the submission 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 20 days select a third arbitrator to chair the arbitration panel. All arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator or arbitration panel shall provide each of the Parties an opportunity to be heard. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable RTO or ISO rules, except that in the event of a conflict between external rules and this Section 13.5, the terms of this Section 13.5 shall prevail.

13.5.3 Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator or arbitration panel shall render a decision within 90 days of appointment, notifying the Parties in writing of the reasons for such. The arbitrator or arbitration panel shall be authorized only to interpret and apply the provisions of this LGIP or disputed Interconnection Study agreement and shall have no power to modify or change any provision of this LGIP or any Interconnection Study agreement. The decision shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision may be appealed solely on the grounds that the conduct of an arbitrator, or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. Substantive standards for the resolution of disputes shall reflect FERC regulations and precedent as well as applicable legal precedent.

13.5.4 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.

13.6 Facilities Financed by Tax Exempt Bonds

If Transmission Provider determines that the provision of Interconnection Service requested by Interconnection Customer would jeopardize the tax-exempt status of any bonds used to finance its facilities that would be used in providing such Interconnection Service, it shall advise the Interconnection Customer within 30 days of receipt of the Interconnection Request and shall not be obligated to provide the requested Interconnection

13.7 Joint Operating Committee

Except in the case of ISOs and RTOs, Transmission Provider shall constitute a Joint Operating Committee to coordinate operating and technical considerations of Interconnection Service. The Joint Operating Committee will consist of one representative each from Interconnection Customer, Transmission Provider, and any of Transmission Provider's other interconnection customers. At least six months prior to the Initial Synchronization Date, Interconnection Customer shall appoint one representative and one alternate to the Joint Operating Committee and shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating Committee shall meet as necessary, and at the request of any committee member, but not less than once each year. Meetings will be held in Chelan County, Washington, at times and places agreed to by the representatives. The Joint Operating Committee shall perform all of its duties consistent with the provisions of this LGIP. Each committee member shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties. All decisions and agreements, if any, made by the Joint Operating Committee, shall be in writing. The duties of the Joint Operating Committee include the following:

13.7.1 Establish data requirements and operating record requirements.

13.7.2 Review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.

13.7.3 Annually review the one-year forecast of maintenance and planned outage schedules of Interconnection Facilities.

13.7.4 Coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Large Generating Facilities, and other facilities that impact the normal operation of the Interconnection Facilities or the Large Generating Facilities.

13.7.5 Ensure that information is being provided by each committee member regarding equipment availability.

13.7.6 Perform such other duties as the committee members agree to confer upon it.

APPENDIX 1 to LGIP
INTERCONNECTION REQUEST FOR
A LARGE GENERATING FACILITY

1. The undersigned Interconnection Customer submits this request to interconnect its Large Generating Facility with the Transmission System.
2. This Interconnection Request is for (check one):
☐ A proposed new Large Generating Facility.
☐ An increase in the generating capacity or a Material Modification of an existing Generating Facility.
3. The type of interconnection service requested (check one):
☐ Energy Resource Interconnection Service
☐ Network Resource Interconnection Service
4. ☐ Check here only if Interconnection Customer requesting Network Resource Interconnection Service also seeks to have its Generating Facility studied for Energy Resource Interconnection Service
5. Interconnection Customer provides the following information:
 - a. Address or location of the proposed new Large Generating Facility site (to the extent known);
 - b. Maximum summer at _____ degrees C and winter at _____ degrees C megawatt electrical output of the proposed new Large Generating Facility;
 - c. General description of the equipment configuration;
 - d. Commercial Operation Date (day, month, and year);
 - e. Name, address, telephone number, and e-mail address of Interconnection Customer's contact person;
 - f. Approximate location of the proposed Point of Interconnection (optional); and
 - g. Interconnection Customer data (set forth in Attachment A)
 - h. Requested capacity (in MW) of Interconnection Service (if lower than the Generating Facility Capacity)

6. Applicable deposit amount as specified in the LGIP.
7. Evidence of Site Control as specified in the LGIP (check one)
- _____ Is attached to this Interconnection Request
- _____ Will be provided at a later date in accordance with this LGIP
8. This Interconnection Request shall be submitted to the representative indicated below:

Chelan PUD
Attn: Transmission and Distribution Engineering Manager
P.O. Box 1231
Wenatchee, WA 98807-1231
interconnectionrequest@chelanpud.org

9. Representative of Interconnection Customer to contact:

[To be completed by Interconnection Customer]

Name: _____

Address: _____

Telephone: _____

Email: _____

10. This Interconnection Request is submitted by:

Name of Interconnection Customer: _____

By (signature): _____

Name (type or print): _____

Title: _____

Date: _____

Interconnection Request for a Large Generating Facility (Solar)

Attachment A

Generating Facility Name:

Interconnection Capacity

Gross Generating Facility Capability (at Inverter Terminals): __MVA

Maximum Net Export Capability (at POI): __MW

Revision Date: 07/09/2018

Revision Number: 1



Effective Date: 7/1/2025

Part 1: Connection Location

- a) Locations of new substations, generators or new taps on existing lines must include:

State: _____

County: _____

Township: _____

Range: _____

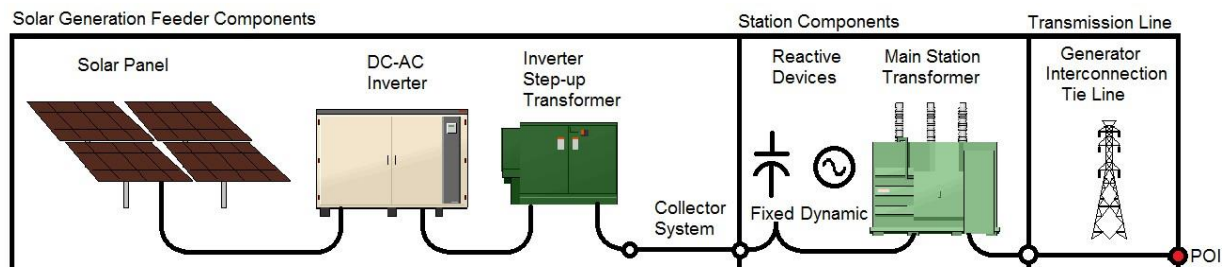
Elevation: _____

Latitude: _____

Longitude: _____

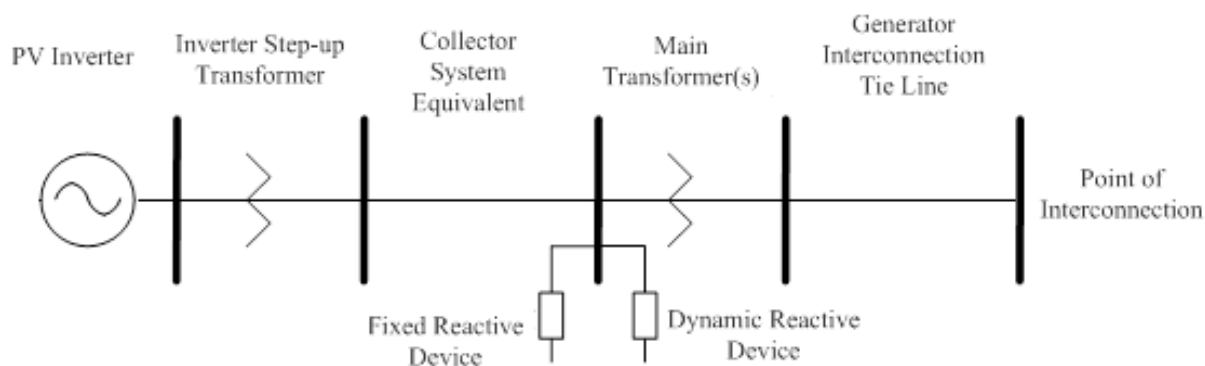
- b) Identify the substation if connecting to an existing District substation (Y/N). If the connection is between two existing substations, then both substations need to be identified. _____
- c) For connection to an existing District transmission line, identify the line by name as well as the location of the proposed interconnection. _____
- d) Driving directions to site of proposed facility: _____

Typical solar interconnection arrangement

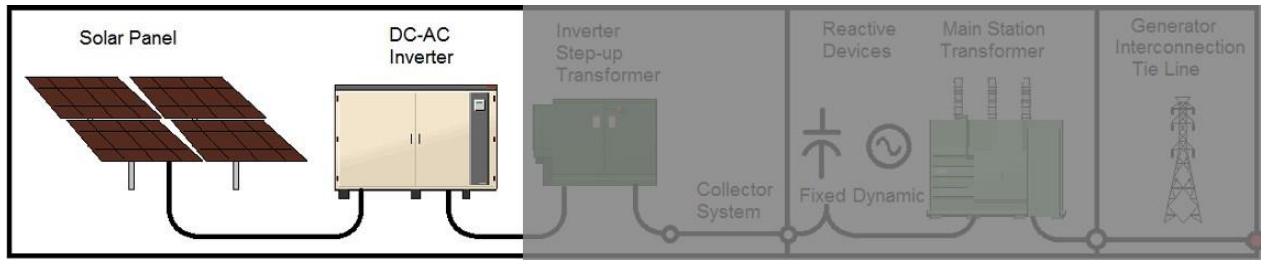


Please mark up the diagram below with details of the proposed interconnection. Please include circuit breaker and disconnect switch arrangement details. This One-Line Diagram may be modified as needed, or a proposed One-Line Diagram may be attached.

Attached



Part 3: Solar Panel and Inverter Data



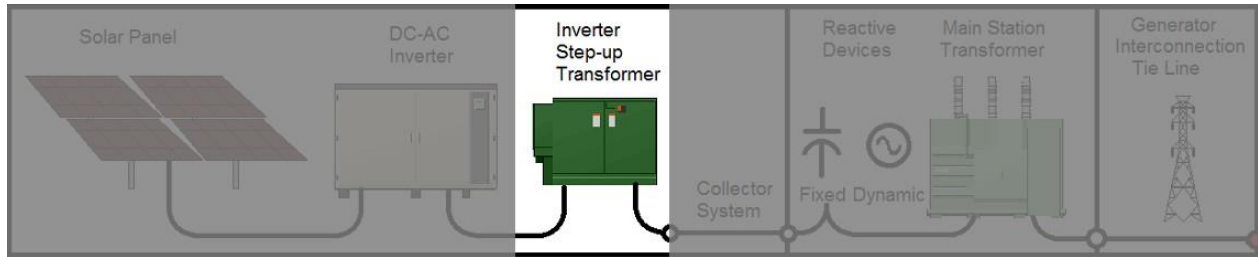
Solar Panel Data

- i) Manufacturer _____
- i) Model Name _____
- ii) Model Number _____
- iii) Model Version _____
- b) Number of Solar Panels _____
- c) Type of photovoltaic system Fixed or Tracked
- d) Provide a summary of solar panel electrical data ☒ **Attached**
- e) Expected monthly peak generation profile ☒ **Attached**

Inverter Data

- i) Manufacturer _____
- ii) Model Name _____
- iii) Model Number _____
- iv) Model Version _____
- b) Number of Inverters: _____
- c) Nominal Voltage: _____
- d) Nameplate Rating _____ kW/ _____ kVA
- e) Describe inverter reactive capability _____
- f) Provide with this form the inverter specification sheet with reactive capability ☒ **Attached**
- g) Inverter short circuit ratio limit _____

Part 4: Inverter Step-Up Transformer



Number of inverter transformers: ____

Provide data for either two-winding or three-winding transformer as appropriate

Two-Winding Inverter Step-Up Transformer Data (as applicable):

- Nameplate Rating: ____ MVA
- Maximum Rating (if applicable): ____ MVA
- Nominal Voltage for each winding (Low/High): ____ / ____ kV
- Winding Connections (Low/High): Delta or Wye / Delta or Wye
- Available taps: ____ / ____ / ____ / ____ / ____ kV **or** ____ % ____ # of taps.
- Load or no-load tap changer and location of tap changer: ____
- Positive sequence impedance (Z_1) ____ %, ____ X/R on MVA rating above.
- Zero sequence impedance (Z_0) ____ %, ____ X/R on MVA rating above.

Three-Winding Inverter Step-Up Transformer Data (as applicable)

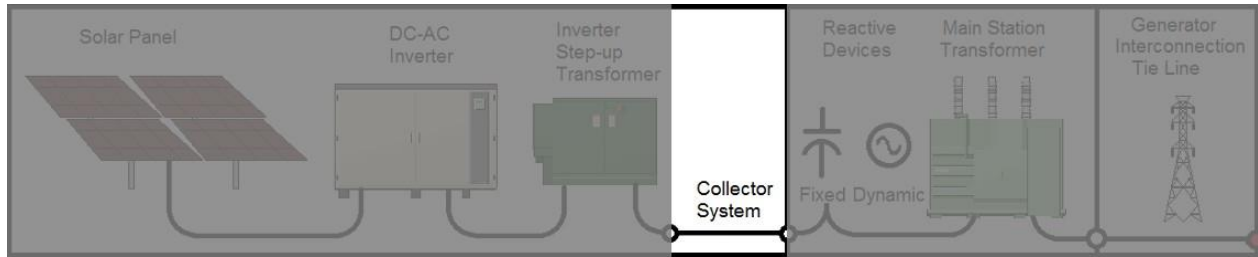
- GSU connection and winding (attach diagram and mark to reference this form).

	H Winding Data	X Winding Data	Y Winding Data
Nameplate ratings (i.e. OA/FA/FA)	____ / ____ / ____ MVA	____ / ____ / ____ MVA	____ / ____ / ____ MVA
Rated winding voltage base	____ kV Delta or Wye connected	____ kV Delta or Wye connected	____ kV Delta or Wye connected
Tap positions available	____ / ____ / ____ ____ / ____ / ____ ____ kV	____ / ____ / ____ ____ / ____ / ____ ____ kV	____ / ____ / ____ ____ / ____ / ____ ____ kV
Present Tap Setting (if applicable)	____ kV	____ kV	____ kV
Solid or impedance grounding	____ Ohms	____ Ohms	____ Ohms
BIL rating	____ kV	____ kV	____ kV

Three-Winding Inverter Step-Up Transformer Impedance Data (as applicable)

	H-X Winding Data	H-Y Winding Data	X-Y Winding Data
Transformer Per-unit base	_____MVA	_____MVA	_____MVA
Positive sequence impedance Z_1	_____ % _____ X/R	_____ % _____ X/R	_____ % _____ X/R
Zero sequence impedance Z_0	_____ % _____ X/R	_____ % _____ X/R	_____ % _____ X/R

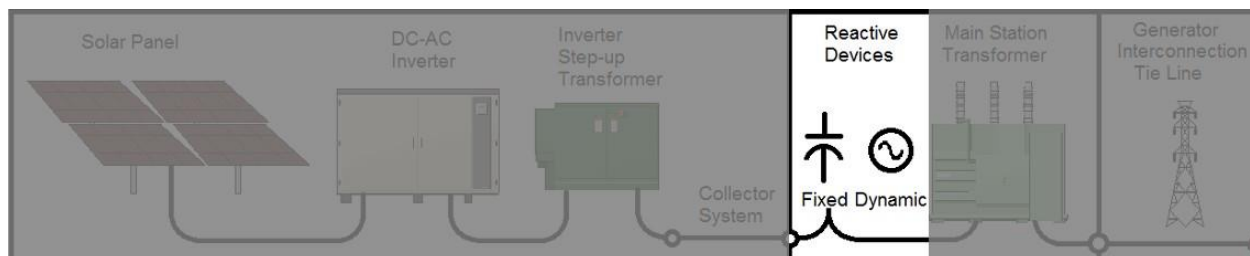
Part 5: Collector System Equivalent Model



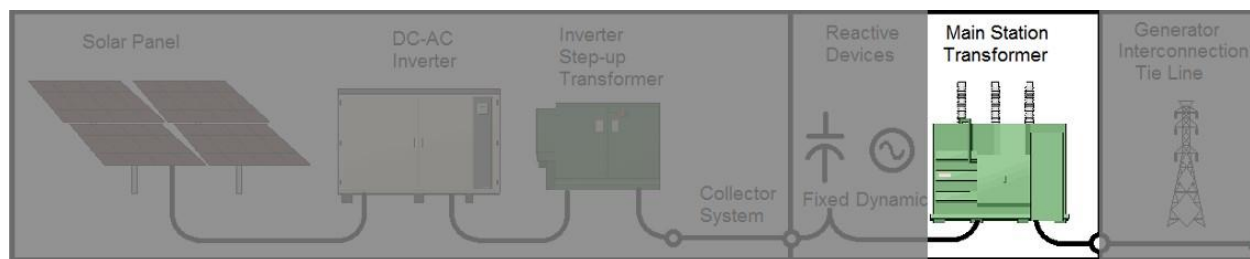
Provide either absolute or per unit impedance values.

