

OMAHA PUBLIC POWER DISTRICT
OPEN ACCESS TRANSMISSION TARIFF

**All reservations made on or after
April 1, 2009 must be made through the
Southwest Power Pool.**

**Tariff is closed to new service and is for Grandfathered
Agreements or Transactions only as specified in the Southwest
Power Pool Open Access Transmission Tariff, Section 1.14a
and Attachment W.**

I. COMMON SERVICE PROVISIONS.....	12
1 Definitions.....	12
1.1 Ancillary Services.....	12
1.2 Annual Transmission Costs	12
1.3 Application.....	12
1.4 Commission	12
1.5 Completed Application	12
1.6 Control Area.....	12
1.7 Curtailment	13
1.8 Delivering Party	13
1.9 Designated Agent.....	13
1.10 Direct Assignment Facilities.....	13
1.11 Distribution System	13
1.12 Eligible Customer	13
1.13 Facilities Study.....	14
1.14 Firm Point-To-Point Transmission Service	14
1.15 Good Utility Practice	15
1.16 Interruption	15
1.17 Load Ratio Share.....	15
1.18 Load Shedding	15
1.19 Long-Term Firm Point-To-Point Transmission Service.....	15
1.20 Native Load Customers.....	15
1.21 Network Customer	16
1.22 Network Integration Transmission Service	16
1.23 Network Load	16
1.24 Network Operating Agreement.....	16
1.25 Network Operating Committee.....	16
1.26 Network Resource.....	17
1.27 Network Upgrades	17
1.28 Non-Firm Point-To-Point Transmission Service	17
1.29 Open Access Same-Time Information System (OASIS)	17
1.30 Part I.....	17

1.31	Part II	17
1.32	Part III	18
1.33	Parties.....	18
1.34	Point(s) of Delivery.....	18
1.35	Point(s) of Receipt	18
1.36	Point-To-Point Transmission Service	18
1.37	Power Purchaser.....	18
1.38	Receiving Party	18
1.39	Regional Transmission Group (RTG).....	19
1.40	Reserved Capacity	19
1.41	Service Agreement.....	19
1.42	Service Commencement Date.....	19
1.43	Short-Term Firm Point-To-Point Transmission Service.....	19
1.44	System Impact Study	19
1.45	Third-Party Sale	20
1.46	Transmission Customer	20
1.47	Transmission Provider	20
1.48	Transmission Provider's Monthly Transmission System Peak.....	20
1.49	Transmission Service	20
1.50	Transmission System	20
2.	Initial Allocation and Renewal Procedures	20
2.1	Initial Allocation of Available Transmission Capability	20
2.2	Reservation Priority For Existing Firm Service Customers	21
3	Ancillary Services.....	22
3.1	Scheduling, System Control and Dispatch Service.....	24
3.2	Reactive Supply and Voltage Control from Generation Sources Service.....	24
3.3	Regulation and Frequency Response Service	24
3.4	Energy Imbalance Service	24
3.5	Operating Reserve - Spinning Reserve Service	24
3.6	Operating Reserve - Supplemental Reserve Service	24

4	Open Access Same-Time Information System (OASIS).....	24
5	Facilities Financed by Tax Exempt Debt	25
6	Reciprocity	25
7	Billing and Payment.....	26
	7.1 Billing Procedure	26
	7.2 Interest on Unpaid Balances	26
	7.3 Customer Default	27
8	Accounting for the Transmission Provider's Use of the Tariff	27
	8.1 Transmission Revenues	28
	8.2 Study Costs and Revenues	28
9	Force Majeure and Indemnification	28
	9.1 Force Majeure	28
	9.2 Indemnification	29
10	Creditworthiness	29
11	Resolution of Disputes Other Than Those Related to Termination Under Section 12.....	30
	11.1 Application of Section 11	30
	11.2 Internal Dispute Resolution Procedures.....	30
	11.3 External Arbitration Procedures	31
	11.4 Decisionmaking Standards.....	31
	11.5 Arbitration Decisions	31
	11.6 Costs.....	32
12	Termination of Service By the Transmission Provider	32
	12.1 Notice and Request for Dispute Resolution Procedures.....	32
	12.2 External Arbitration Procedures	33
	12.3 Decisionmaking Standards.....	33
	12.4 Arbitration Decisions	34
	12.5 Costs.....	35
13	Changes to this Tariff by the Transmission Provider and Tariff Availability	35

13.1	Unilateral Right to Change	35
13.2	Tariff Availability	35
II. POINT-TO-POINT TRANSMISSION SERVICE		36
Preamble		36
14	Nature of Firm Point-To-Point Transmission Service	36
14.1	Term	36
14.2	Reservation Priority	36
14.3	Use of Firm Transmission Service by the Transmission Provider	37
14.4	Service Agreements	38
14.5	Transmission Customer Obligations for Facility Additions or Redispatch Costs	38
14.6	Curtailment of Firm Transmission Service	39
14.7	Classification of Firm Transmission Service	40
14.8	Scheduling of Firm Point-To-Point Transmission Service	41
15	Nature of Non-Firm Point-To-Point Transmission Service	42
15.1	Term	42
15.2	Reservation Priority	42
15.3	Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider	43
15.4	Service Agreements	43
15.5	Classification of Non-Firm Point-To-Point Transmission Service	44
15.6	Scheduling of Non-Firm Point-To-Point Transmission Service	44
15.7	Curtailment or Interruption of Service	45
16	Service Availability	46
16.1	General Conditions	46
16.2	Determination of Available Transmission Capability	47

16.3	Initiating Service in the Absence of an Executed Service Agreement.....	47
16.4	Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System	48
16.5	Deferral of Service.....	48
16.6	Other Transmission Service Schedules.....	48
16.7	Real Power Losses.....	48
17	Transmission Customer Responsibilities.....	49
17.1	Conditions Required of Transmission Customers	49
17.2	Transmission Customer Responsibility for Third-Party Arrangements	50
18	Procedures for Arranging Firm Point-To-Point Transmission Service.....	50
18.1	Application.....	50
18.2	Completed Application	51
18.3	Deposit	52
18.4	Notice of Deficient Application.....	53
18.5	Response to a Completed Application.....	53
18.6	Execution of Service Agreement	54
18.7	Extensions for Commencement of Service.....	54
19	Procedures for Arranging Non-Firm Point-To-Point Transmission Service.....	55
19.1	Application.....	55
19.2	Completed Application	55
19.3	Reservation of Non-Firm Point-To-Point Transmission Service	56
19.4	Determination of Available Transmission Capability	57
20	Additional Study Procedures For Firm Point-To-Point Transmission Service Requests.....	57
20.1	Notice of Need for System Impact Study	57
20.2	System Impact Study Agreement and Cost Reimbursement	58
20.3	System Impact Study Procedures.....	59
20.4	Facilities Study Procedures.....	59

