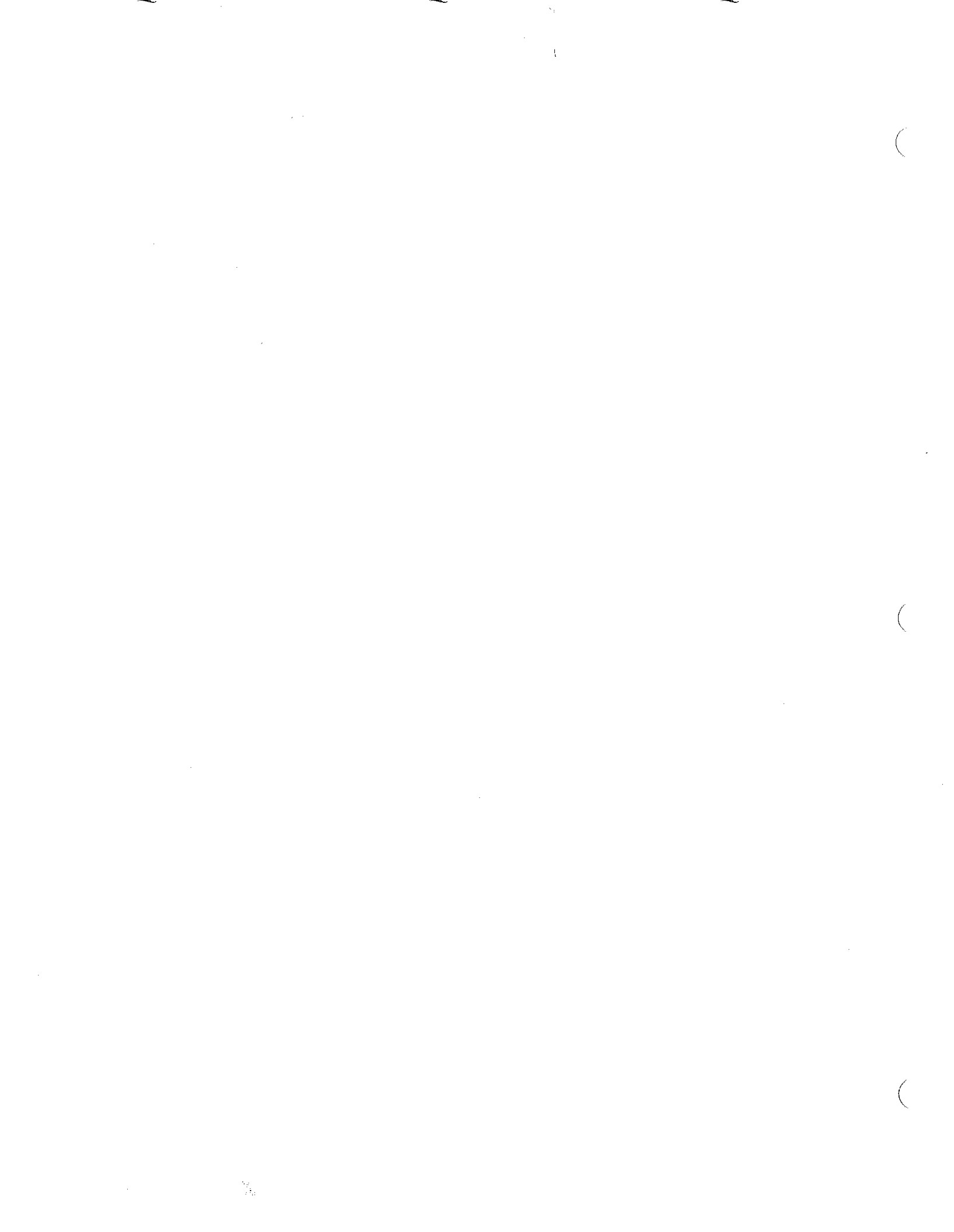


**DEPARTMENT OF WATER AND POWER
OF THE CITY OF LOS ANGELES**

**OPEN ACCESS TRANSMISSION TARIFF
INCLUDING
LARGE GENERATOR INTERCONNECTION PROCEDURE
AND
LARGE GENERATOR INTERCONNECTION AGREEMENT**

January 2014

DWP No. BP 01-017



**OPEN ACCESS
TRANSMISSION TARIFF**

DWP No. BP 01-017

OATT January 2014

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I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 Affiliate:

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

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Application:

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

1.4 Balancing Authority:

The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

1.5 Balancing Authority Area:

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

1.6 Business Day:

Any day that is not a Saturday, a Sunday, or a day on which commercial banks are authorized or required to be closed in Los Angeles, California.

1.7 Business Practice:

Those practices adopted and implemented by Transmission Provider which are publicly posted on the Transmission Provider's OASIS.

1.8 Commission:

The Federal Energy Regulatory Commission.

1.9 Completed Application:

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

1.10 Curtailment:

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

1.11 Delivering Party:

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

1.12 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.

1.13 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.

1.14 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; provided, however, an Eligible Customer satisfies the creditworthiness procedures set forth in Attachment L and meets the

creditworthiness requirements prior to any transaction with Transmission Provider . 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.
- iii. Any entity without a Service Agreement but determined to be engaged in an Unreserved Use of the transmission system is an Eligible Customer under the Tariff.

1.15 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.

1.16 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.

1.17 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.

1.18 Interchange Transaction:

An agreement to transfer energy from a seller to a buyer that crosses one or

more Balancing Authority Area boundaries.

1.19 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

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

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

1.21 Native Load Customers:

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.22 Network Upgrades:

The additions, modifications, and upgrades 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.

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

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.24 Non-Firm Sale:

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

1.25 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct implemented by the Transmission Provider, as may be amended from time to time.

1.26 Pacific Prevailing Time or PPT:

The local time in Los Angeles, California.

1.27 Part I:

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

1.28 Part II:

Tariff Sections 13 through 27 pertaining to Point-To-Point Transmission

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Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.29 Parties:

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

1.30 Point(s) of Delivery:

A location that the Transmission Provider specifies on its Transmission System where an Interchange Transaction leaves or a Load Serving Entity receives its energy and such 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.

1.31 Point(s) of Receipt:

A location that the Transmission Provider specifies on its Transmission System where an Interchange Transaction enters or a generator delivers its output and such 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.

1.32 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.

1.33 Power Purchaser:

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

1.34 Pre-Confirmed Application:

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

1.35 Preschedule Day:

The preschedule day identified in WECC's Approved Preschedule Calendar for the given calendar year.

1.36 Receiving Party:

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

1.37 Regional Transmission Group (RTG):

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

1.38 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.

1.39 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.

1.40 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement or in accordance with Section 15.3

1.41 Short-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 less.

1.42 System Condition

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

1.43 System Impact Study:

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for Firm Point-To-Point Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.44 Tariff:

This Open Access Transmission Tariff as may be amended from time to time.

1.45 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser.

1.46 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that executes a Service Agreement. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II of this Tariff.

1.47 Transmission Provider:

The transmitting utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides transmission service under the Tariff.

1.48 Transmission Service:

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

1.49 Transmission System:

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

1.50 Unreserved Use:

Unreserved Use shall have the meaning ascribed in Section 13.4 of the Tariff.

2 Renewal Procedures for Existing Firm Service Customers

Subject to the Service Agreement term limitation in Section 13.1, existing firm service customers (wholesale requirements and transmission-only, with a contract term greater than one year), have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed; provided, however, the total term for any Service Agreement, including all renewal options, is limited to three (3) years. 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 requesting service and be willing to pay the current rate for such service, as approved by the Transmission Provider's Board of Commissioners and the Los Angeles City Council for such service; provided that, the firm service customer (i) shall have a right of first refusal at the end of such service only if the Transmission Customer has not exhausted its three (3) year Service Agreement limitation and (ii) may only renew the service for a period such that the total term of the

Service Agreement, including all renewal options, does not exceed three (3) years. The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than six (6) months prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms greater than one year.

Service agreements entered into under Transmission Provider's open access transmission tariff prior to [the effective date of this Tariff], unless terminated, will be subject to the renewal procedures above on the first roll over date after [the effective date of this Tariff].