- a) Collector system voltage = ____kV
- b) Total length of collector system = ____miles
- c) Overhead or underground construction ____
- d) Collector system equivalent model rating at -15°C/20°C/30°C ambient = / /
____MVA
- e) R_1 = ____ohm or ____pu on 100 MVA and line kV base (positive sequence)
- f) X_1 = ____ohm or ____pu on 100 MVA and line kV base (positive sequence)
- g) B_1 = ____μF or ____pu on 100 MVA and line kV base (positive sequence)
- h) R_0 = ____ohm or ____pu on 100 MVA and line kV base (zero sequence)
- i) X_0 = ____ohm or ____pu on 100 MVA and line kV base (zero sequence)
- j) B_0 = ____μF or ____pu on 100 MVA and line kV base (zero sequence)

(This describes devices beyond the inverter's built-in reactive capability)



- a) Type of reactive compensation device(s): Fixed or Dynamic
- b) Individual fixed shunt reactive device type:
 - Number and size of each: × MVA
- c) Dynamic reactive control device (e.g., SVC, STATCOM):
- d) Control range at rated MW output: Mvar (lead and lag)
- e) Control mode ☐ Voltage, maintained within CHPD's voltage schedule
- f) Regulation point ☐ High side of Main Station Transformer
- g) Describe the overall reactive power control strategy:



Number of main transformers: ____

Provide data for either two-winding or three-winding transformer as appropriate.

Two-Winding Main Transformer Data (as applicable)

- Nameplate Rating (OA/FA/FA): ____/____/____ MVA
- Nominal Voltage for each winding (Low/High): ____/____ kV
- Winding Connections (Low/High): Delta or Wye / Delta or Wye
- Available tap positions: ____/____/____/____/____ kV or ____%
of taps.
- Load or no-load tap changer and location of tap changer: __
- Positive sequence impedance Z_1 : ____%, ____X/R on self-cooled (OA) MVA
rating above.
- Zero sequence impedance Z_0 : ____%, ____X/R on self-cooled (OA) MVA
rating above.
- For pad mount transformer, construction: 3 / 4 / 5 -legged

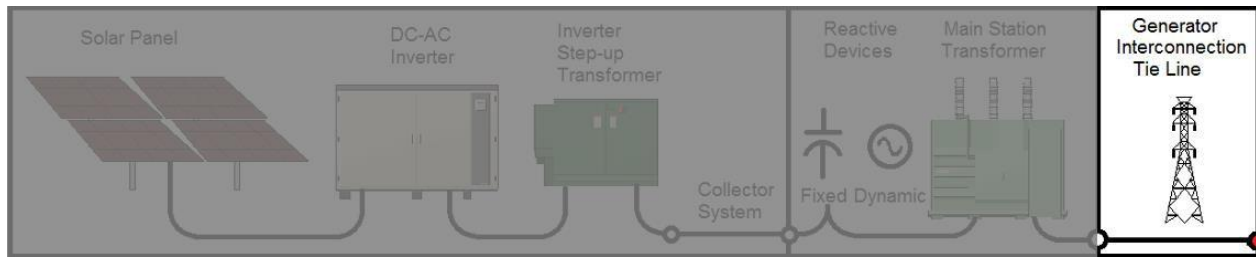
Three-Winding Main Transformer Data (as applicable)

- GSU connection and winding (attach diagram and mark to reference this form).

	H Winding Data	X Winding Data	Y Winding Data
Nameplate ratings (i.e. OA/FA/FA)	____/____/____ MVA	____/____/____ MVA	____/____/____ MVA
Rated winding voltage base	____ kV Delta or Wye connected	____ kV Delta or Wye connected	____ kV Delta or Wye connected
Tap positions available	____/____/____ ____ kV	____/____/____ ____ kV	____/____/____ ____ kV
Present Tap Setting (if applicable)	____ kV	____ kV	____ kV
Solid or impedance grounding	____ Ohms	____ Ohms	____ Ohms
BIL rating	____ kV	____ kV	____ kV

Three-Winding Inverter Step-Up Transformer Impedance Data (as applicable)

	H-X Winding Data	H-Y Winding Data	X-Y Winding Data
Transformer Per-unit base	_____MVA	_____MVA	_____MVA
Positive sequence impedance Z_1	_____ % _____ X/R	_____ % _____ X/R	_____ % _____ X/R
Zero sequence impedance Z_0	_____ % _____ X/R	_____ % _____ X/R	_____ % _____ X/R

Part 8: Generator Interconnection Tie Line

Provide either absolute or per unit impedance values.

- a) Point of Interconnection (utility substation/line name): AA
- b) Line voltage: _____ kV
- c) Line length: _____ miles
- d) Overhead or underground construction _____
- e) Line rating at -15°C/20°C/30°C ambient = _____ / _____ / _____ MVA
- f) R_1 = _____ ohm or _____ pu on 100 MVA and line kV base (positive sequence)
- g) X_1 = _____ ohm or _____ pu on 100 MVA and line kV base (positive sequence)
- h) B_1 = _____ μ F or _____ pu on 100 MVA and line kV base (positive sequence)
- i) R_0 = _____ ohm or _____ pu on 100 MVA and line kV base (zero sequence)
- j) X_0 = _____ ohm or _____ pu on 100 MVA and line kV base (zero sequence)
- k) B_0 = _____ μ F or _____ pu on 100 MVA and line kV base (zero sequence)

Part 9: Dynamic Modeling Data

- a) Provide with this form the WECC approved (and if applicable, recommended) dynamic models for generation facilities, including any additional dynamic reactive control devices.

Models Attached ☐

- Include plant volt/var control function model and active power/frequency control function model.
- All the associated files for dynamic modeling should be in PSLF or PowerWorld format, and must be shareable on an interconnection-wide basis to support use in the interconnection-wide cases.
- Model parameters for inverters shall include:
 - (1) Voltage response and ride-thru settings.
 - (2) Frequency response and ride thru settings.
 - (3) Control mode (voltage control for POI >100 kV, power factor control for POI < 100 kV).
 - (4) Any plant-level real power limits.

Chelan PUD requires the solar installation to align with the recommended performance characteristics and other recommendations related to inverter-based resource performance, analysis, and modeling as identified by NERC's Inverter-Based Resource Performance Joint Task Force.

Data Revisions

- a) If submitting revised data, record the date and a summary of the sections that have been updated:

1. _____

APPENDIX 2 to LGIP

INTERCONNECTION FEASIBILITY STUDY AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer”) and Public Utility District No. 1 of Chelan County, Washington, a municipal corporation of the State of Washington (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Feasibility Study to assess the feasibility of interconnecting the proposed Large Generating Facility to the Transmission System;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 Capitalized terms in this Agreement have the meanings indicated in the LGIP.
- 2.0 Interconnection Customer elects, and Transmission Provider shall cause to be performed, an Interconnection Feasibility Study consistent with Section 6.0 of the LGIP.
- 3.0 The scope of the Interconnection Feasibility Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Interconnection Feasibility Study shall be based on the technical information provided by Interconnection Customer in the Interconnection Request, as may be modified as the result of the Scoping Meeting. Transmission Provider reserves the right to request additional technical information from Interconnection Customer as may reasonably become necessary, consistent with Good Utility Practice, during the course of the Interconnection Feasibility Study and as designated in accordance with Section 3.3.4 of the LGIP. If, after agreement upon the designation of the Point of Interconnection at the Scoping Meeting, Interconnection Customer modifies its Interconnection Request pursuant to Section 4.4, the time to complete the Interconnection Feasibility Study may be extended.

5.0 The Interconnection Feasibility Study report shall provide the following information:

- preliminary identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- preliminary identification of any thermal overload or voltage limit violations resulting from the interconnection; and
- preliminary description and non-binding estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit and power flow issues.

6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Interconnection Feasibility Study. Transmission Provider estimates the Interconnection Feasibility Study will cost \$.

Upon receipt of the Interconnection Feasibility Study, Transmission Provider shall charge, and Interconnection Customer shall pay, the actual costs of the Interconnection Feasibility Study, including any re-study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, without interest, as appropriate.

7.0 Miscellaneous.

7.1 Binding Effect. This Agreement, and the associated rights and obligations, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

7.2 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices, or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

7.3 Applicable Law. This Agreement shall be construed, for all purposes, solely and exclusively in accordance with and pursuant to the laws of the State of Washington. Venue for any action filed to enforce or interpret the provisions of this contract shall be in Superior Court of Washington for Chelan County or United States District Court for the Eastern District of Washington. In the event of litigation to enforce the provisions of this contract, the substantially prevailing Party shall be entitled to reasonable attorneys' fees and costs in addition to any other relief allowed. Neither Party shall be liable for any consequential, incidental, indirect, exemplary, special, or punitive damages.

7.4 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in

- 7.5 Waiver. The waiver by either Party of any provision or the breach of any provision of this Agreement by the other Party must be in writing to be effective, and it shall not operate or be construed as a waiver of any other provision or subsequent breach by the other Party.
- 7.6 Multiple Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 7.7 Assignment. This Agreement may be assigned by a Party only with the written consent of the other Party. Any attempted assignment that violates this Section is void and ineffective.

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

Public Utility District No. 1 of Chelan County, Washington

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Interconnection Feasibility Study Agreement

**ASSUMPTIONS USED IN CONDUCTING THE
INTERCONNECTION FEASIBILITY STUDY**

The Interconnection Feasibility Study will be based upon the information set forth in the Interconnection Request and agreed upon in the Scoping Meeting held on_____:

Designation of Point of Interconnection and configuration to be studied.

Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 3 to LGIP

INTERCONNECTION SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this day of _____, 20____
by and between _____, a _____ organized and existing
under the laws of the State of _____, (“Interconnection Customer”) and
Public Utility District No. 1 of Chelan County, Washington, a municipal corporation of the State
of Washington, (“Transmission Provider”). Interconnection Customer and Transmission Provider
each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating
Facility or generating capacity addition to an existing Generating Facility consistent with the
Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating
Facility with the Transmission System; and

WHEREAS, Transmission Provider has completed an Interconnection Feasibility Study
(the “Feasibility Study”) and provided the results of said study to Interconnection Customer [*This
recital to be omitted if Transmission Provider does not require the Interconnection Feasibility
Study.*]; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform
an Interconnection System Impact Study to assess the impact to the Transmission System and any
Affected Systems of interconnecting the Large Generating Facility to the Transmission System;

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

- 1.0 Capitalized terms in this Agreement have the meanings indicated in the LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an
Interconnection System Impact Study consistent with Section 7.0 of this LGIP in
accordance with the Tariff.
- 3.0 The scope of the Interconnection System Impact Study shall be subject to the assumptions set
forth in Attachment A to this Agreement.
- 4.0 The Interconnection System Impact Study will be based upon the results of the Interconnection
Feasibility Study and the technical information provided by Interconnection Customer in
the Interconnection Request, subject to any modifications in accordance with Section 4.4
of the LGIP. Transmission Provider reserves the right to

Effective Date: 7/1/2025

request additional technical information from Interconnection Customer as may reasonably become necessary, consistent with Good Utility Practice, during the course of the Interconnection System Impact Study. If Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the Interconnection System Impact Study may be extended.

5.0 The Interconnection System Impact Study report shall provide the following information:

- identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- identification of any thermal overload or voltage limit violations resulting from the interconnection;
- identification of any instability or inadequately damped response to system disturbances resulting from the interconnection; and
- description and non-binding, good-faith estimated cost of facilities required to interconnect the Large Generating Facility to the Transmission System and to address the identified short circuit, instability, and power flow issues.

6.0 Interconnection Customer shall provide a deposit of \$50,000 for the performance of the Interconnection System Impact Study. Transmission Provider estimates the Interconnection System Impact Study will cost \$. Transmission Provider estimates the Interconnection System Impact Study will be finished on [insert date].

Upon receipt of the Interconnection System Impact Study, Transmission Provider shall charge, and Interconnection Customer shall pay, the actual costs of the Interconnection System Impact Study, including any re-study.

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to Interconnection Customer, without interest, as appropriate.

7.0 Miscellaneous.

- 7.1 Binding Effect. This Agreement, and the associated rights and obligations, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 7.2 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices, or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 7.3 Applicable Law. This Agreement shall be construed, for all purposes, solely and exclusively in accordance with and pursuant to the laws of the State of Washington. Venue for any action filed to enforce or interpret the provisions of this contract

shall be in Superior Court of Washington for Chelan County or United States District Court for the Eastern District of Washington. In the event of litigation to enforce the provisions of this contract, the substantially prevailing Party shall be entitled to reasonable attorneys' fees and costs in addition to any other relief allowed. Neither Party shall be liable for any consequential, incidental, indirect, exemplary, special, or punitive damages.

- 7.4 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 7.5 Waiver. The waiver by either Party of any provision or the breach of any provision of this Agreement by the other Party must be in writing and shall not operate or be construed as a waiver of any subsequent breach by such other Party.
- 7.6 Multiple Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original but all constitute one and the same instrument.
- 7.7 Assignment. This Agreement may be assigned by a Party only with the written consent of the other Party. Any attempted assignment that violates this Section is void and ineffective.

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

Public Utility District No. 1 of Chelan County, Washington

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Effective Date: 7/1/2025

Attachment A to Interconnection System Impact Study Agreement

**ASSUMPTIONS USED IN CONDUCTING
THE INTERCONNECTION SYSTEM IMPACT STUDY**

The Interconnection System Impact Study will be based upon the results of the Interconnection Feasibility Study, subject to any modifications in accordance with Section 4.4 of the LGIP, and the following assumptions:

Designation of Point of Interconnection and configuration to be studied.

Designation of alternative Point(s) of Interconnection and configuration.

[Above assumptions to be completed by Interconnection Customer and other assumptions to be provided by Interconnection Customer and Transmission Provider]

APPENDIX 4 to LGIP

INTERCONNECTION FACILITIES STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer,”) and Public Utility District No. 1 of Chelan County, Washington, a municipal corporation of the State of Washington, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, Transmission Provider has completed an Interconnection System Impact Study (the “System Impact Study”) and provided the results of said study to Interconnection Customer; and

WHEREAS, Interconnection Customer has requested Transmission Provider to perform an Interconnection Facilities Study to specify and estimate the cost of the equipment, engineering, procurement, and construction work needed to implement the conclusions of the Interconnection System Impact Study, in accordance with Good Utility Practice, to physically and electrically connect the Large Generating Facility to the Transmission System.

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

- 1.0 Capitalized terms in this Agreement have the meanings indicated in the LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Interconnection Facilities Study consistent with Section 8.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Interconnection Facilities Study shall be subject to the election set forth in Attachment A and the data provided in Attachment B to this Agreement. Interconnection Customer shall provide additional data that the District reasonably requests and that is necessary to complete the Interconnection Facilities Study.

- 4.0 The Interconnection Facilities Study report (i) shall provide a description, estimated cost of (consistent with Attachment A) and schedule for required facilities to interconnect the Large Generating Facility to the District's transmission system; and (ii) shall address the short circuit, instability, and power flow issues identified in the Interconnection System Impact Study.
- 5.0 Interconnection Customer shall provide a deposit of \$100,000 for the performance of the Interconnection Facilities Study. Interconnection Customer's election in Attachment A will determine the time for completion of the Interconnection Facilities Study. Transmission Provider estimates the Interconnection Facilities Study will cost \$_____. Transmission Provider estimates the Interconnection Facilities Study will be finished on [insert date].

Transmission Provider shall invoice Interconnection Customer on a monthly basis for the work to be conducted on the Interconnection Facilities Study each month, including any re-study. Interconnection Customer shall pay invoiced amounts within 30 calendar days of receipt of invoice. Transmission Provider shall continue to hold the amounts on deposit, without interest, until settlement of the final invoice.

6.0 Miscellaneous.

- 6.1 Binding Effect. This Agreement, and the associated rights and obligations, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.
- 6.2 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices, or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.
- 6.3 Applicable Law. This Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. Venue for any action filed to enforce or interpret the provisions of this contract shall be in Superior Court of Washington for Chelan County or United States District Court for the Eastern District of Washington. In the event of litigation to enforce the provisions of this contract, the substantially prevailing Party shall be entitled to reasonable attorneys' fees and costs in addition to any other relief allowed. Neither Party shall be liable for any consequential, incidental, indirect, exemplary, special, or punitive damages.
- 6.4 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.
- 6.5 Waiver. The waiver by either Party of any provision or the breach of any provision of this Agreement by the other Party must be in writing and shall not operate or be construed as a waiver of any subsequent breach by such other Party.
- 6.6 Multiple Counterparts. This Agreement may be executed in counterparts, each of

which is deemed an original but all constitute one and the same instrument

- 6.7 Assignment. This Agreement may be assigned by a Party only with the written consent of the other Party. Any attempted assignment that violates this Section is void and ineffective.