20.5	Facilities Study Modifications	61
20.6	Due Diligence in Completing New Facilities	61
20.7	Partial Interim Service	61
20.8	Expedited Procedures for New Facilities.....	62
21	Procedures if The Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service	62
21.1	Delays in Construction of New Facilities	63
21.2	Alternatives to the Original Facility Additions.....	63
21.3	Refund Obligation for Unfinished Facility Additions.....	64
22	Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities	64
22.1	Responsibility for Third-Party System Additions.....	64
22.2	Coordination of Third-Party System Additions.....	64
23	Changes in Service Specifications.....	65
23.1	Modifications On a Non-Firm Basis.....	65
23.2	Modification On a Firm Basis.....	66
24	Sale or Assignment of Transmission Service.....	66
24.1	Procedures for Assignment or Transfer of Service.....	66
24.2	Limitations on Assignment or Transfer of Service.....	67
24.3	Information on Assignment or Transfer of Service.	68
25	Metering and Power Factor Correction at Receipt and Delivery Points(s)	68
25.1	Transmission Customer Obligations.....	68
25.2	Transmission Provider Access to Metering Data.....	68
25.3	Power Factor	68
26	Compensation for Transmission and Distribution Services	69
27	Wholesale Stranded Cost Recovery	69
28	Compensation for New Facilities and Redispatch Costs	69

III. NETWORK INTEGRATION TRANSMISSION SERVICE	70
Preamble	70
29 Nature of Network Integration Transmission Service	70
29.1 Scope of Service	70
29.2 Transmission Provider Responsibilities.....	71
29.3 Network Integration Transmission Service	71
29.4 Secondary Service.....	72
29.5 Real Power Losses	72
29.6 Restrictions on Use of Service.....	72
30 Initiating Service	73
30.1 Condition Precedent for Receiving Service	73
30.2 Application Procedures.....	73
30.3 Technical Arrangements to be Completed Prior to Commencement of Service.....	76
30.4 Network Customer Facilities	76
30.5 Initiating Service in the Absence of an Executed Service Agreement.....	77
31 Network Resources	77
31.1 Designation of Network Resources	77
31.2 Designation of New Network Resources.....	78
31.3 Termination of Network Resources.....	78
31.4 Operation of Network Resources.....	78
31.5 Network Customer Redispatch Obligation.....	78
31.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider	79
31.7 Limitation on Designation of Network Resources.....	79
31.8 Use of Interface Capacity by the Network Customer.....	79
31.9 Network Customer Owned Transmission Facilities	79

32	Designation of Network Load	80
32.1	Network Load	80
32.2	New Network Loads Connected With the Transmission Provider	80
32.3	Network Load Not Physically Interconnected with the Transmission Provider	81
32.4	New Interconnection Points	81
32.5	Changes in Service Requests	81
32.6	Annual Load and Resource Information Updates	82
33	Additional Study Procedures For Network Integration Transmission Service Requests.....	82
33.1	Notice of Need for System Impact Study	82
33.2	System Impact Study Agreement and Cost Reimbursement	83
33.3	System Impact Study Procedures.....	84
33.4	Facilities Study Procedures.....	85
34	Load Shedding and Curtailments	86
34.1	Procedures.....	86
34.2	Transmission Constraints.....	86
34.3	Cost Responsibility for Relieving Transmission Constraints	87
34.4	Curtailments of Scheduled Deliveries	87
34.5	Allocation of Curtailments.....	87
34.6	Load Shedding	88
34.7	System Reliability.....	88
35	Rates and Charges	89
35.1	Monthly Demand Charge.....	89
35.2	Determination of Network Customer's Monthly Network Load	89
35.3	Determination of Transmission Provider's Monthly Transmission System Load	89
35.4	Redispatch Charge	89
35.5	Wholesale Stranded Cost Recovery.....	90

36 Operating Arrangements90
 36.1 Operation under The Network Operating Agreement90
 36.2 Network Operating Agreement.....90
 36.3 Network Operating Committee.....91

SCHEDULE 1

**Ancillary Service Charge for Scheduling, System Control and
 Dispatch Service92**

SCHEDULE 2

**Ancillary Service Charge for Reactive Supply and Voltage Control
 from Generation Sources Service94**

SCHEDULE 3

**Ancillary Service Charge for Regulation and Frequency Response
 Service96**

SCHEDULE 4

Ancillary Service Charge for Energy Imbalance Service97

SCHEDULE 5

**Ancillary Service Charge for Operating Reserve -
 Spinning Reserve Service98**

SCHEDULE 6

**Ancillary Service Charge for Operating Reserve -
 Supplemental Reserve Service99**

SCHEDULE 7

**Transmission Service Charge for Long-Term Firm and Short-Term
 Firm Point-To-Point Transmission Service.....100**

SCHEDULE 8

**Transmission Service Charge for Non-Firm Point-To-Point
 Transmission Service103**

SCHEDULE 9

Distribution Service Charges106

ATTACHMENT A

**Form Of Service Agreement For Firm Point-To-Point
 Transmission Service109**

ATTACHMENT B

**Form Of Service Agreement For Non-Firm Point-To-Point
 Transmission Service113**

ATTACHMENT C

Methodology To Assess Available Transmission Capability117

ATTACHMENT D

Methodology for Completing a System Impact Study.....118

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers.....119

ATTACHMENT F

**Service Agreement for Network Integration Transmission
Service120**

ATTACHMENT G

Network Operating Agreement128

ATTACHMENT H

**Annual Transmission Revenue Requirement For Network Integration
Transmission Service139**

ATTACHMENT I

Index Of Network Integration Transmission Service Customers141

ATTACHMENT J

MAPP Line Load Relief Procedure.....142

ATTACHMENT K

Transmission Planning Process.....143

I. COMMON SERVICE PROVISIONS**1 Definitions**

- 1.1 Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.
- 1.2 Annual Transmission Costs:** The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider.
- 1.3 Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.4 Commission:** The Federal Energy Regulatory Commission.
- 1.5 Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- 1.6 Control Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);

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

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

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

1.9 Designated Agent: Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

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

1.11 Distribution System: The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service below 69 kV under Part II and Part III of the Tariff.

1.12 Eligible Customer: Subject to the requirement, as stated on the cover page of this Tariff, that the customer shall be subject to a Grandfathered Agreement or

Transaction, as defined in Section 1.14a of the Southwest Power Pool Open Access Transmission Tariff and specified in Attachment W of that Tariff, the following entities may be an Eligible Customer: (i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico. However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider. (ii) Any retail customer taking unbundled Transmission Service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

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

1.14 Firm Point-To-Point Transmission Service: Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

- 1.15 Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.
- 1.16 Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 15.7.
- 1.17 Load Ratio Share:** Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 35.2 and 35.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.
- 1.18 Load Shedding:** The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.
- 1.19 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.
- 1.20 Native Load Customers:** The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable

electric needs of such customers.