3 Ancillary Services

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

The Transmission Provider is required to offer to provide the following Ancillary Services only to the Transmission Customer serving load within the

Transmission Provider's Balancing Authority Area (i) Regulation and Frequency Response, (ii) Energy Imbalance or Generator Regulation and Frequency Response Service, (iii) Operating Reserve - Spinning, and (iv) Operating Reserve – Supplemental. The Transmission Customer serving load within the Transmission Provider's Balancing Authority Area is required to acquire these Ancillary Services, whether from the Transmission Provider, from a third party, or by self-supply.

The Transmission Provider is required to provide, to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Balancing Authority Area is required to acquire Generator Imbalance Service, in addition to other necessary ancillary services, whether from the Transmission Provider, from a third party, or by self-supply.

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

Application which Ancillary Services it will purchase from the Transmission Provider. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service pursuant to Schedule 11. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

If the Transmission Provider is providing transmission service but is not the Balancing Authority Area operator for any segment of the transmission path, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by acting as the Transmission Customer's agent to secure these Ancillary Services from the Balancing Authority 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 Balancing Authority Area operator, or (iii) secure the Ancillary Services from a third party or by self-supply when technically feasible.

The Transmission Provider specifies the rate treatment and all related terms

and conditions in the event of an unreserved use of Ancillary Services by the Transmission Customer in Schedule 11.

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 3.10 below list the ten Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

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

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

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

3.3 Regulation and Frequency Response Service:

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

3.4 Energy Imbalance Service:

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

3.5 Operating Reserve - Spinning Reserve Service:

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

3.6 Operating Reserve - Supplemental Reserve Service:

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

3.7 Generator Imbalance Service:

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

3.8 Generator Regulation and Frequency Response Service:

Where applicable the rates and/or methodology are described in Schedule 10.

3.9 Unreserved Use of Transmission Service

Where applicable the rates and/or methodology are described in Schedule
11.

3.10 Real Power Losses

Where applicable the rates and/or methodology are described in Schedule
12.

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 business practices and posted on OASIS.

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

5 Municipal Tax Exempt Bonds

5.1 Transmission Provider Own Facilities Financed by Tax Exempt and Tax Credit Bonds:

Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide Transmission Service to any Eligible

Customer pursuant to this Tariff since the provision of such transmission service would jeopardize the tax-exempt status on of any municipal bond(s) used to finance the Transmission Provider's facilities that would be used in providing such transmission service.

6 Reciprocity

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

controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy owned, controlled or operated by the Transmission Customer's corporate Affiliates.

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

7 Billing and Payment

7.1 Billing Procedure:

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer on the twentieth (20th) day

of the invoicing month or the tenth (10th) day after receipt of the invoice, whichever occurs earlier. All payments shall be made in immediately available funds in U.S. dollars 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 payable with interest calculated daily, at a rate equal to 200 basis points above the per annum Prime Rate reported daily in the Wall Street Journal for the period beginning on the day after the due date and ending on the day of payment; provided that, such interest shall not exceed the amount permitted by law. 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 provide written notice to the Transmission Customer of Transmission Provider's intent to terminate service sixty (60) calendar days from the date of such notice. Transmission Customer shall have seven (7) calendar days following the receipt of the Transmission Provider's notice of termination to submit a written request to the Transmission Provider to commence the dispute resolution procedures of Section 12 of this Tariff. If Transmission Customer does not provide such notice within seven (7) calendar days of receipt of the notice of termination, then Transmission Provider may terminate service to the Transmission Customer on the date specified in the notice of termination. If the Transmission Customer does submit a timely written request to commence dispute resolution procedures, then Section 12 of this Tariff shall apply. 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 suspend service in sixty (60) days.

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

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

8.1 Transmission Revenues:

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

8.2 Study Costs and Revenues:

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

when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

9 Tariff and Rate Changes, Withdraw, and Reservation of Rights

Nothing contained in the Tariff shall be construed as affecting in any way the right of Transmission Provider to unilaterally propose a change in rates, terms and conditions, charges or classification of service. The Transmission Provider may also change the rates that apply to transmission service under any Service Agreement under this Tariff pursuant to applicable law.

The Transmission Provider reserves the right to withdraw and terminate the Tariff. However, the Transmission Provider will not terminate Transmission Service during the stated term of a Service Agreement for Firm Point-to-Point Transmission Service. The Transmission Provider will also not terminate Transmission Service for Non-Firm Point-to-Point Service Agreements with a duration of less than 30 days. The Transmission Provider will provide thirty (30) days advance written notice prior to the terminating service under Service Agreements for Non-Firm Point-to-Point Transmission Service with a duration of more than thirty (30) days.

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the

Commission's rules and regulations promulgated thereunder.

10 Force Majeure and Indemnification

10.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court

costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

11 Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in Attachment L.

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

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

12.2 External Arbitration Procedures:

Arbitration may be initiated under the Tariff. In the event that the Parties mutually agree to arbitration, the Parties shall comply with the following procedures:

12.2.1 Such arbitration shall be conducted before a single neutral arbitrator appointed by the Parties.

12.2.2 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.

12.2.3 Whether a single arbitrator or a three-member arbitration panel is selected, the arbitrator(s) 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 or

Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act.

12.4 Costs:

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

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

12.5 Rights Under The Federal Power Act:

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

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 transfer of such capacity and energy to designated Point(s) of Delivery, subject to the requirements set forth in Sections 17 and 18 of this Tariff.

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one hour and the maximum term, including all renewals granted in accordance with Section 2, shall be limited to three years pursuant Section 5.1.

13.2 Reservation Priority:

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the

chronological sequence in which each Transmission Customer has requested service.

- (ii) Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications for Short-Term Point-to-Point Transmission Service will receive priority over earlier-submitted requests that are not Pre-Confirmed and that have equal or shorter duration. Among requests or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmed, confirmed, or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.
- (iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional

reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, an Eligible Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation

deadline, service will commence pursuant to the terms of Part II of the Tariff.

- (iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers. Reservation priorities for existing firm service customers are provided in Section 2.

13.3 Use of Firm Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

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

Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement (“Unreserved Use”) will be deemed, for purposes of assessing any appropriate charges and penalties for such Unreserved use, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions:

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 and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27.

13.6 Curtailment of Firm Transmission Service:

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission

Provider will curtail service to Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to the Transmission Provider's Business Practices, operating procedures and the conditions described in Section 15.4 of this Tariff shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a

timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission Customer shall be set

forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The greater of either (1) the sum of the capacity reservations at the Point(s) of Receipt, or (2) the sum of the capacity reservations at the Point(s) of Delivery shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of

Delivery except as otherwise specified in Section 22. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

- (d) In the event that a Transmission Customer or Eligible Customer exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved, the Transmission Customer or Eligible Customer shall pay an Unreserved Use penalty charge in accordance with Schedule 11.

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

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 3:00 p.m. PPT of the day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT will be accommodated, if practicable. Hour-to-

hour and, when made available by Transmission Provider, intra-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1 MW per hour. Subject to Transmission Provider's prior approval, Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1 MW per hour, may consolidate their service requests at a common point of receipt into units of 1 MW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. When Transmission Provider intends to offer intra-hour scheduling, notification will be posted on OASIS and all protocols pertaining to intra-hour scheduling will be governed by the associated Business Practice. The Transmission Provider will furnish to the Delivering Party's applicable Balancing Authority, hour-to-hour schedules and, when available, intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and

the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

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

14.1 Term:

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

14.2 Reservation Priority:

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

equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) 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. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery, as available, will have the lowest reservation priority under the Tariff.

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

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements:

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

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

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider shall specify the rate treatment under Schedule 11 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 an hourly, daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

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

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 3:00 p.m. PPT of the Preschedule Day prior to commencement of such service. Schedules submitted after 3:00 p.m. PPT will be accommodated, if practicable. Hour-to-hour and, when made available by Transmission Provider, intra-hour schedules of energy that is to be delivered must be stated in increments of 1 MW per hour.

Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1 MW per hour, may consolidate their schedules at a common Point of Receipt into units of 1 MW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification.

The Transmission Provider will furnish to the Balancing Authority, hour-to-hour schedules and, when available, intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission

Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. The Transmission Provider may elect to implement such Curtailments pursuant to the WECC procedures and protocols for unscheduled flow mitigation specified in Attachment J. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or (4) transmission service for Firm Point-

to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery, as available, will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice.

15 Service Availability

15.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability:

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request for Firm Point-To-Point, the Transmission Provider will notify Transmission Customer of the need for a System Impact Study in accordance with Section 19.1.