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

Public Utility District No. 1 of Chelan County, Washington

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Interconnection Facilities Study Agreement

**INTERCONNECTION CUSTOMER SCHEDULE ELECTION FOR CONDUCTING
THE INTERCONNECTION FACILITIES STUDY**

Based on Interconnection Customer's election, Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to Interconnection Customer within the following number of days after receipt of an executed copy of this Interconnection Facilities Study Agreement:

_____ 90 calendar days with a +/- 20 percent cost estimate contained in the report

_____ 180 calendar days with a +/- 10 percent cost estimate contained in the report.

Attachment B to Interconnection Facilities Study Agreement

**DATA FORM TO BE PROVIDED BY INTERCONNECTION CUSTOMER WITH THE
INTERCONNECTION FACILITIES STUDY AGREEMENT**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

One set of metering is required for each generation connection. Number of generation connections:

On the one line diagram indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one line diagram indicate the location of auxiliary power. (Minimum load on CT/PT)
Amps

Will an alternate source of auxiliary power be available during CT/PT maintenance?

____ Yes ____ No

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? ____ Yes ____ No (Please indicate on one line diagram).

What type of control system or PLC will be located at Interconnection Customer's Large Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle of the site. Sketch the plant, station, transmission line, and property line.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:

Line length from interconnection station to Transmission Provider's transmission line.

Tower number observed in the field. (Painted on tower leg)*

Number of third party easements required for transmission lines*:

* To be completed in coordination with Transmission Provider.

Is the Large Generating Facility in the Transmission Provider's service area?

Yes

No Local provider:

Name of proposed Balancing Authority:

Please provide proposed schedule dates:

Begin Construction Date:

Generator step-up transformer
receives back feed power Date:

Generation Testing Date:

Commercial Operation Date:

APPENDIX 5 to LGIP

OPTIONAL INTERCONNECTION STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20____ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer,”) and Public Utility District No. 1 of Chelan County, Washington, a municipal corporation of the State of Washington, (“Transmission Provider”). Interconnection Customer and Transmission Provider each may be referred to as a “Party,” or collectively as the “Parties.”

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Large Generating Facility or generating capacity addition to an existing Generating Facility consistent with the Interconnection Request submitted by Interconnection Customer dated _____; and

WHEREAS, Interconnection Customer is desires to interconnect the Large Generating Facility with the Transmission System; and

WHEREAS, on or after the date when Interconnection Customer receives the Interconnection System Impact Study results, Interconnection Customer has further requested that Transmission Provider prepare an Optional Interconnection Study;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agree as follows:

- 1.0 Capitalized terms in this Agreement have the meanings indicated in the LGIP.
- 2.0 Interconnection Customer elects and Transmission Provider shall cause to be performed an Optional Interconnection Study consistent with Section 10.0 of this LGIP to be performed in accordance with the Tariff.
- 3.0 The scope of the Optional Interconnection Study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The Optional Interconnection Study shall be performed solely for informational purposes.
- 5.0 The Optional Interconnection Study report shall provide a sensitivity analysis based on the assumptions specified by Interconnection Customer in Attachment A to this Agreement. The Optional Interconnection Study will identify Transmission Provider’s Interconnection Facilities and the Network Upgrades, and their estimated cost, that may be required to provide interconnection service based upon the assumptions specified by

Effective Date: 7/1/2025

- 6.0 Interconnection Customer shall provide a deposit of \$10,000 for the performance of the Optional Interconnection Study. Transmission Provider estimates the Optional Interconnection Study will cost \$_____. Transmission Provider estimates the Optional Interconnection Study will be finished on [insert date].

Upon receipt of the Optional Interconnection Study, Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Optional Study.

Any difference between the initial payment and the actual cost of the study shall be paid by or refunded to Interconnection Customer, without interest, as appropriate.

7.0 Miscellaneous.

7.1 Binding Effect. This Agreement, and the associated rights and obligations, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

7.2 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendices, or exhibits hereto, the terms and provisions of the body of this Agreement shall prevail and be deemed the final intent of the Parties.

7.3 Applicable Law. This Agreement shall be construed, for all purposes, solely and exclusively in accordance with and pursuant to the laws of the State of Washington. Venue for any action filed to enforce or interpret the provisions of this contract shall be in Superior Court of Washington for Chelan County or United States District Court for the Eastern District of Washington. In the event of litigation to enforce the provisions of this contract, the substantially prevailing Party shall be entitled to reasonable attorneys' fees and costs in addition to any other relief allowed. Neither Party shall be liable for any consequential, incidental, indirect, exemplary, special, or punitive damages.

7.4 No Third Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

7.5 Waiver. The waiver by either Party of any provision or the breach of any provision of this Agreement by the other Party must be in writing and shall not operate or be construed as a waiver of any subsequent breach by such other Party.

7.6 Multiple Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original but all constitute one and the same instrument.

7.7 Assignment. This Agreement may be assigned by a Party only with the written

consent of the other Party. Any attempted assignment that violates this Section is void and ineffective.

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

Public Utility District No. 1 of Chelan County, Washington

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

Attachment A to Optional Interconnection Study Agreement

**ASSUMPTIONS USED IN CONDUCTING
THE OPTIONAL INTERCONNECTION STUDY**

The Optional Interconnection Study will consist of a sensitivity analysis based upon the following assumptions:

[Above assumptions to be completed by Interconnection Customer]

STANDARD LARGE GENERATOR
INTERCONNECTION AGREEMENT (LGIA)
(Applicable to Generating Facilities that exceed 20 MW)

TABLE OF CONTENTS

	Page
ARTICLE 1. DEFINITIONS	238
ARTICLE 2. EFFECTIVE DATE, TERM, AND TERMINATION	245
2.1 [RESERVED]	245
2.2 TERM OF AGREEMENT	245
2.3 TERMINATION PROCEDURES	245
2.3.1 Written Notice	245
2.3.2 Default	246
2.3.3 Conditions.	246
2.4 TERMINATION COSTS	246
2.5 DISCONNECTION	247
2.6 SURVIVAL	247
ARTICLE 3. COMPLIANCE WITH LAWS AND REGULATIONS	247
ARTICLE 4. SCOPE OF SERVICE	247
4.1 INTERCONNECTION PRODUCT OPTIONS	247
4.2 PROVISION OF SERVICE	250
4.3 PERFORMANCE STANDARDS	250
4.4 NO TRANSMISSION DELIVERY SERVICE	250
4.5 INTERCONNECTION CUSTOMER PROVIDED SERVICES	250
ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION	251
5.1 OPTIONS	251
5.1.1 Standard Option	251
5.1.2 [Reserved]	251
5.1.3 Option to Build	251
5.1.4 Negotiated Option	252
5.2 GENERAL CONDITIONS APPLICABLE TO BUILD BY INTERCONNECTION CUSTOMER	252
5.3 [RESERVED]	254
5.4 POWER SYSTEM STABILIZERS	254
5.5 EQUIPMENT PROCUREMENT	254
5.6 CONSTRUCTION COMMENCEMENT	254
5.7 WORK PROGRESS	255
5.8 INFORMATION EXCHANGE	255
5.9 OTHER INTERCONNECTION OPTIONS	255
5.9.1 Limited Operation	255
5.9.2 Provisional Interconnection Service	256
5.10 INTERCONNECTION CUSTOMER’S INTERCONNECTION FACILITIES	256
5.10.1 Interconnection Customer’s Interconnection Facility Specifications	256
5.10.2 Transmission Provider’s Review	257
5.10.3 ICIF Construction	257
5.11 TRANSMISSION PROVIDER’S INTERCONNECTION FACILITIES CONSTRUCTION	257

5.12	ACCESS RIGHTS	258
5.13	LANDS OF OTHER PROPERTY OWNERS	258
5.14	PERMITS.....	258
5.15	EARLY CONSTRUCTION OF BASE CASE FACILITIES	259
5.16	SUSPENSION	259
5.17	TAXES.....	259
5.17.1	Interconnection Customer Payments Not Taxable	259
5.17.2	Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Transmission Provider	260
5.17.3	Transmission Owners Who Are Not Transmission Providers.....	260
5.18	TAX STATUS	260
5.19	MODIFICATION	260
5.19.1	General.....	260
5.19.2	Standards	261
5.19.3	Modification Costs	261
ARTICLE 6.	TESTING AND INSPECTION.....	261
6.1	PRE-COMMERCIAL OPERATION DATE TESTING AND MODIFICATIONS...	261
6.2	POST-COMMERCIAL OPERATION DATE TESTING AND MODIFICATIONS	261
6.3	RIGHT TO OBSERVE TESTING	261
6.4	RIGHT TO INSPECT.....	261
6.5	NON-INTERFERENCE	262
ARTICLE 7.	METERING	262
7.1	GENERAL.....	262
7.2	CHECK METERS	262
7.3	STANDARDS.....	262
7.4	TESTING OF METERING EQUIPMENT	262
7.5	METERING DATA.....	263
ARTICLE 8.	COMMUNICATIONS	263
8.1	INTERCONNECTION CUSTOMER OBLIGATIONS	263
8.2	REMOTE TERMINAL UNIT	263
8.3	NO ANNEXATION	264
8.4	PROVISION OF DATA FROM A VARIABLE ENERGY RESOURCE	264
ARTICLE 9.	OPERATIONS.....	264
9.1	[RESERVED]	264
9.2	BALANCING AUTHORITY NOTIFICATION	264
9.3	TRANSMISSION PROVIDER OBLIGATIONS	265
9.4	INTERCONNECTION CUSTOMER OBLIGATIONS	265
9.5	START-UP AND SYNCHRONIZATION.....	265
9.6	REACTIVE POWER.....	265
9.6.1	Power Factor Design Criteria	265
9.6.2	Voltage Schedules	266
9.6.3	Governors and Regulators	266
9.6.4	Payment for Reactive Power	267
9.7	OUTAGES AND INTERRUPTIONS	267
9.7.1	Outages	267
9.7.2	Interruption of Service.....	268

9.7.3 Under-Frequency and Over Frequency Conditions.....	269
9.7.4 System Protection and Other Control Requirements	269
9.7.5 Requirements for Protection.....	270
9.7.6 Power Quality	270
9.8 SWITCHING AND TAGGING RULES.....	270
9.9 USE OF INTERCONNECTION FACILITIES BY THIRD PARTIES.....	270
9.9.1 Purpose of Interconnection Facilities	270
9.9.2 Third-Party Users	271
9.10 DISTURBANCE ANALYSIS DATA EXCHANGE.....	271
ARTICLE 10. MAINTENANCE.....	271
10.1 TRANSMISSION PROVIDER OBLIGATIONS	271
10.2 INTERCONNECTION CUSTOMER OBLIGATIONS	271
10.3 COORDINATION.....	271
10.4 SECONDARY SYSTEMS	271
10.5 OPERATING AND MAINTENANCE EXPENSES	272
ARTICLE 11. PERFORMANCE OBLIGATION	272
11.1 INTERCONNECTION CUSTOMER INTERCONNECTION FACILITIES	272
11.2 TRANSMISSION PROVIDER’S INTERCONNECTION FACILITIES	272
11.3 NETWORK UPGRADES AND DISTRIBUTION UPGRADES.....	272
11.4 TRANSMISSION CREDITS	272
11.4.1 Repayment of Amounts Advanced for Network Upgrades.....	272
11.4.2 Special Provisions for Affected Systems.....	273
11.4.3 Rights Reserved.....	273
11.5 PROVISION OF SECURITY.....	274
11.6 INTERCONNECTION CUSTOMER COMPENSATION.....	274
ARTICLE 12. INVOICE.....	275
12.1 GENERAL.....	275
12.2 FINAL INVOICE	275
12.3 PAYMENT	275
12.4 DISPUTES.....	275
ARTICLE 13. EMERGENCIES	276
13.1 [RESERVED]	276
13.2 OBLIGATIONS.....	276
13.3 NOTICE.....	276
13.4 IMMEDIATE ACTION.....	276
13.5 TRANSMISSION PROVIDER AUTHORITY.....	276
13.5.1 General.....	276
13.5.2 Reduction and Disconnection.....	277
13.6 INTERCONNECTION CUSTOMER AUTHORITY.....	277
13.7 LIMITED LIABILITY	278
ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW	278
14.1 REGULATORY REQUIREMENTS.....	278
14.2 GOVERNING LAW.....	278
ARTICLE 15. NOTICES	278
15.1 GENERAL.....	278
15.2 BILLINGS AND PAYMENTS	279
15.3 ALTERNATIVE FORMS OF NOTICE	279
15.4 OPERATIONS AND MAINTENANCE NOTICE.....	279

ARTICLE 16. FORCE MAJEURE	279
ARTICLE 17. DEFAULT	279
17.1 GENERAL	279
ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES, AND INSURANCE	280
18.1 INDEMNITY	280
18.1.1 Failure to Indemnify	280
18.1.2 Indemnification Amount	280
18.1.3 Indemnity Procedures	280
18.2 CONSEQUENTIAL DAMAGES	281
18.3 INSURANCE	281
ARTICLE 19. ASSIGNMENT	283
ARTICLE 20. SEVERABILITY	284
ARTICLE 21. COMPARABILITY	284
ARTICLE 22. CONFIDENTIALITY	284
22.1 CONFIDENTIALITY	284
22.2 TERM	284
22.3 SCOPE	284
22.4 RELEASE OF CONFIDENTIAL INFORMATION	285
22.5 RIGHTS	285
22.6 NO WARRANTIES	285
22.7 STANDARD OF CARE	285
22.8 ORDER OF DISCLOSURE	286
22.9 TERMINATION OF AGREEMENT	286
22.10 REMEDIES	286
22.11 WASHINGTON PUBLIC RECORDS ACT	286
ARTICLE 23. ENVIRONMENTAL RELEASES	287
ARTICLE 24. INFORMATION REQUIREMENTS	287
24.1 INFORMATION ACQUISITION	287
24.2 INFORMATION SUBMISSION BY TRANSMISSION PROVIDER	287
24.3 UPDATED INFORMATION SUBMISSION BY INTERCONNECTION CUSTOMER	287
24.4 INFORMATION SUPPLEMENTATION	288
ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS	289
25.1 INFORMATION ACCESS	289
25.2 REPORTING OF NON-FORCE MAJEURE EVENTS	289
25.3 AUDIT RIGHTS	289
25.4 [RESERVED]	289
25.5 AUDIT RESULTS	290
25.6 AUDIT INFORMATION CONFIDENTIAL	290
ARTICLE 26. SUBCONTRACTORS	290
26.1 GENERAL	290
26.2 RESPONSIBILITY OF PRINCIPAL AND SUBCONTRACTOR	290
26.3 NO LIMITATION BY INSURANCE	290
ARTICLE 27. DISPUTES	290
27.1 SUBMISSION	290
27.2 EXTERNAL ARBITRATION PROCEDURES	290
27.3 ARBITRATION DECISIONS	291
27.4 COSTS	291

ARTICLE 28. REPRESENTATIONS, WARRANTIES, AND COVENANTS.....	291
28.1 GOOD STANDING.....	291
28.2 AUTHORITY	291
28.3 NO CONFLICT	291
28.4 CONSENT AND APPROVAL	292
ARTICLE 29. JOINT OPERATING COMMITTEE	292
ARTICLE 30. MISCELLANEOUS	292
30.1 BINDING EFFECT	292
30.2 CONFLICTS.....	292
30.3 ENTIRE AGREEMENT.....	292
30.4 NO THIRD-PARTY BENEFICIARIES.....	292
30.5 WAIVER.....	292
30.6 MULTIPLE COUNTERPARTS	293
30.7 AMENDMENT.....	293
30.8 NO PARTNERSHIP	293

Appendix A - Interconnection Facilities, Network Upgrades, and Distribution Upgrades

Appendix B – Milestones

Appendix C – Interconnection Details

Appendix D – Test Conditions

Appendix E – Commercial Operation Date

Appendix F – Addresses for Delivery of Notices and Billings

STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

THIS STANDARD LARGE GENERATOR INTERCONNECTION AGREEMENT

(“Agreement”) is made and entered into this _____ day of _____ 20____, between _____, a _____ organized and existing under the laws of the State/Commonwealth of _____ (“Interconnection Customer”), and Public Utility District No. 1 of Chelan County, a municipal corporation of the State of Washington (“Transmission Provider” and “Transmission Owner”). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Transmission Provider owns and operates the Transmission System; and

WHEREAS, Interconnection Customer intends to own, lease, or control and operate the Generating Facility identified as a Large Generating Facility in Appendix C to this Agreement; and,

WHEREAS, Interconnection Customer wants to interconnect the Large Generating Facility with the Transmission System;

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

ARTICLE 1. DEFINITIONS

When used in this Standard Large Generator Interconnection Agreement, terms with initial capitalization that are not defined in Article 1 shall have the meanings specified in the Article in which they are used or the Tariff.