- 1.21 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.
- 1.22 Network Integration Transmission Service:** The transmission service provided under Part III of the Tariff.
- 1.23 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.
- 1.24 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 implementation of Network Integration Transmission Service under Part III of the Tariff.
- 1.25 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.

- 1.26 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.
- 1.27 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.
- 1.28 Non-Firm Point-To-Point Transmission Service:** Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 15.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.
- 1.29 Open Access Same-Time Information System (OASIS):**
The information system and standards of conduct contained in Part 37 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.
- 1.30 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 13.
- 1.31 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.

- 1.32 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.
- 1.33 Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 1.34 Point(s) of Delivery:** Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.
- 1.35 Point(s) of Receipt:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.
- 1.36 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.
- 1.37 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.
- 1.38 Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

- 1.39 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.
- 1.40 Reserved Capacity:** The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.
- 1.41 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.
- 1.42 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.
- 1.43 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.
- 1.44 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:** Omaha Public Power District (OPPD).
- 1.48 Transmission Provider's Monthly Transmission System Peak:** The maximum firm usage of the Transmission Provider's 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 at or above 69 kV under Part II and Part III of the Tariff.

2. Initial Allocation and Renewal Procedures

- 2.1 Initial Allocation of Available Transmission Capability:** For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under

this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section 14.2.

2.2 Reservation Priority For Existing Firm Service Customers: Existing firm service customers (wholesale requirements and transmission-only, with a contract term of one-year or more), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one-year or longer.

3 Ancillary Services

The Southwest Power Pool (SPP) will implement an ancillary service market as part of its Integrated Marketplace (IM) in the future. Following the commencement of the SPP ancillary service market, OPPD will no longer provide Transmission Customers those Ancillary Services which are being provided to the Transmission Customer by SPP and are billed directly to the Transmission Customer. If SPP charges OPPD for Ancillary Services associated with the load, generation resources, and/or schedules of a Transmission Customer, OPPD shall pass-through those charges that OPPD determines are attributable to the Transmission Customer.

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

The Transmission Provider is required to offer to provide (or offer to arrange with the local Control Area operator as discussed below) the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Control Area: (i) Regulation and Frequency Response, (ii) Energy Imbalance, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve - Supplemental. The Transmission Customer serving load within the Transmission Provider's Control Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply. The Transmission 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. If the Transmission Provider is a public utility providing transmission service but is not a Control Area operator, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Control Area operator. The Transmission Customer may elect to (i) have the Transmission Provider act as its agent, (ii) secure the Ancillary Services directly from the Control Area operator, or (iii) secure the Ancillary Services (discussed in Schedules 3, 4, 5 and 6) from a third party or by self-supply when technically feasible. The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

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

Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.6 below list the six Ancillary Services.

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

4 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. 37 of the Commission's regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities).

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

5 Facilities Financed by Tax Exempt Debt

Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide Transmission Service to any Eligible Customer pursuant to this Tariff if the provision of such Transmission Service would jeopardize the tax-exempt status of any debt (e.g., bond(s), commercial paper, note(s)) used to finance the Transmission Provider's facilities that would be used in providing such Transmission Service. If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any debt used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer and file a declaration with the Commission within thirty (30) days of receipt of the Completed Application.

6 Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate affiliates. A Transmission Customer that is a member of a power pool or Regional Transmission Group also agrees to provide comparable transmission service to the members of such power pool and Regional Transmission Group on similar terms and conditions over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy

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

7 Billing and Payment

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

7.2 Interest on Unpaid Balances: Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated

from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

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

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

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

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

8.2 Study Costs and Revenues: Include in a separate transmission operating expense account or subaccount, 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, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Force Majeure and Indemnification

9.1 Force Majeure: An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. 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

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

A Transmission Customer meeting the Transmission Providers creditworthiness standard shall not be required to provide a deposit as specified in Sections 18.3 and 30.2.

11 Resolution of Disputes Other Than Those Related to Termination Under Section 12

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

11.2 Internal Dispute Resolution Procedures: Any dispute between a Transmission Customer and the Transmission Provider involving transmission service under this Tariff (excluding disputes involving decisions of the Transmission Provider under Section 5, the Transmission Provider's termination of service under Section 12, and disputes regarding changes to the rates, rate methodologies, or non-rate terms and conditions in this Tariff or any Service Agreement entered into under the Tariff, but including disputes regarding the Transmission Provider's proposed charges for Direct Assignment Facilities, Network Upgrades, wholesale stranded costs, and redispatch costs) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon by mutual agreement], such dispute shall be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

- 11.3 External Arbitration Procedures:** Any arbitration initiated under this Section 11 shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any Party to the arbitration other than previous arbitration experience. The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Regional Transmission Group rules.
- 11.4 Decision making Standards:** The arbitrator(s) shall resolve disputes regarding the Transmission Provider's proposed charges for Direct Assignment Facilities, Network Upgrades, redispatch costs and wholesale stranded costs in accordance with the Commission's policy for recovery of such costs by public utilities. All disputes shall be resolved consistent with the Commission's Order No. 888, as may be amended.
- 11.5 Arbitration Decisions:** Unless otherwise agreed, the arbitrator(s) shall render a decision to disputes under this Section 11 within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor.

The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, provided that all final decisions of the arbitrator(s) shall be filed with the Commission. Any final decision of the arbitrator(s), or any aspect thereof, that the Commission determines would adversely affect the Transmission Provider's satisfaction of public utilities' reciprocity provision shall be amended consistent with any Commission determination thereon, provided that the Transmission Provider and Transmission Customer may seek review of the Commission's determination in a court of competent jurisdiction.

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

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

12 Termination of Service By the Transmission Provider

12.1 Notice and Request for Dispute Resolution Procedures: Prior to terminating service pursuant to the provisions of Section 7.3 the Transmission Provider shall provide written notice to the Transmission Customer of its intent to terminate service at least sixty (60) days but no more than one-hundred twenty (120) days prior to the date such termination is proposed to take effect. If the Transmission Customer does not request in writing to the Transmission Provider, within seven

(7) calendar days of the Transmission Customer's receipt of notice, that the Transmission Provider initiate the arbitration provisions of this Section 12, the Transmission Provider shall terminate service on the date contained in its notice to the Customer. If the Transmission Customer requests in writing that the Transmission Provider initiate arbitration proceedings, the provisions of Sections 12.2 through 12.5 shall apply.

12.2 External Arbitration Procedures: Any arbitration initiated under this Section 12 shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within five (5) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within ten (10) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any Party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Regional Transmission Group rules.