15.3 Initiating Service in the Absence of an Executed Service Agreement.

If 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, Transmission Customer or Transmission Provider may submit a written notification of the disputed terms and conditions pursuant to dispute

resolution procedure of Section 12 of this Tariff. The written notification should detail the acceptable versus the disputed terms and conditions. Transmission Provider may commence providing reliable Transmission Service in compliance with this Tariff and all Applicable Reliability Standards to the Transmission Customer under an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by Transmission Provider for such requested Transmission Service, subject to the Transmission Customer agreeing to (1) compensate Transmission Provider at its current just and reasonable rate, as approved by Transmission Provider's Board of Commissioners and Los Angeles City Council, and (2) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

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

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

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

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission

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

15.5 Deferral of Service:

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

15.6 Other Transmission Service Agreements:

Eligible Customers receiving transmission service under other agreements with Transmission Provider may continue to receive transmission service under those agreements until such time as those agreements may expire or terminate.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. . If Transmission Provider provides losses, the applicable charges for Real Power Losses shall be calculated based on the procedures set forth in Schedule 12. The Real Power Loss factors will be posted on Transmission Provider's OASIS (incorporated herein by reference) and are subject to change from time to time.

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

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

- (a) The Transmission Customer has a pending transmission service request in the OASIS queue for Point-To-Point service and, for any resale, reassignment or transfer of Firm Point-To-Point Transmission Service, it also has submitted an executed Service Agreement in the form of Attachment A-1 to the addressee

identified in Section 17.1 of this Tariff;

- (b) The Transmission Customer has a Completed Application for service;
- (c) The Transmission Customer submitted the creditworthiness criteria set forth in Section 11 to Transmission Provider for its determination;
- (d) 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;
- (e) 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;
- (f) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and
- (g) The Transmission Customer has executed a Point-To-Point Service Agreement including the necessary specifications for

Long-Term Firm Point-To-Point Transmission Service.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service.

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

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

17.1 Application:

Subject to Sections 17.2 and 17.3 of this Tariff, a request for Long-Term Firm Point-To-Point Transmission Service for periods greater than one year must contain a written Application to: Attention: Manager of Power Contracts, Los Angeles Department of Water and Power, 111 N. Hope Street, Room

1246, Los Angeles, CA 90012, at least sixty (60) days but no greater than three (3) years in advance of the calendar month in which service is to commence. Requests for Short-Term Firm Point-To-Point Transmission Service (for periods of one year or less) shall be subject to Section 17.2 of this Tariff, Transmission Provider's Business Practices, and any procedures posted on Transmission Provider's OASIS. Such requests shall be processed within the time constraints provided in Section 17.5.

All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below on the Transmission Provider's OASIS. This method will be subject to a time-stamped record for establishing the priority of the Application. The Application procedures for Firm Point-To-Point Transmission Service can be found on the Transmission Provider's OASIS website.

17.2 Completed Application:

A Completed Application shall comply with the requirements of Sections 17.1 and 17.2 of this Tariff and also include all of the information identified in 18 CFR Section 2.20 or its successor including but not limited to the following:

- (i) The identity, address, telephone number, electronic mail address, 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 its Standards of Conduct posted on its OASIS website;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;

- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service;
- (x) A statement indicating which Ancillary Services the Eligible Customer will purchase from Transmission Provider. In the event the Eligible Customer chooses to self-supply any necessary Ancillary Services, the Eligible Customer must demonstrate the capability of meeting NERC and WECC requirements and is consistent with the Transmission Provider's Business Practices when acquiring all necessary Ancillary Services from another

source; and

- (xi) Any additional information required by the Transmission Provider's planning process established in Attachment K.

The Transmission Provider shall treat this information consistent with its Standards of Conduct posted on its OASIS website.

17.3 Deposit and Processing Fee for Long-Term Point-To-Point Transmission Service:

A Completed Application for Long-Term Firm Point-To-Point Transmission Service also shall include a deposit of one month's charge for Reserved Capacity and a non-refundable processing fee in the amount of \$3,500 payable to LADWP. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, the deposit shall be returned. The deposit also will be returned without interest 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 Long-Term Firm Point-To-Point Transmission Service, the deposit shall be refunded in full. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Long-Term Firm Point-To-Point Transmission Service is executed, the deposit will be returned

to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service.

17.4 Notice of Deficient Application:

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

17.5 Response to a Completed Application:

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application

either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications (including applications by its own merchant function) and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement:

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Transmission Provider's execution of the Service Agreement is subject to approval by its governing body. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or request the filing of an unexecuted service agreement pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded. Nothing herein limits the right of an Eligible Customer to file another

Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

The Transmission Customer can obtain, subject to availability, up to two (2) one-year extensions for the commencement of service. The Transmission Customer may postpone service by providing written notice to Transmission Provider no less than sixty (60) days prior to the commencement of service and by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Transmission Service for each year within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the reservation fees or portions thereof previously paid will be forfeited.

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

18.1 Application:

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

Applications should be submitted by entering the information listed below in Section 18.2 on the Transmission Provider's OASIS. This method will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application:

A Completed Application shall provide all of the information included in 18 CFR Section 2.20 or its successor including but not limited to the following:

- (i) The identity, address, telephone number, facsimile number and electronic mail address 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 its Standards of Conduct.

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

Service.

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

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than seven (7) days before service is to commence, and requests for hourly service shall be submitted no earlier than 4:00 p.m. PPT of the Preschedule Day before service is to commence.

Requests for service received later than the times specified above may be accommodated by Transmission Provider where practicable.

18.4 Determination of Available Transfer Capability:

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

19 Additional Study Procedures For Firm Point-To-Point Transmission

Service Requests

19.1 Notice of Need for System Impact Study:

After receiving a request for Firm Point-To-Point 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 and draft System Impact Study Agreement are provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within 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 any costs that exceed the study deposit. For a Firm Point-To-Point service request to remain a Completed Application, the Eligible Customer shall execute the System

Impact Study Agreement and return it to the Transmission Provider along with a study deposit of \$50,000 within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement or fails to return it to Transmission Provider along with the study deposit within the time prescribed above, its Application shall be deemed withdrawn and its deposit of one month's charge for Reserved Capacity, pursuant to Section 17.3, shall be returned.

19.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the Transmission Provider's cost estimate and estimated 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 may rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed any 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 Firm Point-To-

Point service on the Transmission System.

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

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement within the time prescribed in Section 19.2, the Transmission Provider will use due diligence to complete the required System Impact Study within a sixty (60) day period.

The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element, (2) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may

occur, and (3) additional Direct Assignment Facilities or Network Upgrades required to provide the requested Firm Point-To-Point service. In the event that the Transmission Provider is unable to complete the required System Impact Study within the sixty (60) day 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 report shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study report 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 Transmission Customer's receipt of the final System Impact Study report, the Eligible Customer must execute a Service Agreement or request in writing an unexecuted Service Agreement pursuant to Section 15.3 of the Tariff and return it to Transmission

Provider within the time prescribed, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service Firm Point-To-Point Service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study report, 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 Firm Point-To-Point service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider along with a study deposit of \$75,000 payable to LADWP 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 of one month's charge for Reserved Capacity, pursuant to Section 17.3, shall be returned. 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 report will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and (iii) the time required to complete such construction and initiate the Firm Point-To-Point 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 and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

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

19.6 Due Diligence in Completing New Facilities:

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

19.7 Partial Interim Service:

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

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

19.8 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall request in writing an expedited Service Agreement covering all of the above-specified items within thirty (30) days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new

facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

19.9 Requirement to Meet Study Completion Deadline.

Transmission Provider is required to use due diligence to meet 60 day study completion deadline for System Impact Study and Facility Impact Study pursuant to Sections 19.3 and 19.4 respectively.

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

20.1 Delays in Construction of New Facilities:

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the

Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer any studies related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more viable 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 of these 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 12.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the service requested cannot be accommodated based upon the Transmission Provider's stated available transfer capability, 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 less any costs incurred by Transmission Provider. However, the Transmission Customer shall be responsible for all prudently incurred costs by the Transmission Provider through the time construction was suspended.

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

21.1 Responsibility for Third-Party System Additions:

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

21.2 Coordination of Third-Party System Additions:

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

22 Changes in Service Specifications

22.1 Modifications On a Non-Firm Basis:

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

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

of its original capacity reservation.

- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff.