Affected System means an electric system other than the Transmission System that may be affected by the proposed interconnection.

Affected System Operator means the entity that operates an Affected System.

Affiliate means, 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.

Ancillary Services means those services that are necessary to support the transmission of capacity

Effective Date: 7/1/2025

and energy from resources to loads while maintaining reliable operation of the Transmission System in accordance with Good Utility Practice.

Applicable Laws and Regulations means all duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Applicable Reliability Council means the reliability council applicable to the Transmission System to which the Generating Facility is directly interconnected.

Applicable Reliability Standards means the requirements and guidelines of NERC, the Applicable Reliability Council, the Balancing Authority for the Transmission System, and any other entity that may lawfully apply reliability requirements and guidelines to Transmission Provider or Interconnection Customer.

Base Case means the base power flow, short circuit, and stability databases used for the Interconnection Studies by Transmission Provider or Interconnection Customer.

Balancing Authority means the responsible entity that integrates resource plans ahead of time, maintains demand and resource balance within a Balancing Authority Area, and supports interconnection frequency in real time.

Balancing Authority Area means the collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Breach means the failure to perform or observe any material term or condition of the Standard Large Generator Interconnection Agreement.

Commercial Operation means the status of a Generating Facility that has commenced generating electricity for sale, excluding electricity generated during Trial Operation.

Commercial Operation Date means the date on which a unit of the Generating Facility commences Commercial Operation as agreed to by the Parties and confirmed by Appendix E to the Standard Large Generator Interconnection Agreement.

Confidential Information means any confidential, proprietary, or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy, or compilation relating to the present or planned business of a Party, including all information relating to

a Party's technology, research and development, business affairs, and pricing, whether conveyed orally, electronically, in writing, through inspection, or otherwise, and which this LGIA or the Party supplying the information clearly designates as confidential.

Default means the failure of a Party to cure its Breach in accordance with Article 17 of the Standard Large Generator Interconnection Agreement.

Dispute Resolution means the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis under Article 27 of this Agreement.

Distribution System means Transmission Provider's facilities and equipment used to transmit electricity to ultimate usage points but excluding facilities and equipment that are part of the Transmission System.

Distribution Upgrades means the additions, modifications, and upgrades to the Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Generating Facility and render the transmission service necessary to effect Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Effective Date means the date on which the Standard Large Generator Interconnection Agreement becomes effective, specified in the opening paragraph of this LGIA.

Emergency Condition means a condition or situation: (1) that, in the judgment of either Party, is imminently likely to endanger life or property; (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Transmission System or the Distribution System, Transmission Provider's Interconnection Facilities, or the electric systems of others to which the Transmission System or the Distribution System is directly connected; or (3) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and blackstart are Emergency Conditions.

Energy Resource Interconnection Service means an Interconnection Service that allows Interconnection Customer to connect its Generating Facility to the Transmission System to be eligible to deliver the Generating Facility's electric output using the existing firm or non-firm capacity of the Transmission System on an as available basis. Energy Resource Interconnection Service does not convey transmission service.

FERC means the Federal Energy Regulatory Commission or its successor.

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 order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include events caused by acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

Generating Facility means Interconnection Customer's device for the production or storage for later injection of electricity identified in the Interconnection Request but shall not include Interconnection Customer's Interconnection Facilities.

Generating Facility Capacity means the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices.

Good Utility Practice means any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant 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.

Governmental Authority means any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental entity with jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power, except that such term does not include Transmission Provider, Interconnection Customer, or Interconnection Customer's Affiliates.

Initial Synchronization Date means the date upon which Trial Operation begins.

In-Service Date means the date upon which Interconnection Customer reasonably expects it will be ready to begin use of Transmission Provider's Interconnection Facilities to obtain back

Interconnection Customer means any entity, including Transmission Provider, Transmission Owner, or any Affiliate, that proposes to interconnect its Generating Facility with the Transmission System, or that proposes to increase the capacity of, or make a Material Modification to, a Generating Facility that is already interconnected with the Transmission System.

Interconnection Customer's Interconnection Facilities (ICIF) means all facilities and equipment, as identified in Appendix A to the Standard Large Generator Interconnection Agreement, that are located between the Generating Facility and the Point of Change of Ownership, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Generating Facility to the Transmission System. Interconnection Customer's Interconnection Facilities are sole use facilities.

Interconnection Facilities means Transmission Provider's Interconnection Facilities and Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions, or upgrades that are necessary to physically and electrically interconnect the Generating Facility to the Transmission System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades, or Network Upgrades.

Interconnection Request means an Interconnection Customer's request, in the form of Appendix 1 to the Standard Large Generator Interconnection Procedures and in accordance with the Tariff, to interconnect a Generating Facility with the Transmission System, or to increase the capacity of, or make a Material Modification to, a Generating Facility that is already interconnected with the Transmission System.

Interconnection Service means the service provided by Transmission Provider associated with interconnecting Interconnection Customer's Generating Facility to the Transmission System and enabling it to receive electric energy and capacity from the Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Large Generator Interconnection Agreement and, if applicable, the Tariff.

Joint Operating Committee shall be a group made up of representatives from Interconnection Customers and Transmission Provider to coordinate operating and technical considerations of Interconnection Service.

Large Generating Facility means a Generating Facility having a Generating Facility Capacity of more than 20 MW.

Material Modification means those modifications that have a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Metering Equipment means all metering equipment installed or to be installed pursuant to the Standard Large Generator Interconnection Agreement at the Generating Facility's metering points, including instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

NERC means the North American Electric Reliability Council or its successor organization.

Network Resource means any designated generating resource owned, purchased, or leased by a Network Customer for Network Integration Transmission Service under the Tariff. Network Resources do not include any resource, or portion of a resource, 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.

Network Resource Interconnection Service means an Interconnection Service that allows Interconnection Customer to integrate its Large Generating Facility with the Transmission System (1) in a manner comparable to that in which Transmission Provider integrates its generating facilities to serve native load customers; or (2) in an RTO or ISO with market-based congestion management, in the same manner as Network Resources. Network Resource Interconnection Service does not convey transmission service.

Network Upgrades means the additions, modifications, and upgrades to the Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission System to accommodate the interconnection of the Large Generating Facility to the Transmission System.

Notice of Dispute means a written notice of a dispute or claim that arises out of or in connection with the Standard Large Generator Interconnection Agreement or its performance.

Party or Parties means Transmission Provider, Transmission Owner, Interconnection Customer

Point of Change of Ownership means the point where Interconnection Customer's Interconnection Facilities connect to Transmission Provider's Interconnection Facilities, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement.

Point of Interconnection means the point where the Interconnection Facilities connect to the Transmission System, as set forth in Appendix A to the Standard Large Generator Interconnection Agreement.

Reasonable Efforts means efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Stand Alone Network Upgrades means Network Upgrades that are not part of an Affected System that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement. If Transmission Provider and Interconnection Customer disagree about whether a particular Network Upgrade is a Stand Alone Network Upgrade, Transmission Provider must provide Interconnection Customer a written technical explanation outlining why Transmission Provider does not consider the Network Upgrade to be a Stand Alone Network Upgrade within 15 days of its determination.

Standard Large Generator Interconnection Agreement (LGIA) means this Agreement for interconnection of Interconnection Customer's Large Generating Facility to the Transmission System.

Standard Large Generator Interconnection Procedures (LGIP) means the interconnection procedures contained in Attachment M to the Tariff, including its appendices.

System Protection Facilities means the equipment, including necessary protection signal communications equipment, required to protect (1) the Transmission System, Transmission System customers, and Distribution System customers from faults or other electrical disturbances occurring at the Generating Facility and (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission System or on other delivery systems or other generating systems to which the Transmission System is directly connected.

Tariff means Transmission Provider’s tariff for transmission service and Interconnection Service, to which the LGLIP is Attachment M.

Transmission Owner means an entity that owns, leases, or otherwise possesses an interest in the portion of the Transmission System at the Point of Interconnection and may be a Party to the Standard Large Generator Interconnection Agreement to the extent necessary.

Transmission Provider means Public Utility District No. 1 of Chelan County, Washington.

Transmission Provider’s Interconnection Facilities means all facilities and equipment owned, controlled, or operated by Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission Provider’s Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

Transmission System means the facilities owned, controlled, or operated by Transmission Provider or Transmission Owner that are used to provide transmission service under the Tariff.

Trial Operation means the period during which Interconnection Customer is engaged in on-site test operations and commissioning of the Generating Facility prior to Commercial Operation.

Variable Energy Resource means a device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

ARTICLE 2. EFFECTIVE DATE, TERM, AND TERMINATION

2.1 [Reserved]

2.2 Term of Agreement. Subject to the provisions of Article 2.3, this LGIA shall remain in effect for a period of ten years from the Effective Date and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures.

2.3.1 Written Notice. Interconnection Customer may terminate this LGIA after giving

Effective Date: 7/1/2025

Transmission Provider 90 days' advance written notice. Transmission Provider may terminate this LGIA after the Generating Facility permanently ceases Commercial Operation or if the Interconnection Request is withdrawn or deemed withdrawn before the Commercial Operation Date.

2.3.2 Default. Either Party may terminate this LGIA pursuant to Article 17.

2.3.3 Conditions. Notwithstanding Articles 2.3.1 and 2.3.2, no termination shall become effective until the Parties have complied with Applicable Laws and Regulations applicable to such termination, and until Dispute Resolution, if invoked, has been resolved in favor of the terminating Party.

2.4 Termination Costs. If a Party terminates this Agreement, costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed for termination will be calculated as of the date of the other Party's receipt of such notice of termination. The Parties shall use commercially Reasonable Efforts to mitigate the costs, damages, and charges arising as a consequence of termination. Upon termination, unless determined otherwise in Dispute Resolution:

2.4.1 To the extent possible and with Interconnection Customer's authorization, Transmission Provider shall cancel any pending orders for materials or equipment, return any materials or equipment received but not installed, and cancel any contracts for construction related to Transmission Provider's Interconnection Facilities. If Interconnection Customer does not authorize cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. If Interconnection Customer has already paid Transmission Provider for any materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties, incurred by Transmission Provider to cancel any pending orders or return materials or equipment.

If an Interconnection Customer terminates this LGIA, it shall be responsible for all costs incurred in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment and other expenses, including any Network Upgrades for which Transmission Provider has incurred expenses and has not been reimbursed by Interconnection Customer.

- 2.4.2** Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept. Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.
- 2.4.3** With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this LGIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation, or other disposition or retirement of such materials, equipment, or facilities.
- 2.5** **Disconnection.** Upon termination of this LGIA, the Parties will take all appropriate steps to disconnect the Large Generating Facility from the Transmission System. The terminating party shall bear all costs required for such disconnection unless termination resulted from the non-terminating Party's Default, or such non-terminating Party otherwise is responsible for these costs under this LGIA.
- 2.6** **Survival.** This LGIA shall continue in effect after termination to the extent necessary (i) to provide for final billings and payments for costs incurred pursuant to this LGIA; (ii) to permit the determination and enforcement of liability, indemnification, and insurance obligations arising from Default or acts or events that occurred while this LGIA was in effect; and (iii) to permit each Party to have access to the lands of the other Party pursuant to this LGIA or other applicable agreements, to disconnect, remove, or salvage its own facilities and equipment. A Party may remove from its lands, and dispose of at its discretion, the other Party's facilities and equipment if the other Party has taken no action to remove its facilities and equipment for a period of 90 consecutive days any time after termination.

ARTICLE 3. COMPLIANCE WITH LAWS AND REGULATIONS

Each Party shall comply with Applicable Laws and Regulations, Applicable Reliability Standards, the Tariff, and any applicable directive from NERC, the Applicable Reliability Council, or any entity that NERC or the Applicable Reliability Council has authorized to issue reliability directives. Each Party shall provide the other Party all information that the other Party may reasonably require to comply with Applicable Laws and Regulations, Applicable Reliability Standards, and applicable directives.

ARTICLE 4. SCOPE OF SERVICE

- 4.1 Interconnection Product Options.** Interconnection Customer has selected the following type of Interconnection Service (checked):

4.1.1 Energy Resource Interconnection Service.

4.1.1.1 The Product. Energy Resource Interconnection Service allows Interconnection Customer to connect the Large Generating Facility to the Transmission System to be eligible to deliver the Large Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To provide Energy Resource Interconnection Service, Transmission Provider shall construct facilities identified in Appendix A.

4.1.1.2 Transmission Delivery Service Implications. Under Energy Resource Interconnection Service, Interconnection Customer will be eligible to inject power from the Large Generating Facility into and deliver power across the Transmission System on an "as available" basis up to the amount of MWs identified in the applicable stability and steady-state studies, to the extent the upgrades initially required to qualify for Energy Resource Interconnection Service have been constructed. Where eligible to do so, Interconnection Customer may place a bid to sell into an organized market up to the maximum identified Large Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Large Generating Facility will be dispatched to the extent Interconnection Customer's bid clears. In all other instances, no transmission service from the Large Generating Facility is assured, but Interconnection Customer may request Point-to-Point Transmission Service, Network Integration Transmission Service, or be used for secondary network transmission service, pursuant to the Tariff, up to the maximum output identified in the stability and steady-state studies. Interconnection Customer's ability to inject its Large Generating Facility output beyond the Point of Interconnection, will depend on the existing capacity of the Transmission System at the time of Interconnection Customer's transmission service request. The provision of firm Point-to-Point Transmission Service or Network Integration Transmission Service may require additional studies and the construction of additional upgrades. Cost responsibility for the studies and upgrades would be assigned pursuant to the Tariff.

4.1.2 Network Resource Interconnection Service.

4.1.2.1 The Product. Network Resource Interconnection Service allows Interconnection Customer to integrate the Large Generating Facility (1) in a manner comparable to that in which Transmission Provider integrates its

generating facilities to serve native load customers; or (2) in an RTO or ISO with market-based congestion management, in the same manner as all Network Resources. To provide Network Resource Interconnection Service, Transmission Provider shall construct the facilities identified in Appendix A.

4.1.2.2 Transmission Delivery Service Implications. Network Resource Interconnection Service allows a Network Customer under the Tariff to designate the Large Generating Facility as a Network Resource, up to the Large Generating Facility's full output, on the same basis as existing Network Resources interconnected to the Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although Network Resource Interconnection Service does not convey a reservation of transmission service to Interconnection Customer, any Network Customer can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Large Generating Facility in the same manner as it accesses Network Resources. A Large Generating Facility receiving Network Resource Interconnection Service may also be used to provide Ancillary Services after technical studies and periodic analyses are performed confirming its ability to do so. Such studies and analyses are only required if they have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. If the Large Generating Facility has not been designated a Network Resource, it cannot be required to provide Ancillary Services unless such requirements extend to all generating facilities that are similarly situated. The provision of Network Integration Transmission Service or firm Point-to-Point Transmission Service may require additional studies and the construction of additional upgrades. Cost responsibility for the studies and upgrades would be assigned pursuant to the Tariff.

Network Resource Interconnection Service does not guarantee the capability to physically deliver the output of the Large Generating Facility to any particular load on the Transmission System without incurring congestion costs. If transmission constraints on the Transmission System occur, the Large Generating Facility shall be subject to the applicable congestion management procedures in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at

any point in the future, that the Large Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that Interconnection Customer identify a specific buyer (or sink). If a Network Customer does designate the Large Generating Facility as a Network Resource, it must do so pursuant to the Tariff.

Once Interconnection Customer satisfies the requirements for obtaining Network Resource Interconnection Service, any future transmission service request for delivery from the Large Generating Facility within the Transmission System of any amount of capacity or energy, up to the amount initially studied, will not require any additional studies or any further upgrades associated with such Large Generating Facility, regardless of whether the Large Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Large Generating Facility. However, the reduction or elimination of congestion or redispatch costs may require additional studies and the construction of additional upgrades.

To the extent Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Large Generating Facility outside the Transmission System, such request may require additional studies and upgrades for Transmission Provider to grant such request.