12.3 Decisionmaking Standards: The arbitrator(s) shall resolve disputes under Section 12 in accordance with good utility practice and such decision shall not be inconsistent with the Commission's policy for termination of transmission service

under 18 C.F.R. 35.15, Commission Order No. 888, as may be amended.

12.4 Arbitration Decisions: Unless otherwise agreed, the arbitrator(s) shall render a decision to disputes under Section 12 at least five (5) business days prior to the date provided by the Transmission Provider in its notice to the Transmission Customer pursuant to Section 12 and shall notify the Parties in writing of such decision and the reasons therefor. A failure to render a decision within said time shall be considered approval of the Transmission Provider's request to terminate, unless the arbitrator(s) issue a written statement finding that the Transmission Provider took actions intending to delay a decision beyond said time limit and that such actions resulted in the failure to render an opinion within said time. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Tariff and any Service Agreement entered into under this Tariff and shall have no power to modify or change any of the above in any manner. The Transmission Provider may terminate service immediately upon the issuance by the arbitrator(s) of a decision approving the request to terminate. The decision of the arbitrator(s) shall be final and binding upon the Parties, provided that all final decisions of the arbitrator(s) shall be filed with the Commission. Any final decision of the arbitrator(s), or any aspect thereof, that the Commission determines would adversely affect the Transmission Providers satisfaction of public utilities' reciprocity provisions shall be amended consistent with any Commission determination thereon, provided that the Transmission Provider and Transmission Customer may seek review of the Commission's determination in a court of competent jurisdiction.

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

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

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

13.1 Unilateral Right to Change: Notwithstanding any other provision in this Tariff or a Service Agreement, the Transmission Provider shall have the right unilaterally to make a change in rates, charges, classification of service, or any rule, regulation, or Service Agreement related thereto. Prior to the effectiveness of any change, the Transmission Provider shall provide sixty (60) days notice of such change by publishing it on OPPD's OASIS and by written notice to Transmission Customers of OPPD's Tariff. Such change will become effective after said sixty (60) day period.

13.2 Tariff Availability: Notwithstanding any other provision of this Tariff, the Transmission Provider may terminate this Tariff and all Service Agreements hereunder, effective immediately and without satisfying the requirements of any other provisions of this Tariff, if the Commission issues an order that modifies the Transmission Provider's satisfaction of public utilities' reciprocity provisions, a court of competent jurisdiction vacates any order affecting said satisfaction, or after petition for review the Commission modifies said satisfaction in a manner determined by the Transmission Provider to be unacceptable to the Transmission Provider in its sole discretion. Further, nothing contained in this Tariff shall restrict the Transmission Provider's right unilaterally to withdraw the Tariff at any

time. Except as otherwise provided in this Section 13.2, such withdrawal shall not affect existing Service Agreements for Firm Point-to-Point Transmission Service entered into under the Tariff. Upon such withdrawal of this Tariff, all Service Agreements for Non-Firm Point-to-Point Transmission Service shall terminate immediately, provided that the Transmission Provider shall complete Non-Firm Point-to-Point Transmission Service for specific scheduled Non-Firm Point-to-Point Transmission Service transactions prior to the date of termination of the Tariff (not to exceed service for three months). The Transmission Provider shall provide at least thirty (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

Preamble

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transmission 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: 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.

Reservations for Short-Term Firm Point-To-Point Transmission Service will be

conditional based upon the length of the requested transaction. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transmission capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation 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. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff. Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

14.3 Use of Firm Transmission Service by the Transmission Provider: The Transmission Provider will be subject to the rates, terms and conditions of Part II

of the Tariff when making Third-Party Sales under agreements executed on or after October 1, 1996. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements: The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. 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.

14.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs: In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission 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. To the extent the Transmission Provider can relieve any system constraint more economically by redispatching the Transmission Provider's resources than

through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 28. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

14.6 Curtailment of Firm Transmission Service: In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis; however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The 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 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 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.

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 schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common

point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

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

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

15.2 Reservation Priority: Non-Firm Point-To-Point Transmission Service shall be available from transmission 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 to reservations with a longer duration

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

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

Provider: The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under agreements executed on or after October 1, 1996. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

15.4 Service Agreements: The Transmission Provider shall offer a standard form

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

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

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. Hour-to-hour schedules of energy that are to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the

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

15.7 Curtailment or Interruption of Service: The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when, an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or (4) transmission service for Network Customers from non-designated resources. The

Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint; however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

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. Transmission Customer requests for service involving

facilities recorded on the Transmission Provider's book of accounts as distribution plant will be evaluated on a case-by-case basis. If service can be accommodated, the rates, and terms and conditions regarding distribution plant use are listed in Schedule 9. Disputes related to the use of distribution plant will be resolved consistent with the procedures of Section 11.

16.2 Determination of Available Transmission Capability: A description of the Transmission Provider's specific methodology for assessing available transmission capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transmission 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 under rates ultimately determined to be comparable under applicable law, 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: 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, 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 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.

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 be modified.

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. The Southwest Power Pool (SPP) will calculate and bill the Transmission Customer directly for the transmission losses as part of the locational marginal price (LMP) in the Integrated Marketplace. The applicable real power loss factors are as follows:

- a. Transmission System capacity loss factor provided by SPP
- b. Transmission System energy loss factor provided by SPP
- c. Distribution System capacity loss factor = 4.52%.
- d. Distribution System energy loss factor = 3.21%
- e. Loss factors for Direct Assignment Facilities shall be determined on a case-by-case basis pursuant to the Transmission Customer's Service Agreement.

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; and

- e. 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: Transmission Services ECC-2, 4325 Jones Plaza, Omaha, NE 68105-1066, phone number: (402) 552-5666, facsimile number: (402) 552-5679, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter

notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 18.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line (if available). Each of these methods will provide a time-stamped record for establishing the priority of the Application.

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

delivered;

- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service; and
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement.

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

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 with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission

Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 20. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

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

required in Section 16.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 20.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant 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 thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 20 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 16.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

18.7 Extensions for Commencement of Service: The Transmission Customer can obtain up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for

each year or fraction thereof. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

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

19.1 Application: Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider.

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

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

19.3 Reservation of Non-Firm Point-To-Point Transmission Service: Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests

for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

19.4 Determination of Available Transmission Capability: Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transmission capability pursuant to Section 16.2. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

20 Additional Study Procedures For Firm Point-To-Point Transmission Service

Requests

20.1 Notice of Need for System Impact Study: After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall

execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned with interest.

20.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's estimate of the actual cost, and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.2.

- 20.3 System Impact Study Procedures:** Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within 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. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 16.3, or the Application shall be deemed terminated and withdrawn.
- 20.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of

the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 18.3, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The

Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

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 transmission capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the

Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

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

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

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

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

procedures pursuant to Section 11.