However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification On a Firm Basis:

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

23 Resale or Assignment of Transmission Service

23.1 Procedures for Resale, Assignment or Transfer of Service:

Subject to the Transmission Provider's Business Practices, Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to Resellers shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion.

The Reseller and Assignee must execute the Form of Service Agreement for the Resale, Assignment or Transfer of Point-To-Point Transmission Service (Attachment A-1) with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. Transmission Provider is not responsible for administering any financial arrangements between the Reseller and Assignee, including without limitation, the payment of financial losses and penalties. Reseller remains liable for any and all financial obligations and payments to Transmission Provider under the parent Service Agreement except as specifically agreed to by the Transmission Provider and the Reseller through

an amendment to the Service Agreement. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

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

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

23.3 Information on Assignment or Transfer of Service:

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

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

24.1 Transmission Customer Obligations:

Where applicable, 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, unless otherwise agreed.

24.2 Transmission Provider Access to Metering Data:

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

24.3 Power Factor:

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

25 Compensation for Transmission Service

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

26 Stranded Cost Recovery

The Transmission Provider reserves the right to recover stranded costs from the Transmission Customer pursuant to this Tariff in accordance with the

terms and conditions set forth in FERC Order No. 888 and pursuant to any other applicable law.

27 Compensation for New Facilities

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

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Reserved.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Balancing Authority Area. This service can be provided only by the operator of the Balancing Authority 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 Balancing Authority Area operator) or indirectly by the Transmission Provider making arrangements with the Balancing Authority 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 Balancing Authority 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 Balancing Authority 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 Balancing Authority Area operator.

All Transmission Customers required to acquire Scheduling, System Control and Dispatch Service shall pay a charge invoiced monthly for Scheduling, System Control

and Dispatch Service equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer's Reserved Capacity.

The maximum rates for Scheduling, System Control and Dispatch Service shall be set forth on the Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

The total Schedule 1 charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily Rate set forth on the Transmission Provider's OASIS website times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total Schedule 1 charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the Weekly rate set forth on the Transmission Provider's OASIS website times the highest amount in megawatts of Reserved Capacity in any hour during such week.

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Sources Service

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

Reactive supply and voltage control is to be provided directly by the Transmission Provider (if the Transmission Provider is the Balancing Authority Area operator) or indirectly by the Transmission Provider making arrangements with the Balancing Authority 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 Balancing Authority Area operator. The charges for such service will be based on the rates set forth below. To the extent the Balancing Authority Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by the Balancing Authority Area operator.

All Transmission Customers required to acquire reactive supply and voltage control shall pay a charge invoiced monthly for reactive supply and voltage control equal to the amount set forth below. For Point-to-Point Transmission Service, the rate shall be applied to the Transmission Customer's Reserved Capacity.

The maximum rates for reactive supply and voltage control shall be set forth on the Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

The total Schedule 2 charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily Rate set forth on the Transmission Provider's OASIS website times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total Schedule 2 charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the Weekly rate set forth on the Transmission Provider's OASIS website times the highest amount in megawatts of Reserved Capacity in any hour during such week.

SCHEDULE 3

Regulation and Frequency Response Service

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

below. To the extent the Balancing Authority 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 Balancing Authority Area operator.

The Transmission Customer's total load within the Transmission Provider's Balancing Authority Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

The maximum rates for Regulation and Frequency Response Service shall be set forth on the Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

A Transmission Customer purchasing Regulation and Frequency Response Service will be required to purchase an amount of such service equal to 1.1 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. The billing determinants for this service shall be reduced by any portion of the 1.1 percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

SCHEDULE 4

Energy Imbalance Service

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Balancing Authority Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within the Transmission Provider's Balancing Authority Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Balancing Authority 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 Balancing Authority Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy; (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and (iii) deviation greater than +/- 7.5 percent (or greater than 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. At the end of each month, the Transmission Provider shall calculate the

Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

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

The Transmission Customer may purchase Spinning Reserve Service under this Tariff to satisfy its spinning reserve obligations commensurate with the amount of Reserved Capacity purchased from the Transmission Provider. Specifically, the

Transmission Customer's total load within the Transmission Provider's Balancing Authority Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If spinning reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of spinning reserves under any credible single contingency. Spinning reserves shall not be provided by the same generation resource supplying load, since loss of this resource represents a credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for spinning reserves. The use of any resources owned by parties other than the Transmission Provider as spinning reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for spinning reserves. The minimum term for Spinning Reserve Service under this Tariff is one (1) day.

The maximum rates for Spinning Reserve Service shall be set forth on the Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

A Transmission Customer purchasing Spinning Reserve Service will be required to purchase an amount of such service equal to 6.4 percent of the Transmission Customer's Reserved Capacity for Point-to-Point Transmission Service. The billing determinants for this service shall be reduced by any portion of the 6.4 percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

SCHEDULE 6

Operating Reserve - Supplemental Reserve Service

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

The Transmission Customer may purchase Supplemental Reserve Service under this Tariff to satisfy its supplemental reserve obligations commensurate with the amount

of Reserved Capacity purchased from the Transmission Provider. Specifically, the Transmission Customer's total load within the Transmission Provider's Balancing Authority Area shall not exceed the Transmission Customer's Reserved Capacity, and the Transmission Provider shall have no obligation to provide this service for any other loads of the Transmission Customer.

If supplemental reserves are provided by any party other than the Transmission Provider, sufficient transmission capacity shall be purchased to provide for the delivery of supplemental reserves under any credible single contingency.

The Transmission Customer shall identify in its Application the manner by which it intends to provide for supplemental reserves. The use of any resources owned by parties other than the Transmission Provider as supplemental reserve resources shall be subject to verification by the Transmission Provider, and such resources shall conform to applicable WECC and NERC criteria for supplemental reserves. The minimum term for Supplemental Reserve Service under this Tariff is one (1) day.

The maximum rates for Supplemental Reserve Service shall be set forth on the Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

A Transmission Customer purchasing Supplemental Reserve Service will be required to purchase an amount of such service equal to 5.3 percent of the Transmission

Customer's Reserved Capacity for Point-to-Point Transmission Service. The billing determinants for this service shall be reduced by any portion of the 5.3 percent purchase obligation that a Transmission Customer obtains from third-parties or supplies itself.

SCHEDULE 7

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

The Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth on the Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

- 1) **Delivery Options:** Transmission Customer may request Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service on a Yearly, Monthly, Weekly, Daily, or Hourly basis. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified for Weekly delivery times the highest amount in kilowatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per MW of Reserved Capacity per hour specified on the Transmission Provider's OASIS website during on-peak and off-peak hours. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified for Daily delivery 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 for Weekly delivery times the highest amount in kilowatts of Reserved Capacity in any hour during such week. For purposes of Hourly Delivery under this Schedule 7, “on-peak hours” shall be hours ending 07:00 through 22:00 PPT, Monday through Saturday excluding holidays, and “off-peak hours” shall be all other hours.

- 2) **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.
- 3) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section 23.1 of the Tariff.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

The Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth on the Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

1) **Delivery Options:** Transmission Customer may request Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service on a Yearly, Monthly, Weekly, Daily, or Hourly basis. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified for Weekly delivery times the highest amount in kilowatts of Reserved Capacity in any day during such week. The basic charge for Hourly delivery shall not exceed the price per MW of Reserved Capacity per hour specified on the Transmission Provider's OASIS website during on-peak and off-peak hours. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified for Daily delivery 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 for Weekly delivery times the highest amount in kilowatts of

Reserved Capacity in any hour during such week. For purposes of Hourly Delivery under this Schedule 7, "on-peak hours" shall be hours ending 6:00 a.m. through 10:00 p.m. PPT, Monday through Friday excluding holidays, and "off-peak hours" shall be all other hours.

2) **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.

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

SCHEDULE 9

Generator Imbalance Service

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Balancing Authority Area and a delivery schedule from that generator to (1) another Balancing Authority Area or (2) a load within the Transmission Provider's Balancing Authority Area over a single hour. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Balancing Authority 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 Balancing Authority Area Operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under

this Schedule or hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the schedule transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, using the Hourly Pricing Proxy; (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent the Hourly Pricing Proxy for under-scheduling or 90 percent of the Hourly Pricing Proxy for over-scheduling; and (iii) deviation greater than +/- 7.5 percent (or greater than 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of the Hourly Pricing Proxy for under-scheduling or 75 percent of the Hourly Pricing Proxy for over-scheduling, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW.