- 4.2 **Provision of Service.** Transmission Provider shall provide Interconnection Service for the Large Generating Facility at the Point of Interconnection.
- 4.3 **Performance Standards.** Each Party shall perform all of its obligations under this LGIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice. To the extent any of these prevent or limit a Party's performance of any obligations, such Party shall be deemed to not be in Breach for compliance with those obligations.
- 4.4 **No Transmission Delivery Service.** This LGIA does not constitute a request for, nor does it provide, any transmission service under the Tariff. This LGIA does not convey any right to deliver electricity to a specific customer or Point of Delivery.
- 4.5 **Interconnection Customer Provided Services.** Article 9.6 and Article 13.5.1 set forth services that Transmission Provider may request, and Interconnection Customer may provide, under this LGIA. If Interconnection Customer provides services, Transmission Provider shall pay Interconnection Customer in accordance with Article 11.6.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

5.1 Options. Unless otherwise agreed to by the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date. Such dates shall be set forth in Appendix B. Transmission Provider shall notify Interconnection Customer within 30 days whether the dates designated by Interconnection Customer are acceptable.

5.1.1 Standard Option. Transmission Provider shall design, procure, and construct Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B. Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, or Applicable Laws and Regulations. If Transmission Provider reasonably expects that it will not be able to complete Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, Transmission Provider shall promptly notify Interconnection Customer, in writing, and shall use Reasonable Efforts to complete the work as soon as practicable.

5.1.2 *[Reserved]*

5.1.3 Option to Build. If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades. Interconnection Customer shall notify Transmission Provider whether it elects to exercise or forego this option within 30 days of Transmission Provider's notification that Interconnection Customer's designated dates are not acceptable. If Interconnection Customer fails to notify Transmission Provider of its election on that date, the Parties will follow the Standard Option.

Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A. Except for Stand Alone Network Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option. If Interconnection Customer elects not to exercise its option under Article 5.1.3 (“Option to Build”), the Parties shall attempt to negotiate terms of Transmission Provider’s continued work on design, procurement, and construction of Transmission Provider’s Interconnection Facilities and Network Upgrades (including revision of the specified dates, the provision of incentives, or the procurement and construction of a portion of Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer). If the Parties are unable to reach agreement, then the Parties will follow the Standard Option and Transmission Provider shall assume responsibility for the design, procurement and construction of Transmission Provider’s Interconnection Facilities and Network Upgrades.

5.2 General Conditions Applicable to Build by Interconnection Customer. If Interconnection Customer assumes responsibility for the design, procurement, and construction of Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades:

- (1) Interconnection Customer shall engineer, procure equipment for, and construct Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades (or any portion) using Good Utility Practice and using standards and specifications provided in advance by Transmission Provider;
- (2) Interconnection Customer’s engineering, procurement, and construction of Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades shall comply with all Applicable Laws and Regulations to which Transmission Provider would be subject in the engineering, procurement, or construction of Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades and shall promptly respond to Transmission Provider’s requests for information;
- (5) at any time during construction, Transmission Provider shall have the right to unrestricted access to Transmission Provider’s Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;
- (6) should any phase of the engineering, equipment procurement, or construction

of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, Interconnection Customer shall remedy deficiencies in that portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;

(7) Interconnection Customer shall indemnify Transmission Provider for claims arising from Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures in Article 18.1;

(8) Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;

(9) Unless the Parties otherwise agree, Interconnection Customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand-Alone Network Upgrades to Transmission Provider. If Interconnection Customer retains ownership, those facilities will be deemed Interconnection Customer's Interconnection Facilities, and the Parties shall amend Appendix A accordingly;

(10) Transmission Provider shall approve and accept for operation and maintenance, and shall accept for ownership unless the Parties agreed otherwise, Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2;

(11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection Facilities and Stand-Alone Network Upgrades are built to the standards and specifications required by Transmission Provider, as well as cost information and any other documents that are reasonably required by Transmission Provider to record the necessary accounting transactions; and

(12) If Interconnection Customer exercises the Option to Build, or negotiates an

option to build a portion of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under Article 5.1.4 ("Negotiated Option"), Interconnection Customer shall pay Transmission Provider the agreed-upon amount for Transmission Provider to execute the responsibilities enumerated to Transmission Provider under Article 5.2. Transmission Provider shall revise Appendix B to memorialize the agreed-upon amount. Transmission Provider shall invoice Interconnection Customer for this total amount to be divided on a monthly basis pursuant to Article 12.

5.3 *[Reserved]*

5.4 **Power System Stabilizers.** Interconnection Customer shall procure, install, maintain, and operate power system stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to establish reasonable, minimum acceptable settings for any installed power system stabilizers, subject to the design and operating limitations of the Large Generating Facility. If the Large Generating Facility's power system stabilizers are removed from service or not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative.

5.5 **Equipment Procurement.** If Transmission Provider is responsible for construction of Transmission Provider's Interconnection Facilities or Network Upgrades, then Transmission Provider shall commence design of Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

551 Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;

552 Transmission Provider and Interconnection Customer have executed the LGIA;

553 Interconnection Customer has provided written authorization to Transmission Provider to proceed with design and procurement by the date specified in Appendix B; and

554 Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B.

5.6 **Construction Commencement.** If Transmission Provider is responsible for construction of Transmission Provider's Interconnection Facilities or Network Upgrades, then

Transmission Provider shall commence construction of Transmission Provider's Interconnection Facilities and Network Upgrades as soon as practicable after the following additional conditions are satisfied:

- 561** Transmission Provider and Interconnection Customer have executed the LGIA;
 - 562** The appropriate Governmental Authority has provided necessary approval for any facilities requiring it;
 - 563** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of Transmission Provider's Interconnection Facilities and Network Upgrades;
 - 564** Interconnection Customer has provided written authorization to Transmission Provider to proceed with construction by the date specified in Appendix B; and
 - 565** Interconnection Customer has provided security to Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B.
- 5.7 Work Progress.** The Parties will keep each other advised as to the progress of their respective design, procurement, and construction efforts. Either Party may request a progress report from the other Party at any time. If Interconnection Customer determines that the completion of Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, Interconnection Customer will promptly notify Transmission Provider, in writing, of such later date upon which completion will be required.
- 5.8 Information Exchange.** As soon as practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the Transmission System. The Parties shall work diligently and in good faith to make any necessary design changes.
- 5.9 Other Interconnection Options.**
- 591 Limited Operation.** If any of Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date, Interconnection Customer may request that Transmission Provider perform operating studies, at Interconnection Customer's expense, to determine the extent to which the Large Generating Facility and Interconnection Customer's Interconnection Facilities may operate prior to the

completion of Transmission Provider's Interconnection Facilities or Network Upgrades. Transmission Provider shall perform the operating studies, if requested, and permit Interconnection Customer to operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with the results of such studies.

592 Provisional Interconnection Service. Upon Interconnection Customer's request, and prior to completion of requisite Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities, Transmission Provider may execute a provisional Large Generator Interconnection Agreement with Interconnection Customer for limited Interconnection Service, at Transmission Provider's discretion, based upon an evaluation that will consider the results of available studies. Transmission Provider shall determine, through available studies or additional studies as necessary, whether stability, short circuit, thermal, or voltage issues would arise if Interconnection Customer interconnects without modifications to the Generating Facility or Transmission System. Transmission Provider shall determine whether any Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are necessary to meet the requirements of NERC, or any applicable Regional Entity for the interconnection of a new, modified, or expanded Generating Facility are in place prior to the commencement of Interconnection Service from the Generating Facility. Where available studies indicate that such Interconnection Facilities, Network Upgrades, Distribution Upgrades, or System Protection Facilities that are required for the interconnection of a new, modified, or expanded Generating Facility are not currently in place, Transmission Provider will perform a study, at Interconnection Customer's expense, to confirm the facilities that are required for provisional Interconnection Service. The maximum permissible output of the Generating Facility in the provisional Large Generator Interconnection Agreement shall be studied and updated annually, at Interconnection Customer's expense. Interconnection Customer assumes all risk and liabilities with respect to changes between the provisional Large Generator Interconnection Agreement and the Standard Large Generator Interconnection Agreement, including changes in output limits and Interconnection Facilities, Network Upgrades, Distribution Upgrades, and System Protection Facilities cost responsibilities.

5.10 Interconnection Customer's Interconnection Facilities. Interconnection Customer, at its expense, shall design, procure, construct, own, and install the ICIF, as set forth in Appendix A.

5.10.1 Interconnection Customer's Interconnection Facility Specifications.

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least 180 days prior to the Initial Synchronization Date, and final specifications at least 90 days prior to the Initial Synchronization Date. Such specifications are Confidential Information. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with Transmission Provider's technical specifications, operational control, and safety requirements and comment within 30 days of Interconnection Customer's submission.

5.102 Transmission Provider's Review. Transmission Provider's review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability, or reliability of the Large Generating Facility or the ICIF. Interconnection Customer shall make such changes to the ICIF as Transmission Provider may reasonably require, in accordance with Good Utility Practice, to ensure that the ICIF are compatible with Transmission Provider's technical specifications, operational control, and safety requirements.

5.103 ICIF Construction. The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within 120 days after the Commercial Operation Date, unless the Parties agree on another deadline, Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and documents for the ICIF, including: (i) a one-line diagram; (ii) a site plan showing the Large Generating Facility and the ICIF; (iii) plan and elevation drawings showing the layout of the ICIF; (iv) a relay functional diagram, relaying AC and DC schematic wiring diagrams, and relay settings for all facilities associated with Interconnection Customer's step-up transformers; (v) the facilities connecting the Large Generating Facility to the step-up transformers and the ICIF; and (vi) the impedances (determined by factory tests) for the associated step-up transformers and the Large Generating Facility. Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Large Generating Facility control and protection settings, transformer tap settings, and, if applicable, communications.

5.11 Transmission Provider's Interconnection Facilities Construction. Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within 120 days after the Commercial Operation Date, unless the Parties agree on another deadline, Transmission Provider shall deliver to Interconnection Customer the "as-built" drawings, relay diagrams, and other applicable documents for Transmission Provider's Interconnection Facilities.

Transmission Provider will obtain control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

- 5.12 Access Rights.** Upon reasonable notice, and subject to any required regulatory approvals, a Party ("Granting Party") shall furnish at no cost to the other Party ("Access Party") supervised access to lands owned or controlled by the Granting Party, its agents (if allowed under the applicable agency agreement), or any Affiliate, that is necessary for Access Party to: (i) construct and interconnect the Interconnection Facilities and the Large Generating Facility with the Transmission System; (ii) operate, maintain, inspect, test, repair, or replace the Large Generating Facility, the Interconnection Facilities, and the Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this LGIA. The Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the Granting Party's safety rules and procedures established in advance and provided to the Access Party.
- 5.13 Lands of Other Property Owners.** If any part of Transmission Provider's Interconnection Facilities or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, Transmission Provider shall use efforts, similar in nature and extent to those that it typically undertakes on its own behalf, including use of its eminent domain authority, and to the extent consistent with state law, to procure from such persons access necessary to construct, operate, maintain, test, inspect, replace, or remove Transmission Provider's Interconnection Facilities or Network Upgrades upon such property. Interconnection Customer shall pay all costs for Transmission Provider's procurement and efforts to procure any necessary access on property owned by third parties.
- 5.14 Permits.** Transmission Provider and Interconnection Customer shall cooperate with each other to obtain all permits, licenses, and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations. With respect to this paragraph, Transmission Provider shall provide permitting assistance to Interconnection Customer comparable to that provided to Transmission Provider's generation.

Whenever Transmission Provider determines Interconnection Provider has not cooperated sufficiently, Transmission Provider will notify Interconnection Customer of the insufficiency in writing. Interconnection Customer shall respond, in writing, within 30 days detailing the steps it will take to assist with the impeded permitting, licensing, or authorization process. If Interconnection Customer's insufficient cooperation prevents Transmission Provider from pursuing or obtaining any necessary permit, license, or authorization, the Interconnection Request will be deemed withdrawn.

5.15 Early Construction of Base Case Facilities. Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for Interconnection Customer, and which also are required to be constructed for another Interconnection Customer, but that are not scheduled to be completed in time to achieve the In-Service Date. Transmission Provider shall use Reasonable Efforts to accommodate the In-Service Date.

5.16 Suspension. Interconnection Customer reserves the right to suspend all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities or Network Upgrades required under this LGIA, at any time and upon written notice to Transmission Provider, with the condition that Transmission System shall be left in a safe and reliable condition in accordance with Good Utility Practice and Transmission Provider's safety and reliability criteria. Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider (i) has incurred pursuant to this LGIA prior to the suspension; (ii) incurs in suspending such work, including any costs incurred to ensure the safety of persons and property and the integrity of the Transmission System during such suspension; and (iii) incurred in connection with the cancellation or suspension of material, equipment, and labor contracts which Transmission Provider cannot reasonably avoid. Prior to canceling or suspending any such material, equipment, or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. If Interconnection Customer has not requested Transmission Provider to recommence the suspended work on or before the expiration of three years following commencement of such suspension, this LGIA shall be deemed terminated. The three-year period shall begin on the date the suspension is requested, or the date the written notice is effective, if no suspension date is specified.

5.17 Taxes.

5.17.1 Interconnection Customer Payments Not Taxable. The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of Transmission Provider's Interconnection Facilities and Network Upgrades shall be non-taxable for federal income tax purposes, consistent with Transmission Provider's status as a municipal entity under applicable tax law and regulations.

5.172 Indemnification for the Cost Consequences of Current Tax Liability Imposed Upon Transmission Provider. Notwithstanding Article 5.17.1, Interconnection Customer shall protect, indemnify, and hold harmless Transmission Provider from the cost consequences of any tax liability imposed against Transmission Provider as the result of payments, property transfers, or use of Transmission Provider's facilities by Interconnection Customer under this LGIA, as well as any interest and penalties, other than interest and penalties attributable to any delay caused by Transmission Provider.

5.173 Transmission Owners Who Are Not Transmission Providers. If Transmission Provider is not the same entity as the Transmission Owner, then (i) all references in this Article 5.17 to Transmission Provider shall be deemed also to refer to and to include the Transmission Owner, as appropriate and (ii) this LGIA shall not become effective until such Transmission Owner shall have agreed in writing to assume all of Transmission Provider's duties and obligations under Article 5.17.

5.18 Tax Status. Each Party shall cooperate with the other Party to maintain the other Party's tax status. Nothing in this LGIA is intended to adversely affect Transmission Provider's tax-exempt status with respect to the issuance of any bonds, including Local Furnishing Bonds.

5.19 Modification.

5.19.1 General. Either Party may modify its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, the modifying Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be Confidential Information and shall include the timing of the modification and whether it is expected to interrupt the flow of electricity from the Large Generating Facility. The modifying Party shall provide the relevant drawings, plans, and specifications to the other Party at least 90 days before the commencement of the work, or a shorter period by agreement.

If the modification is not a Material Modification, within 30 days (or such other time as the Parties may agree) of notification, Transmission Provider shall provide an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities, or Network Upgrades necessitated Interconnection Customer's modification, including and a good faith cost estimate.

5192 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed, and operated in accordance with this LGIA and Good Utility Practice.

5193 Modification Costs. Interconnection Customer shall not be directly assigned the costs of any additions, modifications, or replacements that Transmission Provider makes to Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party or to provide transmission service to a third party under the Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to Interconnection Customer's Interconnection Facilities that may be necessary consistent with Applicable Laws and Regulations, Applicable Reliability Standards, or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

61 Pre-Commercial Operation Date Testing and Modifications. To ensure their safe and reliable operation, prior to the Commercial Operation Date, Transmission Provider shall test Transmission Provider's Interconnection Facilities and Network Upgrades, and Interconnection Customer shall test the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Large Generating Facility only if it has arranged for the delivery of such test energy.

62 Post-Commercial Operation Date Testing and Modifications. Each Party, at its own expense, shall perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice to ensure the continued interconnection of the Large Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, in accordance with Good Utility Practice.

63 Right to Observe Testing. Each Party shall notify the other Party before testing its Interconnection Facilities. The non-testing Party has the right, at its own expense, to observe such testing.

64 Right to Inspect. Each Party shall have the right, but shall have no obligation, to:
(i) observe the other Party's tests and inspection of any of its System Protection Facilities

and other protective equipment, including power system stabilizers; (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities, and other protective equipment. A Party may exercise these rights after providing reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element, condition, operation of the Interconnection Facilities, the System Protection Facilities, or other protective equipment, or as a warranty as to their fitness, safety, desirability, or reliability. Any information that a Party obtains through the exercise of any of its rights under this Article 6.4 shall be Confidential Information.

- 6.5 Non-Interference.** A Party may not exercise its right to inspect or observe under this Article 6 unreasonably, in a manner that interferes with the operation of the inspected or observed facilities, or in a manner that otherwise is inconsistent with Good Utility Practice.