21.3 Refund Obligation for Unfinished Facility Additions: If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulation 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

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 sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 11.

23 Changes in Service Specifications

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

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

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

24 Sale or Assignment of Transmission Service

24.1 Procedures for Assignment or Transfer of Service: A Transmission Customer may

sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. A Reseller should notify the Transmission Provider as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of 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 Parties through an amendment to the Service Agreement.

24.3 Information on Assignment or Transfer of Service: In accordance with Section 4, Resellers may use the Transmission Provider's OASIS to post transmission capacity available for resale.

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

25.1 Transmission Customer Obligations: Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of 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 and Distribution Services

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. The Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8. Rates for applicable Distribution Services are provided in Schedule 9.

27 Wholesale Stranded Cost Recovery

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

28 Compensation for New Facilities and Redispatch Costs

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

III. NETWORK INTEGRATION TRANSMISSION SERVICE**Preamble**

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

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 Control Area and any additional load that may be designated pursuant to Section 32.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3. Transmission Customer requests for service involving facilities recorded on the Transmission Provider's book of accounts as distribution plant will be evaluated on a case-by-case basis. If service can be accommodated, the rates, and terms and

conditions regarding distribution plant use as listed in Schedule 9 will be applied to the Transmission Customer's monthly network transmission load, adjusted accordingly for distribution losses. Disputes related to the use of distribution plant will be resolved consistent with the 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 in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transmission capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice, endeavor to construct and place into service sufficient transmission capacity to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

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. 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. The Southwest Power Pool (SPP) will calculate and bill the Network Customer directly for the transmission losses as part of the locational marginal price (LMP) in the Integrated Marketplace. The applicable real power loss factors are as follows:

- (1) Transmission System capacity loss factor provided by SPP
- (2) Transmission System energy loss factor provided by SPP
- (3) Distribution System capacity loss factor = 4.52%.
- (4) Distribution System energy loss factor = 3.21%
- (5) Loss factors for Direct Assignment Facilities shall be determined on a case-by-case basis pursuant to the Transmission Customer's Service Agreement.

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.

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 OASIS. Prior to implementation of the

Transmission Provider's OASIS, a Completed Application may be submitted by

(i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line (if available). Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

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

- Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
 - Approximate variable generating cost (\$/MWH) for redispatch computations
 - Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource
 - Description of purchased power designated as a Network Resource including source of supply, Control Area location, transmission arrangements and delivery point(s) to the Transmission Provider's Transmission System;
- (vi) Description of Eligible Customer's transmission system:
- Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a load flow format compatible with that used by the Transmission Provider
 - Operating restrictions needed for reliability
 - Operating guides employed by system operators
 - Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
 - Location of Network Resources described in subsection (v) above
 - 10 year projection of system expansions or upgrades
 - Transmission System maps that include any proposed expansions or upgrades
 - Thermal ratings of Eligible Customer's Control Area ties with other Control Areas; and
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to

remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

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 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 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 rates ultimately determined to be comparable under applicable law, 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 resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the

designation of such resources.

- 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 by a request for modification of service pursuant to an Application under Section 30.
- 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 at any time but should provide notification to the Transmission Provider as soon as reasonably practicable.
- 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 Control Area such that the output of those facilities exceeds its designated Network Load, plus non-firm sales delivered pursuant to Part II of the Tariff, plus losses. 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.
- 31.5 Network Customer Redispatch Obligation:** As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 34.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

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 constructed by the Network Customer subsequent to the Service Commencement Date under Part III of the Tariff, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with the Transmission Provider. Calculation of the credit 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 in accordance with Commission policies.

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. 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 thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a

service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

33.2 System Impact Study Agreement and Cost Reimbursement:

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

Impact Studies pursuant to Section 8.

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 sixty (60) day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within 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. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request that the provisions of Section 30.5 apply, or the Application shall be deemed terminated and withdrawn.

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

consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Service Agreement or request that the provisions of Section 30.5 apply and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

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. 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. To the extent the Transmission Provider determines that the reliability of the Transmission System can be maintained by redispatching resources, the Transmission Provider will initiate procedures pursuant to the Network Operating Agreement to redispatch all Network Resources and the Transmission Provider's own resources on a least-cost basis

without regard to the ownership of such resources. Any redispatch under this section may not unduly discriminate between the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers and any Network Customer's use of the Transmission System to serve its designated Network Load.

- 34.3 Cost Responsibility for Relieving Transmission Constraints:** Whenever the Transmission Provider implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.
- 34.4 Curtailments of Scheduled Deliveries:** If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.
- 34.5 Allocation of Curtailments:** The Transmission Provider shall, on a non-discriminatory basis, Curtail the transaction(s) that effectively relieves 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, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may Curtail Network Integration Transmission Service in order to (i) limit the extent or damage of the adverse condition(s) or disturbance(s), (ii) prevent damage to generating or transmission facilities, or (iii) expedite restoration of service. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Network Integration Transmission Service will be not unduly discriminatory relative to the Transmission Provider's use of the Transmission System on behalf of its Native Load Customers. The Transmission Provider shall specify the rate treatment and

all related terms and conditions applicable in the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures.

35 Rates and Charges

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

35.1 Monthly Demand Charge: The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Transmission Provider's Annual Transmission Revenue Requirement and any other charges 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 Redispatch Charge: The Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Network Customer and the Transmission Provider pursuant to Section 34. To the extent that the

Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 34, such amounts shall be credited against the Network Customer's bill for the applicable month.

35.5 Wholesale Stranded Cost Recovery: The Transmission Provider may seek to recover wholesale 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 wholesale proposed stranded cost recovery shall be subject to the dispute resolution 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, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required

under Section 34, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols. The Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the North American Electric Reliability Council (NERC) and the Mid-Continent Area Power Pool (MAPP), (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC and MAPP requirements. The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

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

SCHEDULE 1**Ancillary Service Charge for Scheduling, System Control and Dispatch Service**

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

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

- (1) **Monthly delivery:** \$ 0.062 /kW of Reserved Capacity per month.
- (2) **Weekly delivery:** \$ 0.014 /kW of Reserved Capacity per week.
- (3) **Daily delivery:** \$ 0.003 /kW of Reserved Capacity per day. The total charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.
- (4) **Hourly delivery:** \$ 0.188 /MWH of Reserved Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified

in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

SCHEDULE 2**Ancillary Service Charge for Reactive Supply and Voltage
Control from Generation Sources Service**

In order to maintain transmission voltages on the Transmission Provider's transmission facilities within acceptable limits, generation facilities under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation 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 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.