An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Hourly Pricing Proxy: For purposes of this Schedule, "Hourly Pricing Proxy" is defined as the average price for each hour of the delivered energy price at SP15 day-ahead Index. At the end of each month, the Transmission Provider shall calculate the Hourly Pricing Proxy using pricing information from Dow Jones, the California ISO or another authenticated source.

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

SCHEDULE 10

Generator Regulation and Frequency Response Service

Generator 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). Generator Regulation and Frequency Response Service is accomplished by committing on-line generation whose output is raised or lowered (predominantly through the use of automatic generating control equipment) and/or by other non-generation resources capable of providing this service as necessary to follow the moment-by-moment changes in generation output. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Balancing Authority Area that performs this function for the Transmission Provider).

The Transmission Provider (or the Balancing Authority Area that performs this function for the Transmission Provider) must offer this service when transmission service is used to deliver energy from a generator physically or electrically located within the Transmission Provider's Balancing Authority Area. The Transmission Customer or generator must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources

or processes capable of providing this service, to satisfy its Generator Regulation and Frequency Response Service obligation.

The amount of and charges for Generator Regulation and Frequency Response Service are set forth below. To the extent a Balancing Authority Area performs this service for the Transmission Provider, charges to the Transmission Customer or generator are to reflect only a pass-through of the costs charged to the Transmission Provider by that Balancing Authority Area. The Transmission Provider may not charge a Transmission Customer for regulation reserves under both Schedule 3 and Schedule 10 for the same generator capacity.

The Transmission Customer or generator shall identify in its Application the manner by which it intends to provide for Generator Regulation and Frequency Response Service. The use of any resources owned by parties other than the Transmission Provider shall conform to applicable the Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Council (NERC) criteria. The minimum term for Generator Regulation and Frequency Response Service under this Tariff is one (1) day.

The maximum rates for Generator Regulation and Frequency Response Service shall be set forth on the Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

A Transmission Customer or generator delivering energy outside of the Transmission Provider's balancing authority area from a dispatchable generation resource and purchasing Generator Regulation and Frequency Response Service will be required to purchase such service based on 1.1 percent of the maximum name plate capacity of the generator. A Transmission Customer or generator delivering energy outside of the Transmission Provider's balancing authority area from a non-dispatchable generation resource and purchasing Generator Regulation and Frequency Response Service will be required to purchase such service based on 6.5 percent of the maximum name plate capacity of the generator. The billing determinants for this service shall be reduced by any portion of the purchase obligation that a Transmission Customer or generator obtains from third-parties or supplies itself.

Schedule 11

Unreserved Use of Transmission Service

In the event that an entity schedules energy or generating capacity without a valid transmission Service Agreement or schedules energy or generating capacity that exceeds the Firm or Non-Firm Reserved Capacity between any Point of Receipt and any Point of Delivery specified in the entity's transmission Service Agreement as determined by the Transmission Provider, such use or excess use, as the case may be, shall constitute Unreserved Use under this Tariff, regardless of how such schedules were approved or enacted. For the purpose of this Schedule 11, and in accordance with Section 13.4 under this Tariff, such entities shall be deemed to have executed a Service Agreement and considered Transmission Customers under this Tariff. Unreserved Use shall also apply to a Transmission Customer's scheduling firm energy or firm generating capacity at a Point of Delivery where the Transmission Customer has used Non-Firm Reserved Capacity and has made no provision or insufficient provisions for converting such energy or generating capacity to firm status. In each case of Unreserved Use, the Transmission Customer shall pay, exclusive of any discounts that may be offered to any other Eligible Customer during the Unreserved Use period, an Unreserved Use Penalty charge equal to the sum of:

1. a charge for the unreserved service equal to twice the applicable rate(s) for Firm Point-to-Point Transmission Service included in Schedule 7 (exclusive of any Ancillary Service rate(s)); and

2. a charge equal to the applicable rate(s) for Ancillary Services associated with such unreserved service and which is provided by Transmission Provider but for which Transmission Customer does not otherwise pay under the Tariff.

For Unreserved Use within a single day, the penalty charge shall be based on the daily rate. For Unreserved Use in two or more days in in a calendar week, the penalty charge shall be based on the weekly rate. For multiple instances of Unreserved Use in more than one calendar week in a calendar month, the penalty charge shall be based on the monthly rate.

In all cases of Unreserved Use of the Transmission Provider's Transmission System, and for curtailment purposes, the service will be considered Non-Firm and the Transmission Provider will not be liable for any actual or consequential damages to the Transmission Customer resulting from such treatment. Accordingly, Schedule 11 shall not be used as a substitute for a valid transmission Service Agreement.

Schedule 12
Real Power Losses

Transmitting electricity at high voltage results in fractional energy lost due to resistance, which varies depending on voltage level and length of the transmission element. For any transmission service, there is an associated real power loss.

Transmission Provider, however, is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing Real Power Losses associated with all transmission service as delineated in this Schedule 12.

1. Loss Path

Transmission Customer acquiring Firm or Non-Firm Point-to-Point Transmission Service shall reimburse Transmission Provider for Real Power Losses that result from transmitting electric energy across the Transmission Provider's Transmission System and such Real Power Losses will be assessed based on the Real Power Loss factor associated with the following paths:

- i. Any path using the Pacific Direct Current Intertie or Intermountain Power Project Direct Current transmission line; or
- ii. Any path using the Palo Verde and Sylmar segments; or

iii. Any path using alternating current segments.

2. Loss Settlement

Pursuant to Section 15.7 of the Tariff, this Schedule 12 and Transmission Provider's Business Practices posted on OASIS, Transmission Customer at the time of scheduling Firm or Non-Firm Point-to-Point Transmission Service shall elect to settle Real Power Losses pursuant to Section 2(a) of this Schedule, Financial Settlement, or Section 2(b) of this Schedule, Physical Delivery. Otherwise, the scheduled Point-to-Point Transmission Service will result in Financial Settlement pursuant to Section 2(a) below.

a. Financial Settlement

i. Real Power Losses shall be the percentage identified in the Transmission Provider's OASIS website multiplied by Transmission Customer's usage (measured in MWhs) as measured by the revenue-quality meter(s) installed at the Point(s) of Receipt during each hour less any curtailments, correction or adjustments mutually agreed on by Transmission Provider and Transmission Customer.

ii. In the event that the Transmission Provider provides Real Power Losses service to Transmission Customer, Transmission Customer shall compensate the Transmission Provider for each hour of service provided at a rate equal to the Hourly Pricing Proxy as defined in Schedule 4 or 9.

b. Physical Delivery

At the election of the Transmission Customer, physical delivery of Real Power Losses shall be scheduled to Transmission Provider concurrently with transmission schedules and said losses shall be the percentage identified in the Transmission Provider's OASIS website multiplied by Transmission Customer's usage (measured in MWhs) as measured by the revenue-quality meter(s) installed at the Point(s) of Receipt during each hour less any curtailments, correction or adjustments mutually agreed on by Transmission Provider and Transmission Customer. Transmission Provider shall deliver to the Point(s) of Delivery the amount of power received from a Transmission Customer at Point(s) of Receipt less Real Power Losses. Any

hourly differences between the amounts of power scheduled to be delivered at the Point(s) of Delivery (plus applicable Real Power Losses) and the actual amounts of energy received at the Point(s) of Receipt shall be accounted for as Energy Imbalance subject to charges pursuant to Schedule 4.

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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 Transmission Provider), and _____ ("Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit and processing fee in accordance with the provisions of Section 17.3 of the Tariff. This section does not apply to Short-Term Transmission Agreements.
- 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 Customer:

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

8.0 For Long-Term Firm Point-to-Point Service, Transmission Customer has included the two-page form entitled "*Specifications For Long-Term Firm Point-To-Point Transmission Service*" and such form is made a part of this agreement.

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

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

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

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 Description of the generation capacity and energy to be transmitted by
Transmission Provider for Transmission Customer including information on the
electric Balancing Authority Area in which the transaction originates.

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

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

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

7.0 Name(s) of any intervening systems providing transmission
service: _____

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

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

ATTACHMENT A-1

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

An existing Transmission Customer in good standing may resell Point-to-Point Transmission Service ("Reseller") to another party ("Assignee"), which hereinafter may be referred to collectively as "Parties" and individually as "Party." Both Reseller and Assignee must execute this Form Of Service Agreement For The Resale, Assignment Or Transfer of Point-To-Point Transmission Service prior to the scheduling of any transmission service related hereto.