ARTICLE 7. METERING

- 7.1 General.** Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Large Generating Facility and shall own, operate, test, and maintain such Metering Equipment. Power flows to and from the Large Generating Facility shall be measured at or compensated to the Point of Interconnection, at Transmission Provider's option. Transmission Provider shall provide metering quantities to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable, documented costs associated with the purchase, installation, operation, testing, and maintenance of Metering Equipment.
- 7.2 Check Meters.** Interconnection Customer, at its expense, may install and operate one or more check meters, on its premises and on its side of the Point of Interconnection, to check Transmission Provider's meters. Such check meters shall not be used for the measurement of power flows for purposes of this LGIA, except as provided in Article 7.4. Transmission Provider or its designee may inspect and examine the check meters at all reasonable times. Interconnection Customer is solely responsible for installation, operation, and maintenance of the check meters in accordance with Good Utility Practice.
- 7.3 Standards.** Transmission Provider shall install, calibrate, and test revenue-quality Metering Equipment in accordance with applicable ANSI standards.
- 7.4 Testing of Metering Equipment.** Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every four years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall inspect or test Metering Equipment more frequently than every

four years, at Interconnection Customer's expense. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired, or replaced at Interconnection Customer's expense. If the inaccuracy or defect is due to Transmission Provider's failure to maintain Metering Equipment, then it shall be adjusted, repaired, or replaced at Transmission Provider's expense. If Metering Equipment fails to register, or if the Metering Equipment measurement during a test varies by more than two percent from the standard meter measurement in the test, Transmission Provider shall correct all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for a period equal to one-half the time from the date of the previous test.

- 75 Metering Data.** At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Under normal operating conditions, such telemetered data shall be the official measurement of the amount of energy delivered from the Large Generating Facility to the Point of Interconnection.

ARTICLE 8. COMMUNICATIONS

- 81 Interconnection Customer Obligations.** Interconnection Customer shall maintain satisfactory operating communications with the Transmission System dispatcher or Transmission Provider-designated representative. Interconnection Customer shall provide standard voice line, dedicated voice line, and facsimile communications at its Large Generating Facility control room or central dispatch facility. Interconnection Customer shall also provide the dedicated point-to-point data circuits necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix C. The data circuits shall extend from the Large Generating Facility to the locations specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained for, among other purposes: system paralleling or separation, shutdowns, equipment clearances, and hourly and daily load data.
- 82 Remote Terminal Unit.** Prior to the Initial Synchronization Date, Interconnection Customer shall install, or Transmission Provider shall install at Interconnection Customer's expense, a remote terminal unit (or equivalent data collection and transfer equipment acceptable to the Parties) to gather accumulated and instantaneous data to be telemetered to the locations specified by Transmission Provider pursuant to Article 8.1. Transmission Provider shall specify the communication protocol for the data circuits. Instantaneous, bi-

directional, analog real-power and reactive-power flow information must be telemetered directly to the specified locations.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry, or communications equipment errors or malfunctions that require correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as practicable.

83 No Annexation. Any equipment placed on the premises of a Party shall remain the property of the Party providing such equipment, regardless of the mode and manner of annexation or attachment to real property, unless otherwise agreed.

84 Provision of Data from a Variable Energy Resource. If the Generating Facility is a Variable Energy Resource, Interconnection Customer shall provide meteorological and forced outage data to Transmission Provider to the extent necessary for Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. For a wind-powered Variable Energy Resource, Interconnection Customer will be required to provide, at a minimum, site-specific meteorological data including: temperature, wind speed, wind direction, and atmospheric pressure. For a solar-powered Variable Energy Resource, Interconnection Customer will be required to provide, at a minimum, site-specific meteorological data including: temperature, atmospheric pressure, and irradiance. Transmission Provider and Interconnection Customer shall agree to any additional meteorological data that are required for the development and deployment of a power production forecast. Interconnection Customer also shall submit data to Transmission Provider regarding all forced outages to the extent necessary for Transmission Provider's development and deployment of power production forecasts for that class of Variable Energy Resources. The exact specifications of the meteorological and forced outage data, including the frequency and timing of data submittals, shall take into account the size and configuration of the Variable Energy Resource, its characteristics, location, and its importance to generation resource adequacy and transmission system reliability in its area. All requirements for meteorological and forced outage data must be commensurate with the power production forecasting employed by Transmission Provider. Such requirements for meteorological and forced outage data are set forth in Appendix C. The Parties shall amend Appendix C as such requirements for meteorological and forced outage data change.

ARTICLE 9. OPERATIONS

9.1 *[Reserved]*

9.2 Balancing Authority Notification. At least three months before the Initial

Synchronization Date, Interconnection Customer shall notify Transmission Provider, in writing, of the Balancing Authority Area in which the Large Generating Facility will be located. Interconnection Customer may locate the Large Generating Facility in a Balancing Authority Area other than the Balancing Authority Area in which the Large Generating Facility is physically located, if permitted to do so by the relevant transmission tariffs. Any pseudo-tie agreements and related agreements shall be effective, and all necessary arrangements, including the appropriate measures under such agreements and those set forth in Article 7 and Article 8, shall be implemented prior to the placement of the Large Generating Facility in the other Balancing Authority Area.

9.3 Transmission Provider Obligations. Transmission Provider shall operate, maintain, and control the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA. Transmission Provider may provide operating instructions, protocols, and procedures to Interconnection Customer, and Transmission Provider shall provide updated versions as they change. Transmission Provider will consider changes to its operating instructions, protocols, and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations. Interconnection Customer shall operate, maintain, and control the Large Generating Facility and Interconnection Customer's Interconnection Facilities at its own expense, in a safe and reliable manner, and in accordance with this LGIA. Interconnection Customer shall operate the Large Generating Facility and Interconnection Customer's Interconnection Facilities in accordance with all applicable requirements of the host Balancing Authority, which are set forth in Appendix C. The Parties will amend Appendix C to reflect changes to the requirements as they are updated. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C.

9.5 Start-Up and Synchronization. Consistent with the Parties' mutually acceptable procedures, Interconnection Customer is responsible for the proper synchronization of the Large Generating Facility to the Transmission System.

9.6 Reactive Power.

9.6.1 Power Factor Design Criteria.

9.6.1.1 Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all

synchronous generators in the Balancing Authority Area on a comparable basis.

9.6.1.2 Non-Synchronous Generation. Interconnection Customer shall design the Large Generating Facility to maintain a composite power delivery at continuous rated power output at the high-side of the generator substation (or other appropriate point designated by Transmission Provider) at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established a different power factor range that applies to all non-synchronous generators in the Balancing Authority Area on a comparable basis. This power factor range standard shall be dynamic and can be met using power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.), fixed and switched capacitors, or a combination of the two.

9.6.2 Voltage Schedules. Once Interconnection Customer has synchronized the Large Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Large Generating Facility to produce or absorb reactive power within the design limitations of the Large Generating Facility set forth in Article 9.6.1. Transmission Provider's voltage schedules shall treat all sources of reactive power in the Balancing Authority Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one day in advance and may make changes to such schedules as necessary to maintain the reliability of the Transmission System. Interconnection Customer shall operate the Large Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Large Generating Facility set forth in Article 9.6.1. If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.3 Governors and Regulators. Whenever the Large Generating Facility is operated in parallel with the Transmission System, Interconnection Customer shall operate the Large Generating Facility with its speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators in automatic operation. If the Large Generating Facility's speed governors and voltage regulators are not capable of automatic operation, Interconnection Customer shall immediately notify Transmission Provider's system operator or designated representative and ensure that such Large Generating Facility's reactive power

production or absorption (measured in MVARs) are within the design capability of the Large Generating Facility's generating units and steady state stability limits. Interconnection Customer shall not cause its Large Generating Facility to disconnect automatically or instantaneously from the Transmission System, or trip any generating unit comprising the Large Generating Facility for an under or over frequency condition, unless the abnormal frequency condition persists beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Balancing Authority Area on a comparable basis.

9.6.4 Payment for Reactive Power. Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Large Generating Facility when Transmission Provider requests Interconnection Customer to operate its Large Generating Facility outside the range specified in Article 9.6.1. If Transmission Provider pays its own generators for reactive power service within the specified range, it must also pay Interconnection Customer, pursuant to Article 11.6.

9.7 Outages and Interruptions.

9.7.1 Outages.

9.7.1.1 Outage Authority and Coordination. Each Party may remove any of its respective Interconnection Facilities, Network Upgrades, or Transmission Facilities from service, in accordance with Good Utility Practice and in coordination with the other Party, as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party removing such facilities from service will use Reasonable Efforts to schedule such removal on a date and time acceptable to each Party. In all circumstances, any Party removing such facilities from service shall use Reasonable Efforts to minimize the effect of such removal on the other Party.

9.7.1.2 Outage Schedules. Interconnection Customer shall submit its planned maintenance schedules for the Large Generating Facility to Transmission Provider for a minimum of a rolling 24-month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule its maintenance as necessary to maintain the reliability of the Transmission System, except that adequacy of generation supply shall not be a criterion in determining Transmission System reliability.

9.7.1.3 Outage Restoration. If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facilities that are out of service shall use Reasonable Efforts to promptly restore such facilities to a normal operating condition, consistent with the nature of the outage. That Party shall promptly notify the other Party about the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required, to the extent such information is known, and oral or electronic notice shall be followed up as soon as practicable with written notice.

9.7.2 Interruption of Service. If required by Good Utility Practice, Transmission Provider may require Interconnection Customer to interrupt or reduce delivery of electricity if such delivery could adversely affect Transmission Provider's ability to perform activities that are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice.

9.7.2.2 Any such interruption or reduction shall be made on an equitable, not unduly-discriminatory basis with respect to all generating facilities directly connected to the Transmission System.

9.7.2.3 When circumstances do not allow for advance notice of the interruption or reduction, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the interruption or reduction, and, if known, its expected duration, followed by written, facsimile, or email notification as soon as practicable.

9.7.2.4 When the interruption or reduction can be scheduled, Transmission Provider shall notify Interconnection Customer in advance regarding such scheduling and the expected duration. Transmission Provider shall coordinate with Interconnection Customer and use Good Utility Practice to schedule the interruption or reduction during periods of least impact to Interconnection Customer and Transmission Provider.

9.7.2.5 The Parties shall cooperate and coordinate with each other to restore the Large Generating Facility, Interconnection Facilities, and the Transmission

System to their normal operating state, consistent with system conditions and Good Utility Practice.

9.7.3 Under-Frequency and Over Frequency Conditions. The Transmission System is designed to automatically activate a load-shed program for an under-frequency system disturbance, as required by the Applicable Reliability Council. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Large Generating Facility to ensure “ride through” capability of the Transmission System. The term “ride through” means the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Applicable Reliability Standards.

9.7.4 System Protection and Other Control Requirements.

9.7.4.1 Interconnection Customer, at its expense, shall install, operate, and maintain System Protection Facilities as a part of the Large Generating Facility or Interconnection Customer’s Interconnection Facilities. Transmission Provider shall install, at Interconnection Customer’s expense, any System Protection Facilities that may be required on Transmission Provider’s Interconnection Facilities or the Transmission System as a result of the interconnection of the Large Generating Facility and Interconnection Customer’s Interconnection Facilities.

9.7.4.2 Each Party’s System Protection Facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party’s protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed to allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations or the tripping of Interconnection Customer’s units.

9.7.4.5 Each Party will test, operate, and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation

Date, each Party shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice, and following any apparent malfunction of the System Protection Facilities, each Party shall perform calibration tests and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit, but they do require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection. Consistent with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Large Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment. Removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting and fault-interrupting capability located between the Large Generating Facility and the Transmission System at an agreed-upon site. Interconnection Customer shall be responsible for protecting the Large Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Large Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Large Generating Facility.

9.7.6 Power Quality. Neither Party's facilities shall cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage, or current waves, as defined by ANSI Standard C84.1-1989, in accordance with IEEE Standard 519, or any applicable superseding electric industry standard.

9.8 Switching and Tagging Rules. Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be applied on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties.

9.9.1 Purpose of Interconnection Facilities. The Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Generating Facility

to the Transmission System and shall be used for no other purpose, except as required by Applicable Laws and Regulations or agreed to by the Parties.

9.9.2 Third-Party Users. If Applicable Laws and Regulations require the Parties to allow one or more third parties to use any part of Transmission Provider's Interconnection Facilities, or if the Parties agree to allow such use, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third-party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other agreed-upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third-party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other agreed-upon methodology. If disputes regarding compensation or allocation cannot be resolved through negotiation, they shall be submitted to Dispute Resolution.

9.10 Disturbance Analysis Data Exchange. The Parties will cooperate in analyzing disturbances to either the Large Generating Facility or the Transmission System by gathering and providing access to any information relating to any disturbance, including information from oscillography, protective relay targets, breaker operations, and sequence of events records, and any disturbance information required by Good Utility Practice.

ARTICLE 10. MAINTENANCE

10.1 Transmission Provider Obligations. Transmission Provider shall maintain the Transmission System and Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.2 Interconnection Customer Obligations. Interconnection Customer shall maintain the Large Generating Facility and Interconnection Customer's Interconnection Facilities in a safe and reliable manner and in accordance with this LGIA.

10.3 Coordination. The Parties shall confer regularly to coordinate the planning, scheduling, and performance of preventive and corrective maintenance on the Large Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems. Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts,

including any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment and which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

- 10.5 Operating and Maintenance Expenses.** Unless allocated to third parties pursuant to Article 5.19.3 or Article 9.9.2, Interconnection Customer shall be responsible for all reasonable expenses, including overheads, associated with operating, maintaining, repairing, and replacing the Interconnection Facilities, and associated with owning Interconnection Customer's Interconnection Facilities, which could be charged through Transmission Provider's rate schedule for such service, if applicable.

ARTICLE 11. PERFORMANCE OBLIGATION

- 11.1 Interconnection Customer Interconnection Facilities.** Interconnection Customer shall design, procure, construct, install, and own or control Interconnection Customer Interconnection Facilities described in Appendix A at its sole expense.
- 11.2 Transmission Provider's Interconnection Facilities.** Transmission Provider or Transmission Owner shall design, procure, construct, install, and own or control Transmission Provider's Interconnection Facilities described in Appendix A at the Interconnection Customer's sole expense.
- 11.3 Network Upgrades and Distribution Upgrades.** Transmission Provider or Transmission Owner shall design, procure, construct, install, and own the Network Upgrades and Distribution Upgrades described in Appendix A. Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by Interconnection Customer.
- 11.4 Transmission Credits.**
- 11.4.1 Repayment of Amounts Advanced for Network Upgrades.** Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, including any tax gross-up or other tax-related payments associated with Network Upgrades. Interconnection Customer shall be repaid on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are

made under the Tariff and Affected System Operator's tariff for transmission services with respect to the Large Generating Facility. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may agree to any alternative payment schedule so long as Transmission Provider and Affected System Operator, no later than five years from the Commercial Operation Date, either: (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid; (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges; or (3) agree to an alternative schedule that provides for the return of all amounts advanced for Network Upgrades not previously repaid. In any event, full reimbursement shall not extend beyond 20 years from the Commercial Operation Date.

If the Large Generating Facility fails to achieve Commercial Operation, but another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse Interconnection Customer for the amounts advanced for the Network Upgrades. Before any such reimbursement can occur, Interconnection Customer, or the entity that ultimately constructs the Generating Facility, if different, must identify the entity to be reimbursed.

11.4.2 Special Provisions for Affected Systems. Nothing in this Agreement obligates Transmission Provider to compensate an Affected System Operator for the cost of any impact allegedly caused in furtherance of this Agreement or by virtue of any activity undertaken by Interconnection Customer. Further, nothing in this Agreement obligates Transmission Provider to provide for refunds, credits, or repayment of any costs paid by Interconnection Customer to an Affected System Operator. Interconnection Customer and Affected System Operator shall enter into an agreement that provides for such repayment. The agreement shall specify the terms governing payments to be made by Interconnection Customer to the Affected System Operator as well as the repayment by the Affected System Operator.

11.4.3 Rights Reserved. Notwithstanding any other provision of this LGIA, nothing in this Article shall be construed as relinquishing or foreclosing any rights, including firm transmission rights, capacity rights, transmission congestion rights, or transmission credits, that Interconnection Customer shall be entitled to, now or in the future under any other agreement or tariff as a result of, or otherwise associated

with, the transmission capacity, if any, created by the Network Upgrades, including the right to obtain cash reimbursements or transmission credits for transmission service that is not associated with the Large Generating Facility.