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

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

- (1) **Monthly delivery:** \$ 0.161 /kW of Reserved Capacity per month.
- (2) **Weekly delivery:** \$ 0.037 /kW of Reserved Capacity per week.
- (3) **Daily delivery:** \$ 0.007 /kW of Reserved Capacity per day. The total charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.
- (4) **Hourly delivery:** \$ 0.438 /MWH of Reserved Capacity per hour. The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

SCHEDULE 3**Ancillary Service Charge for 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) as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Southwest Power Pool. The Transmission Customer must purchase this service directly from the Southwest Power Pool in accordance with pricing and conditions set forth in the Southwest Power Pool Open Access Transmission Tariff.

SCHEDULE 4

Ancillary Service Charge for Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Customer must purchase this service from the Southwest Power Pool in accordance with pricing and conditions set forth in the Southwest Power Pool Open Access Transmission Tariff.

SCHEDULE 5

**Ancillary Service Charge for Operating Reserve -
Spinning Reserve Service**

Spinning Reserve Service is needed to serve load immediately in the event of a system contingency. Spinning Reserve Service will be provided by the Southwest Power Pool in accordance with prices, terms and conditions as set forth in the Southwest Power Pool Open Access Transmission Tariff.

SCHEDULE 6

Ancillary Service Charge for 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 will be provided by the Southwest Power Pool in accordance with prices, terms and conditions as set forth in the Southwest Power Pool Open Access Transmission Tariff.

SCHEDULE 7**Transmission Service Charge for 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 (Losses Not Supplied by Transmission Provider - 69 kV and above)

(1) **Yearly delivery:** one-twelfth of the demand charge of \$ 14.52 /kW of Reserved Capacity per year.

(2) **Monthly delivery:** \$ 1.21 /kW of Reserved Capacity per month.

(3) **Weekly delivery:** \$ 0.278 /kW of Reserved Capacity per week.

(4) **Daily delivery:** \$ 0.056/kW of Reserved Capacity per day.

(5) **Hourly delivery:** \$3.481/MW of Reserved Capacity per hour.

(Losses Supplied by Transmission Provider - 69 kV and above)

(1) **Yearly delivery:** one-twelfth of the demand charge of \$ 19.584 /kW of Reserved Capacity per year.

(2) **Monthly delivery:** \$ 1.632 /kW of Reserved Capacity per month.

(3) **Weekly delivery:** \$ 0.376 /kW of Reserved Capacity per week.

(4) **Daily delivery:** \$ 0.076 /kW of Reserved Capacity per 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 kilowatts of Reserved Capacity in any day during such week.

(5) **Hourly delivery:** \$3.972/MW of Reserved Capacity per hour.

(6) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-

initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- (7) **Exceeding Reserved Capacity:** In the event the Transmission Customer exceeds its firm reserved capacity at any Point of Receipt and/or Point of Delivery (except as otherwise specified in the Changes in Service Specifications section of this tariff), the Transmission Customer shall pay 150% of the Transmission Rate Schedule 7 charge for the delivery period (i.e., monthly, weekly, or daily) for which the Transmission Customer is reserving capacity for the maximum amount that the Transmission Customer exceeds its firm reserved capacity at any Point of Receipt and/or Point of Delivery. In the event that the non-firm transmission service provided to the Transmission Customer for secondary receipt and delivery points exceeds the capacity reservation under which such services are provided, the Transmission Customer shall pay 150% of the applicable Transmission Rate Schedule 8 transmission charge for the maximum amount that the Transmission Customer exceeds its capacity reservation.
- (8) **Reservations** that 1) sink in OPPD's Control Area or exit the Southwest Power Pool (SPP) footprint 2) do not include a partial path transmission service reservation on SPP's tariff and 3) affect OPPD's load-ratio share calculation for the purpose of determining OPPD's Schedule 11 costs in accordance with the SPP Open Access Transmission Tariff, will be assessed additional charges for the region-wide component of Schedule

11. Such additional charges shall be assessed as a pass-thru of OPPD's monthly region-wide cost based on the Transmission Customer's load-ratio-share of the total OPPD Schedule 11 load. In the event SPP assesses additional Integrated Marketplace service charges to OPPD associated with transmission service under this tariff, OPPD may assess those charges on a pass-thru basis.

SCHEDULE 8**Transmission Service Charge for 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:

(Losses Not Supplied by Transmission Provider - 69 kV and above)

- (1) **Monthly delivery:** \$ 1.21 /kW of Reserved Capacity per month.
- (2) **Weekly delivery:** \$ 0.278 /kW of Reserved Capacity per week.
- (3) **Daily delivery:** \$ 0.056 /kW of Reserved Capacity per day.

(Losses Supplied by Transmission Provider - 69 kV and above)

- (1) **Monthly delivery:** \$ 1.338 /kW of Reserved Capacity per month.
- (2) **Weekly delivery:** \$ 0.308 /kW of Reserved Capacity per week.
- (3) **Daily delivery:** \$ 0.062 /kW of Reserved Capacity per 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 kilowatts of Reserved Capacity in any day during such week.
- (4) **Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$ 3.481 /MWH, losses not supplied; and \$ 3.657 /MWH when losses are supplied. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the

rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

- (5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.
- (6) **Exceeding Reserved Capacity:** In the event the Transmission Customer exceeds its reserved capacity at any Point of Receipt and/or Point of Delivery, the Transmission Customer shall pay 150% of the applicable transmission charge for the maximum amount that the Transmission Customer exceeds its capacity reservation.
- (7) **Reservations** that 1) sink in OPPD's Control Area or exit the Southwest Power Pool (SPP) footprint 2) do not include a partial path transmission service reservation on SPP's tariff and 3) affect OPPD's load-ratio share calculation for the purpose of determining OPPD's Schedule 11 costs in accordance with the SPP Open Access Transmission Tariff, will be assessed additional charges for

the region-wide component of Schedule 11. Such additional charges shall be assessed as a pass-thru of OPPD's monthly region-wide cost based on the Transmission Customer's load-ratio-share of the total OPPD Schedule 11 load. In the event SPP assesses additional Integrated Marketplace service charges to OPPD associated with transmission service under this tariff, OPPD may assess those charges on a pass-thru basis.

SCHEDULE 9**Distribution Service Charges**

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

Distribution Substation Charge:

- (1) **Monthly delivery:** \$ 0.580 /kW of Reserved Capacity per month.
- (2) **Weekly delivery:** \$ 0.134 /kW of Reserved Capacity per week.
- (3) **Daily delivery:** \$ 0.027/kW of Reserved Capacity per day.
- (4) **Hourly delivery:** \$ 1.651 /MWH.

Distribution Primary Line Charge:

- (1) **Monthly delivery:** \$ 1.933 /kW of Reserved Capacity per month.
- (2) **Weekly delivery:** \$ 0.446 /kW of Reserved Capacity per week.
- (3) **Daily delivery:** \$ 0.089 /kW of Reserved Capacity per day.
- (4) **Hourly delivery:** \$ 5.620 /MWH.