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), _____ (the Reseller), and _____ (the Assignee).
- 2.0 Terms used herein with initial capitalization, whether in the singular or the plural, shall have the meanings specified in the Tariff and are hereby incorporated into this Service Agreement. Terms used herein, whether in the singular or the plural, which are not defined in the Tariff shall have the meanings set forth below:
 - 2.1 Parent Reservation – an existing, confirmed reservation being modified by a Resale.
 - 2.2 Resale – The request to convey scheduling rights associated with a reservation for Point-To-Point Transmission Service from a Reseller to an Assignee.
- 3.0 Transmission Provider shall provide Point-To-Point Transmission Service and Ancillary Services to the Assignee in accordance with Section 23 of the Tariff for each Resale transaction requested under this Service Agreement after each of the following conditions has been satisfied:
 - 3.1 Assignee has entered into an agreement for Resale with Reseller;

- 3.2 Reseller has been determined by Transmission Provider to have submitted on Transmission Provider's OASIS a Completed Application;
- 3.3 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained and Reseller and Assignee have executed this Service Agreement;
- 3.4 Reseller has resold Point-To-Point Transmission Service (Parent Reservation) purchased on Transmission Provider's OASIS for which Transmission Provider is the primary provider and for which there is sufficient available capacity on the Parent Reservation for the requested duration. The transmission service being resold may not have been previously scheduled, redirected, resold or otherwise encumbered; and
- 3.5 The Resale Transaction must be confirmed on OASIS prior to scheduling the capacity.
- 4.0 Assignee agrees to supply information Transmission Provider deems reasonably necessary in accordance with the provisions of Parts I and II of the Tariff and this Service Agreement.
- 5.0 Once the Assignee has met the conditions in Section 3 of this Service Agreement, Transmission Provider agrees to provide and Assignee agrees to take Point-To-Point Transmission Service and Ancillary Services requested for a transaction in accordance with the terms and conditions of Parts I and II of the Transmission Provider's Tariff, except for those terms and conditions specifically agreed to by Transmission Provider and included herein. .
- 6.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for Real Power Losses for which Reseller has compensated Transmission Provider in accordance with Schedule 12.
- 7.0 Assignee acknowledges that it may be required by Reseller to compensate Reseller for penalties as are provided for in the Tariff.
- 8.0 Transmission Provider is not responsible for administering any financial arrangements between the Reseller and the Assignee, including without limitation, the payment of financial losses.

- 9.0 Reseller remains liable for any and all financial obligations and payments to Transmission Provider under the original service agreement and Parent Reservation. Transmission Provider will not accept payment from an Assignee for a resale transaction on behalf of a Reseller.
- 10.0 Any request from Assignee to redirect must be made on the Transmission Provider's OASIS, list Transmission Provider as the Provider and Seller, and may be subject to additional charges or credits if accepted and confirmed.
- 11.0 Any Resale reservation is subject to displacement should the Parent Reservation be displaced by a higher priority request.
- 12.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Assignee:

Reseller:

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

For Resale or Assignment of Long-Term Firm Point-to-Point Service, Assignee has included the two-page form entitled "Specifications For The Resale, Assignment Or Transfer of Long-Term Firm Point-To-Point Transmission Service" and such form is made a part of this agreement.

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

Transmission Provider:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

Reseller:

By: _____
Name Title Date

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

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

5.0 Maximum amount of reassigned capacity: _____

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

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

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

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

9.0 Name of Reseller of the reassigned transmission capacity:

ATTACHMENT B

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

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to be a Transmission Customer under Part II of the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this Agreement shall be provided by the Transmission Provider upon request by an authorized representative of the Transmission Customer.
- 4.0 The Transmission Customer agrees to supply information the Transmission Provider deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

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:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

ATTACHMENT C

Methodology to Assess Available Transfer Capability

The Transmission Provider's methodology to assess Available Transmission Capacity is set forth on the Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

ATTACHMENT D

Methodology for Completing a System Impact Study

1.0 PURPOSE

The purpose of this document is to describe Transmission Provider's procedure for conducting a System Impact Study when evaluating a Transmission Service Request for Firm Long-Term Point-To-Point Transmission Service under Part II of the Tariff.

A System Impact Study is an engineering analysis of Transmission Provider's Transmission System. The System Impact Study is performed by Transmission Provider in response to a request for Transmission Service. A System Impact Study will determine, based on Transmission Provider's Transmission System power flow analysis (i) Transmission Provider's ability to accommodate Transmission Service requested adequately and (ii) whether additional network upgrades or transmission facilities may be needed to provide the Transmission Service requested.

2.0 SYSTEM IMPACT STUDY PROCEDURE AND STANDARDS

Upon receipt of a Completed Application for Firm Point-to-Point Transmission Service pursuant to the applicable terms and conditions of the Tariff, Transmission Provider will perform an evaluation to determine whether based on available information, Available Transfer Capability (ATC) will be available to accommodate the firm Transmission Service requested for the full amount and term requested without the need for a System Impact Study ("initial Evaluation"). Transmission Customer will incur the charge associated with this Initial Evaluation, and the amount of such charge will be subtracted from the Transmission Customer's deposit if the Transmission Customer elect not to proceed with the System Impact Study Agreement. If however Transmission Customer elects to execute a System Impact Study Agreement, the amount of the charge for the Initial Evaluation will be specified in the System Impact Study Agreement. Transmission provider will provide Transmission Customer the results of the Initial Evaluation no later than thirty (30) days upon receipt of the Completed Application by Transmission Provider.

In the event that Transmission Provider determines through an Initial Evaluation that adequate ATC exists to provide Transmission Service requested, a System Impact Study will not be required and Transmission Provider will tender a Transmission Service

Agreement to Transmission Customer no later than thirty (30) days upon receipt of the Completed Application by Transmission Provider. Failure by Transmission Customer to execute and return the Transmission Service Agreement within fifteen (15) days after it is tendered by the Transmission Provider, Transmission Customer's Transmission Service request will be deemed withdrawn.

In the event that Transmission Provider determines through an Initial Evaluation that a System Impact Study is required to identify any impacts on the operation and reliability of the Transmission Provider's Transmission System associated with the Transmission Service requested, Transmission Provider will tender a System Impact Study Agreement to Transmission Customer (Exhibit 1 to Attachment D), no later than thirty (30) days upon receipt of the Completed Application by Transmission Provider. Failure by Transmission Customer to execute and return the Transmission Service Agreement within fifteen (15) days after it is tendered by the Transmission Provider, Transmission Customer's Transmission Service request will be deemed withdrawn.

In determining the level of ATC available to accommodate new Transmission Service Requests, Transmission Provider may exclude transmission capacity to be made available for Transmission Service requests, that capacity needed to meet existing and reasonably forecasted demands of Native Load Customers, Transmission Customers with existing Long-Term Firm Point-to-Point Transmission Service Agreements and prospective Transmission Customers with pending valid Transmission Service Requests for Long-Term Firm Point-to-Point Transmission Service under the Tariff.

System Impact Study Process Summary:

- Transmission Provider is in receipt of a Completed Application for Transmission Service
- Transmission Provider shall contact Transmission Customer within 30 days to either (i) grant service requested or (ii) inform Transmission Customer that System Impact Study is required to accommodate service requested
- Transmission Customer must execute a System Impact Study Agreement within 15 days of receipt of said Agreement else, the application is deemed withdrawn
- System Impact Study shall be completed within 60 days else Transmission Provider will notify Transmission Customer a need for an extension
- Transmission Customer is in receipt of the System Impact Study results and shall have 15 days to execute and return a Transmission Service Agreement provided that no Facilities Study is needed due to network upgrades and/or transmission

- Transmission Customer will be invoiced for the System Impact Study.

Transmission Provider will exercise the same due diligence in performing a System Impact Study for a Transmission Customer as it would for its own use of the system. Transmission Provider will follow reliability principles, standards, and procedures of Western Electricity Coordinating Council (WECC) and the North American Electric Reliability Corporation (NERC) or their successors, in addition to Transmission Provider planning criteria.

3.0 PERFORMANCE OF SYSTEM IMPACT STUDY

Transmission Provider agrees to provide all necessary labor, facilities, transportation, and supervision necessary to perform the System Impact Study for Transmission Customer. Transmission Provider shall use its sole discretion as to the scope, details, and method used to perform the System Impact Study.