- 11.5 Provision of Security.** At least 30 days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, letter of credit, or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the Uniform Commercial Code of Washington, Title 62A RCW. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring, and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider for these purposes.
- 11.5.1** A guarantee must be made by an entity that meets Transmission Provider's creditworthiness requirements and contain terms that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.
- 11.5.2** A letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.
- 11.5.3** A surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.
- 11.6 Interconnection Customer Compensation.** If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Article 9.6.3 or Article 13.5.1, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect, unless the provision of such service is subject to an RTO's or ISO's FERC-approved rate schedule. Interconnection Customer shall serve Transmission Provider with any filing of a proposed rate schedule at the time of such filing with FERC. If no rate schedule is in effect at the time Interconnection Customer is required to provide services, Transmission Provider shall compensate Interconnection Customer as if the rate schedule been in effect at the time service commenced, on condition that such rate schedule must have been filed at FERC or other appropriate Governmental Authority prior to the commencement of service.

ARTICLE 12. INVOICE

- 121 General.** Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge debts and payment obligations due and owing to each other during the same monthly billing period through netting and set off, in which case only the net amount remaining due shall be paid by the owing Party.
- 122 Final Invoice.** Within six months after completion of Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within 30 days of the issuance of such final construction invoice.
- 123 Payment.** Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within 30 days of receipt (or on the next day with normal business hours if the 30th day is not a day with normal business hours). All payments shall be made in immediately available funds payable to the invoicing Party, or by wire transfer to a bank account designated by the invoicing Party. Payment of invoices by either Party will not constitute a waiver of any rights or claims either Party may have under this LGIA. If payment in full is not received before the close of business on the due date, amounts not paid shall be payable with interest calculated daily, at a rate equal to 200 basis points above the per annum Prime Rate reported daily in the Wall Street Journal, for the period beginning on the day after the due date and ending on the day of payment, provided that such interest shall not exceed the amount permitted by law. Additionally, if payment due to Transmission Provider remains unpaid three days after the due date, Transmission Provider may suspend work until receiving payment in full of all amounts due and owing (including any interest).
- 124 Disputes.** A Party may dispute the correctness of any invoice or any adjustment to an invoice. The disputing Party shall provide written notice of the dispute to the other Party within 12 months of receipt of the disputed invoice or invoice adjustment. Any invoice or invoice adjustment not disputed within this 12-month period shall be conclusively deemed correct and the ability to dispute that invoice or invoice adjustment shall be waived. In the event of a billing dispute, Transmission Provider shall continue to provide Interconnection Service as long as Interconnection Customer: (i) continues to make all payments not in dispute and (ii) pays to Transmission Provider or into an independent escrow account the

portion of the invoice in dispute, pending resolution of such dispute. If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may notify Interconnection Customer of a Default pursuant to Article 17. Within 30 days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due.

ARTICLE 13. EMERGENCIES

13.1 [Reserved]

13.2 Obligations. Each Party shall comply with the Emergency Condition procedures of the applicable RTO or ISO, NERC, the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice. Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects Transmission Provider's Interconnection Facilities or the Transmission System and that may reasonably be expected to affect Interconnection Customer's operation of the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Large Generating Facility or Interconnection Customer's Interconnection Facilities and that may reasonably be expected to affect the Transmission System or Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the Interconnection Facilities and operations, its anticipated duration, and the corrective action taken or to be taken. Initial oral or electronic notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action. Unless Interconnection Customer reasonably determines immediate action is required, Interconnection Customer shall obtain Transmission Provider's consent prior to performing any manual switching operations at the Large Generating Facility or Interconnection Customer's Interconnection Facilities in response to an Emergency Condition declared by Transmission Provider or regarding the Transmission System.

13.5 Transmission Provider Authority.

1351 General. During an Emergency Condition, Transmission Provider may take, or decline to take, whatever actions it deems necessary with regard to the Transmission System or Transmission Provider's Interconnection Facilities to

- (i) preserve public health and safety; (ii) preserve the reliability of the Transmission System or Transmission Provider's Interconnection Facilities; (iii) limit or prevent

damage; or (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Generating Facility or Interconnection Customer's Interconnection Facilities. Transmission Provider may require the Large Generating Facility to take actions to mitigate an Emergency Condition by taking actions that are necessary, limited in scope, and based on technical considerations. These actions include (i) directing Interconnection Customer to shut-down, start-up, increase or decrease real or reactive power output; (ii) implementing a reduction or disconnection pursuant to Article 13.5.2; (iii) directing Interconnection Customer to assist with blackstart (if available) or restoration efforts; or (iv) altering the outage schedules of the Large Generating Facility and Interconnection Customer's Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Large Generating Facility real power and reactive power output, consistent with the manufacturer's design limitations for equipment that is in service and physically available for operation at the time, and in compliance with Applicable Laws and Regulations. Interconnection Customer is not obligated to possess blackstart capability.

1352 Reduction and Disconnection. Transmission Provider may reduce Interconnection Service or disconnect the Large Generating Facility or Interconnection Customer's Interconnection Facilities as necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment pursuant to the Tariff. When Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing, and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with Interconnection Customer and use Good Utility Practice to schedule the reduction or disconnection during periods of least impact to Interconnection Customer and Transmission Provider. The Parties shall cooperate with each other to restore the Large Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority. During an Emergency Condition, and consistent with Good Utility Practice, the LGIA, and the LGLIP, Interconnection Customer may take, or decline to take, actions with regard to the Large Generating Facility or Interconnection Customer's Interconnection Facilities to (i) preserve public health and safety; (ii) preserve the reliability of the Large Generating Facility or Interconnection Customer's Interconnection Facilities; (iii) limit or prevent damage; or (iv) expedite restoration of

service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and Transmission Provider's Interconnection Facilities. Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions.

- 13.7 Limited Liability.** Except as provided in Article 11.6, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as it takes such action in good faith and consistent with Good Utility Practice.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements. Each Party's obligations under this LGIA shall be subject to its receipt from applicable Governmental Authorities of any required approval or certificate in the form and substance satisfactory to the Party seeking such approval. Each Party shall use Reasonable Efforts to seek and obtain such approvals. If Applicable Laws and Regulations provide for approval by default when a Governmental Authority fails to act on an application or notification, such approval-by-default will satisfy the requirements of this Article. Nothing in this LGIA shall require either Party to take any action that could result in its inability to obtain or retain status or exemption under the Federal Power Act, the Public Utility Holding Company Act, or the Public Utility Regulatory Policies Act.

14.2 Governing Law.

14.2.1 The validity, interpretation, and performance of this LGIA and each of its provisions shall be governed by the laws of the state Washington, without regard to its conflicts of law principles.

14.2.2 This LGIA is subject to Applicable Laws and Regulations.

14.2.3 Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any laws, orders, rules, or regulations of a Governmental Authority.

ARTICLE 15. NOTICES

15.1 General. Unless otherwise provided in this LGIA, any notice, demand, or request required or permitted to be given by either Party to the other, and any instrument required or permitted to be tendered or delivered by either Party in writing to the other, may be given, tendered, or delivered at the address set out in Appendix F by certified or registered mail with the United States Postal Service with postage prepaid, recognized national courier, or personal delivery to the Party, and it shall be effective when delivered.

Either Party may change the notice information in this LGIA by giving seven days' written notice prior to the effective date of the change.

- 15.2 Billings and Payments.** Billings and payments shall be sent to the addresses set out in Appendix F, except that payments may be sent by wire transfer in accordance with Article 12.3.
- 15.3 Alternative Forms of Notice.** Any notice or request required or permitted to be given by a Party to the other, and not required by this Agreement to be given in writing, may be given by telephone or email to the telephone numbers and email addresses set out in Appendix F. Notice by telephone or email shall be effective when received if received during normal business hours, and if received after normal business hours, will be deemed received on the next day with normal business hours.
- 15.4 Operations and Maintenance Notice.** Each Party shall notify the other Party, in writing, of the identity and contact information of each person that it designates as a point of contact with respect to the implementation of Articles 9 and 10.

ARTICLE 16. FORCE MAJEURE

- 16.1** Economic hardship is not a Force Majeure event.
- 16.2** A Party unable to fulfill any obligation under this LGIA (other than an obligation to pay money when due) by reason of Force Majeure shall give notice of such Force Majeure, including a detailed description of the event and the reason it prevented that Party's performance, to the other Party as soon as reasonably possible after the occurrence of the cause relied upon. Oral or electronic notices shall be confirmed in writing as soon as reasonably possible and shall specifically state a detailed description of the Force Majeure event, the reason it prevented that Party's performance, the time and date it occurred, and when it is reasonably expected to cease. The Party prevented from performing its obligations shall use Reasonable Efforts to remove such disability, except that the Party shall not be required to accede or agree to any provision in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

- 17.1 General.** No Default shall exist where such failure to discharge an obligation (other than the payment of money) or cure a Breach is the result of Force Majeure or an act or omission of the other Party. Upon a Breach, the non-breaching Party shall give written notice of such Breach to the breaching Party. Except as provided in Article 17.2, the breaching Party shall cure such Breach within 30 days of receipt of the notice. If such Breach is not capable of

cure within 30 days, the breaching Party shall commence such cure within 30 days after notice and continuously and diligently complete such cure within 90 days of receipt of the notice. If cured within the time allowed under this Article, the Breach specified in such notice shall cease to exist.

- 17.2 Right to Terminate.** If a Breach is not cured as provided in this Article, or if a Breach is not capable of being cured within the period provided for, the non-breaching Party shall have the right to declare a Default and terminate this LGIA by written notice at any time until cure occurs and be relieved of any further obligation under this LGIA. Whether or not the non-breaching Party terminates this LGIA, that Party shall be entitled to recover from the breaching Party all amounts due, plus all other remedies to which it is entitled.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES, AND INSURANCE

- 18.1 Indemnity.** Each Party shall at all times indemnify, defend, and hold the other Party harmless from all damages, losses, claims (including claims and actions relating to injury to or death of any person or damage to property), demands, suits, recoveries, expenses (including court costs and attorney fees), and all other obligations by or to third parties, arising out of or resulting from the indemnifying Party's action or inaction related to its obligations under this LGIA, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

- 18.1.1 Failure to Indemnify.** If a Party is entitled to indemnification under this Article 18, and the indemnifying Party fails to assume the defense of such claim, after notice and reasonable opportunity to proceed under Article 18.1, the indemnified Party, at the expense of the indemnifying Party, may contest, settle, consent to the entry of any judgment with respect to, or pay in full such claim.

- 18.1.2 Indemnification Amount.** The amount owing to the indemnified Party shall be the amount of the indemnified Party's actual losses for which indemnification is required by Article 18.1, net of any insurance or other recovery.

- 18.1.3 Indemnity Procedures.** The indemnified Party shall promptly notify the indemnifying Party, in writing, after receipt by the indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation for which indemnification may be required. Any delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is prejudicial to the indemnifying Party.

The indemnifying Party shall have the right to assume the defense of the action with counsel designated by the indemnifying Party and reasonably satisfactory to

the indemnified Party. If both Parties are defendants in any such action, and if the indemnified Party reasonably concludes that there may be legal defenses available to it that are different from or additional to those available to the indemnifying Party, the indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on the indemnified Party's behalf. In such instances, the indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent the indemnified Party. The indemnified Party shall be entitled, at its expense, to participate in any such action, suit, or proceeding, the defense of which has been assumed by the indemnifying Party.

Notwithstanding the foregoing, the indemnifying Party shall not be entitled to assume and control the defense of any such action, suit or proceedings (i) if and to the extent that, in the opinion of the indemnified Party and its counsel, such action, suit, or proceeding involves the potential imposition of criminal liability on the indemnified Party or (ii) if there exists a conflict or adversity of interest between the indemnified Party and the indemnifying Party, but in such event the indemnifying Party shall pay the reasonable expenses of the indemnified Party. The indemnifying Party shall not settle or consent to the entry of any judgment in any action, suit, or proceeding without the consent of the indemnified Party.

- 18.2 Consequential Damages.** In no event shall either Party be liable under any provision of this LGIA for any losses, damages, costs, or expenses for any special, indirect, incidental, consequential, or punitive damages, regardless of the theory of liability. Damages for which a Party may be liable to the other Party under another agreement are not special, indirect, incidental, or consequential damages under this LGIA.
- 18.3 Insurance.** Each Party, at its own expense, shall maintain minimum insurance coverages, throughout the term of this LGIA and until released by the other Party, as described in this Article, with insurers authorized to do business in Washington, or through self-insurance upon agreement.
- 18.3.1** Employers' Liability and Workers' Compensation Insurance in the amount and type required by law for all persons who may come within the protection of workers compensation laws under this Agreement.
- 18.3.2** Commercial General Liability Insurance including (i) premises and operations; (ii) personal injury; (iii) broad form property damage; (iv) broad form blanket contractual liability coverage (including coverage for the contractual indemnification); (v) products and completed operations coverage; (vi) coverage

for explosion, collapse, and underground hazards; (vii) independent contractors coverage; (viii) coverage for pollution to the extent normally available; and (ix) punitive damages to the extent normally available. The Commercial General Liability Insurance must have a cross liability endorsement and minimum limits of \$1,000,000 per occurrence/\$1,000,000 aggregate combined single limit for personal injury, bodily injury (including death), and property damage.

- 1833** Comprehensive Automobile Liability Insurance for coverage of owned, non-owned, and hired vehicles, and trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of \$1,000,000 per occurrence for bodily injury (including death) and property damage.
- 1834** Excess Liability Insurance, or Umbrella Liability Insurance, over and above the Employers' Liability, Commercial General Liability, and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of \$20,000,000 per occurrence/\$20,000,000 aggregate.
- 1835** Interconnection Customer's Commercial General Liability Insurance, Comprehensive Automobile Insurance, Excess Liability Insurance, and Umbrella Liability policies shall name Transmission Provider and its commissioners, directors, officers, agents, servants and employees ("Other Party Group") as additional insured. Interconnection Customer's policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this LGIA against the Other Party Group and provide 30 days' advance written notice to the Other Party Group prior to the anniversary date of cancellation or any material change in coverage or condition.
- 1836** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, Excess Liability Insurance, and Umbrella Liability policies shall contain provisions specifying that the policies are primary and shall apply without consideration for other policies separately carried. The policies shall also state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- 1837** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, Excess Liability Insurance, and Umbrella Liability policies, if written on a claims-first-made basis, shall be maintained in full force and effect for three years after termination of this LGIA, which coverage may be in the form of

tail coverage or extended reporting period coverage if agreed by the Parties.

- 1838** The requirements contained in this Article regarding the types and limits of insurance to be maintained are not intended to, and shall not, limit or qualify the liabilities and obligations assumed by the Parties under this LGIA.
- 1839** Each Party shall provide certification of all insurance required in this LGIA, executed by each insurer or by an authorized representative of each insurer within ten days following the Effective Date. Each Party shall also provide such certification as soon as practicable after the end of each fiscal year, or at the renewal of the insurance policy, and in any event within 90 days after fiscal-year's end or policy renewal.
- 18310** If self-insurance is utilized to meet requirements of this Article, each Party shall provide, upon request within 10 days of the effective date and throughout the term of this LGIA, current audited financial statements and applicable self-insurance program documentation evidencing financial security available to cover any self-insurance obligations. If any Party, at any time throughout the term of this LGIA, no longer agrees to accept self-insurance for the purposes of meeting requirements within this Article, Parties agree to maintain commercial insurance in lieu of self-insurance.
- 18311** The Parties agree to report to each other, in writing and as soon as practicable, all accidents or occurrences resulting in injuries to any person (including death) and any property damage caused by action or inaction taken pursuant to this LGIA.

ARTICLE 19. ASSIGNMENT

This LGIA may be assigned by either Party only with the prior written consent of the other Party, except that Interconnection Customer shall have the right to assign this LGIA, without Transmission Provider's consent, for collateral security purposes to aid in providing financing for the Large Generating Facility, on condition that Interconnection Customer will promptly notify Transmission Provider in writing of any such assignment. Any financing arrangement entered into by Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's, or mortgagee's assignment rights, the secured creditor, the trustee, or mortgagee will notify Transmission Provider of the date and particulars of any such exercise of assignment rights, including providing Transmission Provider with proof that it meets the requirements of Article 11.5 and Article 18.3. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this LGIA shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by assignment.

ARTICLE 20. SEVERABILITY

If any Governmental Authority finally determines any provision in this LGIA to be invalid, void, or unenforceable, such determination shall not invalidate, void, or make unenforceable any other provision, agreement, or covenant of this LGIA, on condition that the remaining valid and enforceable provisions materially retain the essence the Parties' original bargain. If the remaining valid and enforceable provisions do not materially retain the essence the Parties' original bargain, the Parties shall promptly negotiate to modify the defective clause or provision to alleviate the grounds for invalidity or unenforceability and to preserve the respective rights and obligations of the Parties intended to be conferred by this LGIA to the greatest extent reasonably practicable. If Interconnection Customer (or any third party, but only if such third party is not acting at Transmission Provider's direction) seeks and obtains such a final determination with respect to any provision of the Option to Build (Article 5.1.3), or the Negotiated Option (Article 5.1.4), then the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

Transmission Provider is providing Interconnection Service to Interconnection Customer on a comparable basis to the Interconnection Service it would provide to itself. Additionally, Transmission Provider voluntarily adopted a standards of conduct policy governing the independent functioning of its merchant and transmission functions.