Distribution Secondary Line Charge:

- (1) **Monthly delivery:** \$ 0.393 /kW of Reserved Capacity per month.
- (2) **Weekly delivery:** \$ 0.091 /kW of Reserved Capacity per week.
- (3) **Daily delivery:** \$ 0.018 /kW of Reserved Capacity per day.
- (4) **Hourly delivery:** \$ 1.316 /MWH.

Distribution Line Transformer Charge:

- (1) **Monthly delivery:** \$ 0.915 /kW of Reserved Capacity per month.
- (2) **Weekly delivery:** \$ 0.211 /kW of Reserved Capacity per week.

(3) **Daily delivery:** \$ 0.042 /kW of Reserved Capacity per day.

(4) **Hourly delivery:** \$ 2.830 /MWH.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

The Transmission Provider will provide distribution losses for the service(s) provided above at the following charge:

Distribution Losses Charge:

(1) **Monthly delivery:** \$ 0.178 /kW of Reserved Capacity per month.

(2) **Weekly delivery:** \$ 0.041 /kW of Reserved Capacity per week.

(3) **Daily delivery:** \$ 0.0060 /kW of Reserved Capacity per day.

(4) **Hourly delivery:** \$ 0.392 /MWH.

(5) **Discounts:** If the Transmission Provider offers an affiliate a rate discount or attributes a discounted distribution rate to its own transactions, the Transmission Provider must offer at the same time the same discounted Distribution Service rate to all Eligible Customers on the same path and on all unconstrained distribution paths. In addition, discounts to non-affiliates must be offered in a not unduly discriminatory manner.

(6) **Exceeding Reserved Capacity:** In the event the Transmission Customer exceeds its firm reserved capacity at any Point of Receipt and/or Point of Delivery (except as otherwise specified in the Changes in Service

Specifications section of this tariff), the Transmission Customer shall pay 150% of the Distribution Rate Schedule 9 charge for the delivery period (i.e., monthly, weekly, daily, or hourly) 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.

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 the Omaha Public Power District (the Transmission Provider), and _____ ("Transmission Customer") pursuant to Transmission Provider's Open Access Transmission Tariff (Tariff).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 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.

Transmission Provider:

Transmission Services
 Omaha Public Power District
 4325 Jones Plaza
 Omaha, NE 68105

Transmission Customer:

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

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

Transmission Provider:

Transmission Customer:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

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

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

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

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

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

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

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

ATTACHMENT 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 the Omaha Public Power District (the Transmission Provider), and _____ (Transmission Customer) pursuant to Transmission Provider’s Open Access Transmission Tariff (Tariff).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 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.

Transmission Provider:

Transmission Services
Omaha Public Power District
4325 Jones Plaza
Omaha, NE 68105

Transmission Customer:

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

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

Transmission Provider:

Transmission Customer:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Specifications For Non-Firm Point-To-Point Transmission Service

1.0 Term of Transaction: _____

Start Hour and Date: _____

Termination Hour and Date: _____

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

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

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

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

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

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

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

ATTACHMENT C

Methodology To Assess Available Transmission Capability

Available Transmission Capability will be assessed in accordance with the Southwest Power Pool Procedures.

ATTACHMENT D

Methodology for Completing a System Impact Study

System Impact Studies will be performed in accordance with the Southwest Power Pool's process outlined in the Southwest Power Pool Open Access Tariff, Attachment D.

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers

Customer

Date of Service
Agreement

ATTACHMENT F

**Service Agreement for Network Integration Transmission
Service**

**SERVICE AGREEMENT BETWEEN
NETWORK CUSTOMER
AND
OMAHA PUBLIC POWER DISTRICT**

This Service Agreement, made and entered into this _____ day of _____,

19_____, by and between _____

("Network Customer"), a _____

Legal/corporate description of Network Customer), and Omaha Public Power District

("Transmission Provider"), a public corporation and political subdivision of the State of

Nebraska. Network Customer and Transmission Provider may be hereinafter referred to

individually as "Party" and collectively as "Parties" where appropriate.

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

**ARTICLE I
SCOPE OF SERVICE AGREEMENT**

1.1 Availability: Transmission Provider agrees to furnish Network Integration

Transmission Service to the Network Customer, and the Network Customer agrees to

purchase and pay for such service, subject to the conditions of Transmission Provider's

Open Access Transmission Tariff ("Tariff"), as they may be amended from time to time.

The Tariff as in effect at any time is hereby incorporated by this reference and made a part

of this Agreement. Nothing in this Agreement requires Transmission Provider to own or

construct facilities outside its service area.

1.2 Application: The Application for Network Integration Transmission

Service requested by the Network Customer and accepted by Transmission Provider for

this Agreement is hereby incorporated by this reference and made a part of this

Agreement.

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

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

**ARTICLE II
TERM OF THE AGREEMENT**

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

**ARTICLE III
MISCELLANEOUS**

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

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

properly addressed to the Party to be served as follows:

<u>Network Customer:</u>	<u>Transmission Provider:</u>
Title: _____	Transmission Services
Customer: _____	Omaha Public Power District
Address: _____	4325 Jones Plaza
City/State/Zip: _____	Omaha, NE 68105

3.3 Notices of an Operating Nature: Any notice, request or demand pertaining to matters of an operating nature, which matters do not include requests for additional transmission service or modified transmission service under the Transmission Provider's transmission tariff may be served in person or by normal mail, messenger, telephone, telegraph, facsimile transmission or orally, as circumstances dictate, to the person designated in writing by the Party as its representative for such purposes, provided that should the same not be written, confirmation thereof shall be made in writing as soon as reasonably practicable thereafter, upon request of the Party being served.

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

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

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

3.7 Amendments: This Agreement may be amended upon mutual agreement

of the Parties, which amendment shall be reduced to writing and executed by both Parties and if applicable. Any regulatory filings necessitated by such amendment will be the sole responsibility of the affected party.

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

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

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

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

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

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

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

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

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

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

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

NETWORK CUSTOMER:

TRANSMISSION PROVIDER:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

1.0 Term of Network Service: _____

Start Date: _____

Termination Date: _____

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

3.0 Network Resources

(1) Transmission Customer Generation Owned:

<u>Resource Capacity</u>	<u>Capacity Designated as Network Resource</u>
------------------------------	--

(2) Transmission Customer Generation Purchased:

<u>Source</u>	<u>Capacity</u>
---------------	-----------------

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

4.0 Network Load

(1) Transmission Customer Network Load:

<u>Network Load</u>	<u>Transmission Voltage Level</u>
---------------------	-----------------------------------

(2) Member Systems Loads Designated and Network Load:

Member Systems Load	Transmission Voltage Level
---------------------	----------------------------

Total Network Load (Estimated): (1) + (2) =

5.0 Transmission System

(1) Transmission Customer transmission facilities:

(2) Transmission Customer service and metering voltage:

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

_____.

6.0 Designation of party subject to reciprocal service obligation:

_____.

7.0 Service under this Agreement may be subject to the charges detailed below. (The

appropriate charges for individual transactions will be determined in accordance with the terms and conditions of the Tariff.)