Transmission Customer agrees to compensate Transmission Provider in accordance with Section 6.0 of the System Impact Study Agreement (Exhibit 1 to this Attachment D).

4.0 SCOPE OF SYSTEM IMPACT STUDY

Upon execution of this System Impact Study Agreement, a meeting between the Transmission Provider and Transmission Customer shall be held as soon as practical to:

1. Review Transmission Customer's Transmission Service request application and any known issues that could affect the scope of the System Impact Study; and
2. Develop the scope of the System Impact Study.

The location of the meeting shall be at the Transmission Provider's principal place of business unless Transmission Provider agrees otherwise.

The System Impact Study results shall determine whether adequate ATC will be available on Transmission Provider's Transmission System to provide a Transmission Service requested. In the event that adequate ATC is not available on Transmission Provider's Transmission System to accommodate the Transmission Service requested, accordingly the results of the System Impact Study shall determine what ATC is available, by what amount the ATC falls short of the Transmission Service requested, and the cause of the ATC limitations and options to alleviate any identified constraints or reliability of Transmission Provider's Transmission System that may be adversely impacted as a result

of accommodating the Transmission Service requested.

Factors to be considered in determining the ATC available on Transmission Provider's Transmission System will include, but not be limited to:

1. Terms of Transmission Service requested;
2. Reliability requirements of Transmission Provider and Transmission Customer;
3. ATC of the existing system;
4. ATC of the system after the requested is added
5. WECC, NERC, and Transmission Provider's system design and operation criteria
6. Post-transient stability study results;
7. Short circuit study results;
8. Transient Stability study results; and
9. Steady-state power flow study results.

5.0 SYSTEM IMPACT STUDY SCHEDULE FOR COMPLETION

Transmission Provider will complete the System Impact Study no later than sixty (60) days contingent upon (i) receipt by the Transmission Provider of an executed System Impact Study Agreement and (ii) timely transmittal by Transmission Customer to Transmission Provider the data set forth in Appendix 1 to the System Impact Study Agreement.

If the System Impact Study results indicate that Transmission Provider can provide the requested Transmission Service from existing ATC, Transmission Provider will provide the Transmission Customer a Transmission Service Agreement upon completion of the System Impact Study. Failure by Transmission Customer to execute and return the Transmission Service Agreement within fifteen (15) days after it is tendered by the Transmission Provider will result in Transmission Customer's Transmission Service request to be deemed withdrawn.

However, in the event that the System Impact Study results indicate that Transmission Provider will be required to construct and/or install additional transmission facilities to accommodate Transmission Customer's Transmission Service request, and at the request of Transmission Customer, Transmission Provider will provide Transmission Customer within thirty (30) days upon the completion of the System Impact Study a Facilities Study Agreement. Failure by Transmission Customer to return the executed Facilities Study Agreement within fifteen (15) days after it is tendered by Transmission Provider will result in Transmission Customer's Transmission Service request to be deemed

withdrawn.

In the event that Transmission Provider is unable to complete the required System Impact Study within sixty (60) day period, it shall so notify Transmission Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies.

SYSTEM IMPACT STUDY AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between [insert Transmission Customer], existing under the laws of _____, sometimes hereinafter referred to as ("Eligible Customer") and the CITY OF LOS ANGELES acting by and through the DEPARTMENT OF WATER AND POWER, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California ("Transmission Provider "). Eligible Customer and Transmission Provider each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Eligible Customer has submitted a Completed Application (the "Application") for Firm Point-To-Point Transmission Service pursuant to Section 17.2 of the Open Access Transmission Tariff ("Tariff") for the Transmission Provider (as may be supplemented, modified, or replaced);

WHEREAS, Eligible Customer has requested [insert] MW of Firm Point-To-Point Transmission Service from [insert], under Request No. [insert], to commence on [insert] and end on [insert].

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

WHEREAS, the Transmission Provider must cause the preparation of a System Impact Study to assess the adequacy of the Transmission System and any other affected systems to accommodate the Application. (

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

ARTICLE 1. DEFINITIONS

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

ARTICLE 2. TERMINATION

2.1 Effective Date. This Agreement shall become effective on the date on which this Agreement is made and fully executed by the Parties ("Effective Date").

2.2 Term. This Agreement shall become effective as provided in Section 2.1 of this Agreement and shall continue in full force and effect until the earlier of (i) the Parties agree to mutually terminate this Agreement, (ii) One year after the Effective Date; or (iii) earlier termination as provided for under this Agreement; provided that, all study costs under this Agreement shall not exceed \$150,000.

2.3 Termination for Breach. A Party may terminate this Agreement upon thirty (30) days advance notice to the other Parties of a breach by a Party to this Agreement; provided that, the terminating Party notified the breaching Party in writing of the alleged breach and the breaching Party failed to cure such breach within fifteen (15) business days after the date of said notice and further provided that such terminating Party complies with any and all applicable laws, rules and regulations relating to such termination.

2.4 Termination or Withdrawal. Any request to terminate or withdraw from a study shall be deemed as a withdrawal of the Application in accordance with Section 19 of the Tariff.

2.5 Liability on Termination. Eligible Customer shall remain liable to the Transmission Provider for costs of the System Impact Study already incurred, costs of the System Impact Study that cannot be reasonably avoided and any costs associated with terminating the System Impact Study.

ARTICLE 3. STUDY

3.1 Study. The Transmission Provider shall cause a System Impact Study to be performed in accordance with the applicable provisions of the Tariff. The Transmission Provider shall rely on existing transmission planning studies as provided in the Tariff. All terms and conditions of the Tariff are incorporated herein by reference.

3.2 Scope. The scope of the System Impact Study shall be as set forth in the Tariff and shall be subject to the data and other information provided in the Application and any additional information, assumptions or methodology set forth in Attachment D of the Tariff. Eligible Customer shall review the data and information that it has provided to the Transmission Provider and provide updated data and information as necessary. The Transmission Provider will advise Eligible Customer of additional information as may be reasonably deemed necessary by the Transmission Provider to complete the System Impact Study and Eligible Customer shall promptly submit the additional information. Such additional information shall be obtained only if required by Good Utility Practice and shall be subject to the consent of Eligible Customer, not to be unreasonably withheld, conditional or delayed.

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

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

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

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

3.4 Coordination. The Transmission Provider will coordinate the System Impact Study with any affected Transmission Provider, and with any Regional

Transmission Organizations (“RTO”) or Independent System Organization (“ISO”). If the required study coordination effort increases the expected study scope, study costs or delays the expected completion date, the Transmission Provider will inform the Eligible Customer. Eligible Customer acknowledges and agrees that Transmission Provider will provide all Confidential Information and/or study data that is reasonably needed by any Transmission Provider, RTO or ISO participating in the System Impact Study and to other parties as may be required by the Tariff or applicable federal, state or local law, rule or regulation.

3.5 Estimated Time. The estimated time for completion of the System Impact Study is sixty (60) days. The Transmission Provider shall use due diligence to complete the System Impact Study within the estimated time.

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

ARTICLE 4. COSTS AND PAYMENT

4.1 Estimated Cost. The estimated cost for performance of the System Impact Study is \$50,000.00. The estimated cost is the Transmission Provider’s good faith estimate of the costs to perform the System Impact Study. The estimated cost does not include any costs incurred by other Transmission Providers, RTOs or ISOs.

4.2 Reimbursement. Eligible Customer shall reimburse the Transmission Provider in full for performing the System Impact Study. Eligible Customer shall also reimburse any Transmission Provider, RTO or ISO in full for performing any work related to the System Impact Study, either directly or through payment to the Transmission Provider. These reimbursements shall include payment for all actual costs of the System Impact Study. As provided in the Tariff, Eligible Customer shall not be charged for existing transmission planning studies, but will be responsible for charges associated with modifications to the existing transmission planning studies that are reasonable necessary to evaluate the impact of the Application.

4.3 Deposit and Payment. The Eligible Customer shall submit with this Impact Study Agreement a deposit in the amount of \$50,000.00 (the "Deposit"). The Deposit will be applied toward the costs of the System Impact Study to be reimbursed by the Eligible Customer pursuant to Paragraph 4.2 of this Agreement. Eligible Customer shall prepay the costs of any study, analysis and review work performed by or on behalf of the Transmission Provider or, as applicable, any affected Transmission Provider, RTO or ISO, to the extent such costs exceed the Deposit. The Transmission Provider shall refund to the Eligible Customer any portion of the Deposit that exceeds the amount of the costs to be reimbursed pursuant to Paragraph 4.2. The Transmission Provider shall invoice the Eligible Customer, from time to time, for the amount(s) by which costs to be reimbursed pursuant to Paragraph 4.2 exceed the amount of the Deposit and any prepayments. The Eligible Customer shall pay any such invoice within thirty (30) days of receipt.