ARTICLE 22. CONFIDENTIALITY

- 22.1 Confidentiality.** This Article 22 applies to all Confidential Information, including Confidential Information supplied by either of the Parties to the other prior to the Effective Date. At the receiving Party's request, the Party supplying Confidential Information shall provide, in writing, the basis for asserting that the Confidential Information warrants confidential treatment. The requesting Party may disclose such writing to an appropriate Governmental Authority.
- 22.2 Term.** During the term of this LGIA, and for a period of three years after its termination, each Party shall hold Confidential Information in confidence and shall not disclose it to any person, except as otherwise provided in this Article 22.
- 22.3 Scope.** Confidential Information does not include information that : (1) is generally available to the public, other than as a result of a disclosure by the receiving Party; (2) was lawfully possessed by the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied without restriction by a third party who, to the

knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; or (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party. Information will no longer be Confidential Information if the Party that designated it as confidential notifies the other Party that it no longer is confidential.

- 22.4 Release of Confidential Information.** A Party may release or disclose Confidential Information (1) to its Affiliates (limited by Transmission Provider’s standards of conduct policy), subcontractors, employees, consultants, or parties who are, or are considering, providing financing to or equity participation with Interconnection Customer; (2) to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this LGIA; (3) as necessary to fulfill its obligations under this LGIA, as a transmission service provider, or a Balancing Authority, including disclosing the Confidential Information to an RTO or ISO, a reliability coordinator, an Applicable Reliability Council, or NERC; (4) as required by any Governmental Authority or Applicable Laws and Regulations; or (5) in any legal proceeding establishing rights and obligations under this LGIA. For release or disclosure under (1) or (2), the disclosing Party shall ensure that the recipient has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person under (1) or (2) shall remain primarily responsible for any release of Confidential Information in contravention of this Article 22. For release or disclosure under (4), the disclosing Party shall follow the procedures in Article 22.8.
- 22.5 Rights.** Each Party retains all interests in the Confidential Information that it discloses. Disclosure of Confidential Information shall not be deemed a waiver, by either Party or any other person or entity, of the right to protect the Confidential Information from public disclosure.
- 22.6 No Warranties.** By providing Confidential Information, neither Party makes any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, neither Party obligates itself to provide any particular information or Confidential Information to the other Party, nor to enter into any further agreements or proceed with any other relationship or joint venture.
- 22.7 Standard of Care.** Each Party shall protect Confidential Information it receives using at least the same standard of care as it uses to protect its own Confidential Information. Each Party may use Confidential Information solely to fulfill its obligations to the other Party under this LGIA or its regulatory requirements.

- 22.8 Order of Disclosure.** If a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party to disclose Confidential Information, including through a public records request to Transmission Provider as described in Article 22.11, the Party subject to such request or requirement shall promptly notify the other Party so that the other Party may seek an appropriate protective order, at its own expense, or waive compliance with the terms of this LGIA. The Party subject to such request or requirement shall use Reasonable Efforts to assist the other Party in obtaining an appropriate protective order. If Applicable Laws and Regulations prevent the disclosing Party from providing notice of the request or prior notice of disclosure, the disclosing Party will provide notice as soon as practicable when permitted by Applicable Laws and Regulations. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which it determines it is legally compelled to disclose.
- 22.9 Termination of Agreement.** Upon termination of this LGIA, each Party, upon receipt of a written request from the other Party, shall use Reasonable Efforts to promptly (i) destroy, erase, or delete all Confidential Information received from the other Party, including any copies made, and certify such destruction, erasure, and deletion in writing to the other Party or (ii) return all Confidential Information received from the other Party, including any copies made.
- 22.10 Remedies.** The Parties agree that monetary damages would be inadequate compensation for a Party's Breach of its obligations under this Article 22. Each Party shall be entitled to equitable relief, without bond or proof of damages, for the other Party's Breach or threatened Breach of its obligations under this Article 22. The receiving Party shall not plead in defense that there would be an adequate remedy at law. Such equitable remedy is in addition to all other available remedies. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, consequential, or punitive damages of any kind in connection with this Article 22.
- 22.11 Washington Public Records Act.** Interconnection Customer expressly acknowledges that Transmission Provider is subject to the provisions of Chapter 42.56 RCW, Washington's Public Records Act, that all documents and materials received by Transmission Provider shall be public records as defined by Public Records Act, and that those documents and materials may be subject to disclosure pursuant to the Act. If Transmission Provider receives a public records request that covers documents and materials provided by Interconnection Customer, Transmission Provider shall follow Article 22.8 with respect to Confidential Information. Transmission Provider may release documents and materials

provided by Interconnection Customer that are not Confidential Information at any time in response to a public records request.

ARTICLE 23. ENVIRONMENTAL RELEASES

Each Party shall notify the other Party of the following conditions, first orally or electronically and then in writing, if it reasonably expects those conditions will affect the other Party: release of any hazardous substances (as defined in Applicable Laws and Regulations), any asbestos or lead abatement activities, or any type of remediation activities related to the Large Generating Facility or the Interconnection Facilities. The notifying Party shall: (i) provide the notice as soon as practicable, and in any event shall make a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence and (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENTS

- 24.1 Information Acquisition.** Transmission Provider and Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described in this Article and in accordance with Applicable Reliability Standards.
- 24.2 Information Submission by Transmission Provider.** Unless otherwise agreed to by the Parties, the initial information submission by Transmission Provider shall occur no later than 180 days prior to Trial Operation and shall include Transmission System information necessary to allow Interconnection Customer to select equipment and meet any system protection and stability requirements. Transmission Provider shall provide Interconnection Customer a monthly status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including: (1) progress to date; (2) a description of the activities since the last report; (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.
- 24.3 Updated Information Submission by Interconnection Customer.** The updated information submission by Interconnection Customer, including manufacturer information, shall occur no later than 180 days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Large Generating Facility data requirements contained in Appendix 1 to the LGIP. It shall also include any additional information provided to Transmission Provider for the Interconnection Studies. Information in this submission shall be the most current Large Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider's standard models. If the information is not

compatible, Interconnection Customer will work with a consultant jointly selected by the Parties, and paid for by Interconnection Customer, to develop and supply a standard model and associated information.

If Interconnection Customer's data is materially different from what it originally provided to Transmission Provider, then Transmission Provider will conduct appropriate studies, at Interconnection Customer's expense, to determine the impact on Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. Interconnection Customer shall not begin Trial Operation until such studies are completed.

244 Information Supplementation. Prior to the Commercial Operation Date, the Parties shall supplement their information submissions with all "as-built" Large Generating Facility information or "as-tested" performance information that differs from the initial submissions, or they shall provide written confirmation that no such differences exist.

Interconnection Customer shall conduct tests on the Large Generating Facility as required by Good Utility Practice and provided the results to Transmission Provider. Interconnection Customer shall conduct the tests for each individual generating unit. Unless otherwise agreed, the test conditions shall include: (1) Large Generating Facility at synchronous speed; (2) automatic voltage regulator on and in voltage control mode; (3) a five percent change in Large Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage; and (4) an open circuit "step voltage" test to verify proper operation of the automatic voltage regulator. Any additional test conditions shall be set forth in Appendix D. Test conditions for Variable Energy Resources shall be set forth in Appendix D. Interconnection Customer shall provide validated test recordings showing the responses of Large Generating Facility terminal and field voltages. If directly recording these voltages is impractical, recordings of other voltages or currents that mirror the response of the Large Generating Facility's terminal or field voltage are acceptable if these alternate quantities can be translated to actual Large Generating Facility terminal or field voltages.

After the Commercial Operation Date, Interconnection Customer and Transmission Provider shall provide each other any updated information due to equipment replacement, repair, or adjustment in the Large Generating Facility, directly connected substation, or any adjacent Transmission Provider-owned substation that may affect Interconnection Customer's Interconnection Facilities equipment ratings, protection, or operating requirements. The Parties shall provide such information no later than 30 days after the date of the equipment replacement, repair, or adjustment.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

- 25.1 Information Access.** Each Party shall make available to the other Party information that is necessary for the other Party to: (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this LGIA and (ii) carry out its obligations and responsibilities under this LGIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this LGIA.
- 25.2 Reporting of Non-Force Majeure Events.** Each Party shall promptly notify the other Party of its inability to comply with the provisions of this LGIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken. Notwithstanding the foregoing, notification, cooperation, or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this LGIA.
- 25.3 Audit Rights.** Each Party shall have the right to audit the other Party's accounts and records pertaining to either Party's performance or satisfaction of obligations under this LGIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Audits shall be (i) conducted during normal business hours; (ii) upon prior reasonable notice to the other Party; (iii) at the auditing Party's expense; (iv) performed at the offices where such accounts and records are maintained; and (v) limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this LGIA. Each Party shall keep such applicable accounts and records for a period of 24 months following:
- (a) Transmission Provider's issuance of a final invoice in accordance with Article 12.2, for audit of accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades;
 - (b) the auditing Party's receipt of an invoice giving rise to cost obligations, for cost obligations under this LGIA not described in subsection (a); or
 - (c) the event for which an audit is sought for events not described in subsections (a) or (b).
- 25.4 [Reserved]**

- 25.5 Audit Results.** If a Party determines from an audit that an overpayment or an underpayment has occurred, it shall notify the other Party of such overpayment or underpayment and provide those records from the audit which support such determination.
- 25.6 Audit Information Confidential.** All information received during an audit is Confidential Information, and it shall be subject to the requirements of Article 22.

ARTICLE 26. SUBCONTRACTORS

- 26.1 General.** Nothing in this LGIA shall prevent a Party from utilizing the services of any subcontractor to perform its obligations under this LGIA.
- 26.2 Responsibility of Principal and Subcontractor.** Each Party shall remain primarily liable to the other Party for its obligations under this LGIA and the performance of such subcontractor. Each Party shall require its subcontractors to comply with all applicable terms of this LGIA in providing such services. Any obligation imposed by this LGIA upon the hiring Party shall equally bind, and shall be construed as applying to, any subcontractor of such Party.
- 26.3 No Limitation by Insurance.** The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

- 27.1 Submission.** If either Party has a dispute, or asserts a claim, related to this LGIA or its performance, such Party shall provide the other Party with a Notice of Dispute. The Parties, through their designated senior representatives, shall attempt to resolve the dispute or claim on an informal basis. If the designated representatives are unable to resolve the claim or dispute within 30 days of receipt of the Notice of Dispute, the Parties may agree to submit such claim or dispute to arbitration in accordance with the arbitration procedures set forth in Article 27.2. If the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise its rights and pursue all remedies available to it consistent with the terms of this LGIA.
- 27.2 External Arbitration Procedures.** Any arbitration initiated under this LGIA shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten days of the submission 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 20 days select a third arbitrator to chair the arbitration panel. All arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past

substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator or arbitration panel shall provide each of the Parties an opportunity to be heard. The arbitration shall be conducted in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable RTO or ISO rules, except that in the event of a conflict between external rules and this Article 27, the terms of this Article 27 shall prevail.

27.3 Arbitration Decisions. Unless otherwise agreed by the Parties, the arbitrator or arbitration panel shall render a decision within 90 days of appointment, notifying the Parties in writing of the reasons for such. The arbitrator or arbitration panel shall be authorized only to interpret and apply the provisions of this LGIA and shall have no power to modify or change any provision of this Agreement. The decision shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision may be appealed solely on the grounds that the conduct of an arbitrator, or the decision itself, violated the standards set forth in the Federal Arbitration Act or the Administrative Dispute Resolution Act. Substantive standards for the resolution of disputes shall reflect FERC regulations and precedent as well as applicable legal precedent.

27.4 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.

ARTICLE 28. REPRESENTATIONS, WARRANTIES, AND COVENANTS

Each Party makes the following representations, warranties, and covenants:

28.1 Good Standing. It is duly organized, validly existing, and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the state of Washington; and that it has the corporate power and authority to own its properties and to carry on its business as now being conducted.

28.2 Authority. It has the right, power, and authority to enter into this LGIA and to perform its obligations under this LGIA. This LGIA is a legal, valid, and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization, or other similar laws affecting creditors' rights generally or (ii) by general equitable principles, regardless of whether enforceability is sought in a proceeding in equity or at law.

28.3 No Conflict. Execution, delivery, and performance of this LGIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement,

of such Party, or any judgment, license, permit, order, material agreement, or instrument applicable to or binding upon such Party or any of its assets.

- 28.4 Consent and Approval.** It has sought or obtained, or, as allowed by this LGIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority required for execution, delivery, and performance of this LGIA, and it will provide to any Governmental Authority notice of any actions under this LGIA that are required by Applicable Laws and Regulations.

ARTICLE 29. JOINT OPERATING COMMITTEE

At least six months prior to the Initial Synchronization Date, Interconnection Customer shall appoint one representative and one alternate to the Joint Operating Committee and shall notify Transmission Provider of its appointment in writing. Such appointments may be changed at any time by similar notice. Each Party shall cooperate in providing to the Joint Operating Committee all information required in the performance of the Joint Operating Committee's duties.

ARTICLE 30. MISCELLANEOUS

- 30.1 Binding Effect.** This LGIA, and the rights and obligations of the Parties, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.
- 30.2 Conflicts.** In the event of a conflict between the body of this LGIA and any attachment, appendix, or exhibit, the terms and provisions of the body of this LGIA shall prevail and be deemed the final intent of the Parties.
- 30.3 Entire Agreement.** This LGIA, including all Appendices, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral, electronic, or written, between the Parties with respect to the subject matter of this LGIA. No other agreements, representations, warranties, or covenants constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this LGIA.
- 30.4 No Third-Party Beneficiaries.** This LGIA is not intended to, and does not, create rights, remedies, or benefits of any character in favor of any persons or entities other than the Parties, and the obligations in this LGIA are solely for the use and benefit of the Parties, their successors in interest, and their assigns.
- 30.5 Waiver.** The failure of a Party to insist upon strict performance of any provision of this LGIA will not be a waiver of any obligation, right, or duty of such Party.

Any waiver of this LGIA shall be in writing. No waiver shall be deemed a continuing waiver, nor shall it be deemed a waiver of any other obligation, right, duty of this LGIA. Termination or Default by Interconnection Customer shall not constitute a waiver of Interconnection Customer's legal rights to obtain an interconnection from Transmission Provider.

30.6 Multiple Counterparts. This LGIA may be executed in two or more counterparts, each of which is an original, but all of which constitute one and the same instrument.

30.7 Amendment. The Parties may only amend this LGIA or any Appendix by a written instrument duly executed by the Parties.

30.8 No Partnership. This LGIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, to act on behalf of, to act as or to be an agent or representative of, or to otherwise bind the other Party.

IN WITNESS WHEREOF, the Parties have executed this LGIA on the dates indicated.

Public Utility District No. 1 of Chelan County

By: _____

Title: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

APPENDIX A to LGIA

**INTERCONNECTION FACILITIES, NETWORK UPGRADES, and DISTRIBUTION
UPGRADES**

1. Interconnection Facilities:

(a) [insert Interconnection Customer’s Interconnection Facilities]:

(b) [insert Transmission Provider’s Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

APPENDIX B to LGIA

MILESTONES

APPENDIX C to LGIA

INTERCONNECTION DETAILS

APPENDIX D to LGIA

TEST CONDITIONS

APPENDIX E to LGIA

COMMERCIAL OPERATION DATE

[Date]

[Transmission Provider Address]

Re: _____ Large Generating Facility

Dear _____:

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. . This letter confirms that **[Interconnection Customer]** commenced Commercial Operation of Unit No. at the Large Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

ADDRESSES for DELIVERY of NOTICES and BILLINGS

Transmission Provider	Interconnection Customer
Notices:	Notices:
[to be supplied]	[to be supplied]
Billings and Payments:	Billings and Payments:
[to be supplied]	[to be supplied]
Alternative Forms of Delivery of Notices (telephone or email):	Alternative Forms of Delivery of Notices (telephone or email):
[to be supplied]	[to be supplied]
Maintenance and Operations Contacts:	Maintenance and Operations Contacts:
[to be supplied]	[to be supplied]
Joint Operating Committee Representative:	Joint Operating Committee Representative:
[to be supplied]	[to be supplied]
Joint Operating Committee Alternate:	Joint Operating Committee Alternate:
[to be supplied]	[to be supplied]