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

ATTACHMENT G

Network Operating Agreement

**NETWORK OPERATING AGREEMENT BETWEEN
NETWORK CUSTOMER
AND
OMAHA PUBLIC POWER DISTRICT**

This Network Operating Agreement, made and entered into this _____ day of _____, 19_____, by and between _____ ("Network Customer"), a _____ (Legal/corporate description of Network Customer), and Omaha Public Power District ("Transmission Provider"), a public corporation and political subdivision of the State of Nebraska. Network Customer and Transmission Provider may be hereinafter referred to individually as "Party" and collectively as "Parties" where appropriate.

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

**ARTICLE I
PURPOSE**

1.1 Purpose: This Agreement defines the terms and conditions under which the Network customer shall operate its facilities; the interconnections between the Parties and associated responsibilities; the operational procedures to be utilized by the Parties; and any other technical or operational requirements needed for implementation of Network Integration Transmission Service under Transmission Provider's Open Access Transmission Tariff ("Tariff"), as it may be amended from time to time. This Agreement shall require the Network customer to plan, construct, operate and maintain its facilities and system in accordance with Good Utility Practice, which shall include, but not be

limited to, all applicable guidelines of NERC and the Regional Reliability Council, as they may be amended from time to time, and any generally accepted practices in the region that are consistently adhered to by Transmission Provider.

ARTICLE II POINTS OF INTERCONNECTION

2.1 Contract Specific.

ARTICLE III CONTROL AREA RESPONSIBILITY

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

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

Control Area Operator shall perform reactive generation scheduling, reactive device switching, transmission line switching and load shedding, if necessary to maintain system and interconnection voltages within regionally established limits.

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

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

3.3 Scheduling Customer: A Scheduling Customer is a Customer that accepts part of the control area responsibility. Each Scheduling Customer shall designate a Primary Host. It is desirable, but not required, that the Primary Host be a Control Area in which the Scheduling Customer has generation or load. The Scheduling Customer shall maintain a 24-hour per day operations center and shall have clear arrangements with its Primary Host as to delegation and reporting of scheduling and other NERC and Regional Reliability Council responsibilities. Each Host may delegate appropriate responsibilities to the Scheduling Customer provided there is a clear understanding for this division of responsibility, and appropriate contractual arrangements are in place. The

Scheduling Customer shall calculate generation, load and schedules at least hourly. A Scheduling Customer does not operate Automatic Generation Control (AGC) for control area regulation, but may provide regulation for controlling its net tie flows with its Hosts.

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

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

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

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

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

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

ARTICLE IV
REDISPATCH RESPONSIBILITY

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

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

The Transmission customer may audit, at its own expense, particular redispatch events (such as the cause or necessity of the redispatch) during normal business hours

following reasonable notice to the Transmission Provider. Either the Transmission Customer or the Transmission Provider may request an audit of the other party's cost data. Any audit of cost data will be performed by an independent agent at the requesting party's cost. Such independent agent will be a nationally recognized accounting firm and will be required to keep all cost data confidential.

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

ARTICLE V NETWORK RESOURCES

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

**ARTICLE VI
METERING AND RECORDS**

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

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

If any test of metering equipment shall disclose any inaccuracy exceeding two

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

For the purpose of checking the records of the metering equipment installed by one of the parties as herein above provided, the other party shall have the right to install check metering equipment at the metering points. Metering equipment so installed by one party on the premises of the other party, unless otherwise provided for in the Service Agreement, shall be owned and maintained by the party installing such equipment. Upon termination of the Service Agreement under the Tariff, the party owning such metering equipment shall remove it from the premises of the other party. Authorized representatives of both parties shall have access at all reasonable business hours to the premises where the meters are located and to the records made by the meters.

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

6.4 Record-Keeping Obligations: Transmission Provider and the Network

Customer shall keep such records as may be needed to afford a history of all transactions with the Network Customer under the Tariff. The originals of all such records shall be retained in accordance with applicable law. Copies shall be delivered to the other party on request.

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

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

**ARTICLE VII
OPERATING COMMITTEE**

7.1 Representatives: Each Party will appoint one representative to act for it in matters pertaining to the interconnected operation of their respective electric systems and in the operating arrangements for the deliveries of power and energy herein provided for, said two representatives being hereinafter referred to collectively as the Operating Committee. Each Party will evidence such appointment by written notice to the other Party, and by similar notice either Party may at any time change its representative on the Operating Committee. Any representative, by written notice to the other representative, may authorize an alternate to act in his/her place with respect to matters specified in such notice.

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

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

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

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

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

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

NETWORK CUSTOMER:

TRANSMISSION PROVIDER:

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT H**Annual Transmission Revenue Requirement For Network Integration Transmission Service**

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$34,802,090.2. The amount in (1) shall be effective until amended by the Transmission Provider.
3. Network Integration Transmission Service: Each Transmission Customer will pay a monthly demand charge based on its load ratio share times \$ 2,900,174 (one-twelfth of the Transmission Provider's annual transmission revenue requirement). The load ratio share is based on the contribution of each Transmission Customer's network load to the Transmission Provider's total load, calculated on a rolling twelve month basis. The transmission customer' monthly network load is its hourly load, including any designated network load not physically interconnected with the Transmission Provider, coincident with the Transmission Provider's monthly transmission system peak.
4. Network Load that 1) sinks in OPPD's Control Area or exit the Southwest Power Pool (SPP) footprint 2) does not include a partial path transmission service reservation on SPP's tariff and 3) affects OPPD's load-ratio share calculation for the purpose of determining OPPD's Schedule 11 costs in accordance with the SPP Open Access Transmission Tariff, will be assessed additional charges for the region-wide component of Schedule 11. Such additional charges shall be assessed as a pass-thru of the monthly region-wide cost based on the Transmission Customer's load-ratio-share of the total OPPD Schedule 11 load.

Reserved for future use

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

Customer

Date of Service Agreement

Attachment J

Reserved for future use

ATTACHMENT K

TRANSMISSION PLANNING PROCESS

The Omaha Public Power District is a transmission owner in the Southwest Power Pool, a Regional Transmission Organization, and participates in the regional planning process outlined in the Southwest Power Pool's Open Access Transmission Tariff, Attachment O.