ARTICLE 5. MISCELLANEOUS PROVISIONS

5.1 Indemnification. The Eligible Customer shall at all times indemnify, defend, and hold harmless the Transmission Provider, its officials (elected or appointed), Boards, officers, managers, agents, employees, assigns and successors in interest, from and against any and all suits, causes of action, claims, charges, damages, demands, judgments, civil fines, penalties, costs and expenses (including, without limitation, reasonable attorneys' fees and costs of experts and consultants), or losses of any kind or nature whatsoever including, without limitation, business interruption, death, bodily injury or personal injury to any person, damage or destruction or loss of use to or of any property (financial, physical, or intellectual) by or to third parties (collectively "Losses") arising by reason of or incident to or directly or indirectly related to Transmission Provider performing or causing to be performed the System Impact Study in whole or in part under this Agreement on behalf of the Eligible Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Provider.

5.2 Accuracy of Information. The Eligible Customer represents and warrants that, to the best of its knowledge and in accordance with Good Utility Practice, the information that it provides to the Transmission Provider in connection with this System Impact Study Agreement and the System Impact Study is accurate and

complete. The Eligible Customer acknowledges and accepts that it has a continuing obligation under this System Impact Study Agreement to promptly provide the Transmission Provider with any additional information required to update the information previously provided within no less than forty-eight (48) hours.

5.3 Disclaimer of Warranty; Limitation of Liability and Release. In performing or causing the System Impact Study to be performed, the Transmission Provider may rely on the information provided by the Eligible Customer and third parties, which Transmission Provider may not have any control over the veracity or accuracy of such information. For data, information and other studies submitted by the Eligible Customer or obtained from third parties or industry sources,

TRANSMISSION PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING BY OPERATION OF LAW, COURSE OF PERFORMANCE OR DEALING, CUSTOM, USAGE IN THE ELECTRIC INDUSTRY, OR OTHERWISE, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. FURTHERMORE, TRANSMISSION PROVIDER SHALL NOT BE LIABLE TO ELIGIBLE CUSTOMER UNDER ANY CIRCUMSTANCES, UNDER ANY THEORY OF LIABILITY AT LAW OR IN EQUITY, WHETHER SUCH LIABILITY IS KNOWN OR UNKNOWN AT THE TIME OF SIGNING THIS AGREEMENT, OR ANY TIME THEREAFTER, FOR ANY DEATH, BODILY INJURY, AND LOSS OF USE OR DAMAGE OR DESTRUCTION OF ANY PROPERTY OR ANY BUSINESS INTERRUPTION, TO A THIRD PARTY OR TO ELIGIBLE CUSTOMER.

ELIGIBLE CUSTOMER DOES SO HEREBY ACKNOWLEDGE THAT IT HAS READ AND COMPREHENDED THE FOLLOWING PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 (OR ITS SUCCESSOR STATUTE) WHICH PROVIDES:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN

BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

BEING AWARE OF SAID CODE SECTION, ELIGIBLE CUSTOMER HEREBY EXPRESSLY WAIVES ANY RIGHTS IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTES OR COMMON LAW PRINCIPLES OF SIMILAR EFFECT.

Upon execution of this System Impact Study Agreement, the Eligible Customer acknowledges and accepts that it has not relied on any representations or warranties not specifically set forth herein.

5.4 Representations and Warranties. The Eligible Customer represents and warrants that it is free to enter into this Agreement and to perform each of the terms and covenants of it. The Eligible Customer represents and warrants that it has undertaken or will cooperate with Transmission Provider in undertaking any environmental review required for its proposed project, including but not limited to the California Environmental Quality Act (CEQA) as amended and stated within Cal. Pub. Res. Code §§ 21000-21178 or any successor statute; provided however, Transmission Provider’s undertaking and completion of the System Impact Study, or issuance of a system impact study report, shall neither be construed as a guarantee of an agreement nor an approval of the proposed project. The Eligible Customer further represents and warrants it is not restricted or prohibited contractually or otherwise, from entering into and performing this agreement, and that the execution and performance of this Agreement by Eligible Customer will not constitute a violation or breach of any other agreement between it and any other person or entity.

5.5 Force Majeure. If a Force Majeure Event prevents the Transmission Provider from fulfilling any obligations under this System Impact Study Agreement, Transmission Provider shall promptly notify the Eligible Customer in writing, and shall suspend or modify its performance under said agreement until the Force Majeure Event, to the extent that the effect of the Force Majeure Event cannot be mitigated by use of Good Utility Practice or commercially reasonable efforts. For purposes of this System Impact Study Agreement, a “Force Majeure Event” means any event or circumstance caused by reason of Force Majeure that prevents or

delays Transmission Provider's performance under this Agreement which (a) is beyond the reasonable control of the Transmission Provider and (b) was unable to be prevented or provided against by exercising Good Utility Practice or commercially reasonable efforts. In the event that the Transmission Provider suspended its performance, it shall resume its obligations under this System Impact Study Agreement as soon as reasonably possible upon resolution of the Force Majeure Event. In the event that the Parties mutually agree to modify Transmission Provider's performance as a result of the Force Majeure Event, this System Impact Study Agreement shall be modified in accordance with Section 5.12 herein.

5.6 Assignment. This System Impact Study Agreement shall not be assigned, conveyed or transferred to any third party unless the provisions of Section 4.3 of the LGIP have been satisfied and Transmission Provider consents to such assignment, conveyance or transfer in writing.

5.7 Governing Law. This Agreement was made and entered into in the City of Los Angeles and shall be governed by, interpreted and enforced in accordance with the laws of the State of California and the City of Los Angeles, without regard to conflict of law principles.

5.8 Venue. All litigation arising out of, or relating to this System Impact Study Agreement, shall be brought in a court of competent jurisdiction located in Los Angeles County, in the State of California. The Parties irrevocably agree to submit to the exclusive jurisdiction of such courts in the State of California and waive any defense of *forum non conveniens*.

5.9 Waivers. Any waiver, which such waiver must be in writing, at any time by any Party of its rights with respect to a default under this System Impact Study Agreement, or with respect to any other matter arising in connection with said agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith. Any delay, short of the statutory period of limitation in asserting or enforcing any right, shall not be deemed a waiver of such right.

5.10 Binding Effect. This System Impact Study Agreement shall be binding upon,

and inure to the benefit of, the Parties and their respective successors or assigns, subject to Sections 4.3 of the LGIP.

5.11 Attorney Fees and Costs. Both Parties agree that in any action to enforce the terms of this Agreement that each Party shall be responsible for its own attorney fees and costs.

5.12 Entire Agreement. This System Impact Study Agreement contains the entire agreement and understanding between the Parties, their agents, and employees as to the subject matter herein. This Agreement may be amended only by a written document signed by both Parties.

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

DEPARTMENT OF WATER AND POWER OF
THE CITY OF LOS ANGELES

By: _____

Title: _____

Date: _____

[INSERT TRANSMISSION CUSTOMER]

By: _____

Title: _____

Date: _____

ATTACHMENT E

Index of Point-To-Point Transmission Service Customers

An index of Point-To-Point Transmission Service Customers is set forth on the

Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

ATTACHMENT F

**Service Agreement For
Network Integration Transmission Service**

To be filed by the Transmission Provider when offered and service becomes available.

ATTACHMENT G

Network Operating Agreement

Reserved

ATTACHMENT H

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

Reserved

ATTACHMENT I

Index Of Network Integration Transmission Service Customers

Reserved

ATTACHMENT J

Procedures for Addressing Parallel Flows

In a June 17, 2009 filing, the North American Electric Reliability Corporation's ("NERC"), consistent with Section 215 of the Federal Power Act and as directed by the Commission, requested Commission approval of revision to the Qualified Transfer Path Unscheduled Flow (USF) Relief for the Western Electricity Coordinating Council ("WECC"), Reliability Standard IRO-006-WECC-1 on March 26, 2007, and approved by the Commission on June 8, 2007. The revised Reliability Standard approved by the Commission on March 17, 2011 is intended to mitigate transmission overloads due to unscheduled flow on a transfer path designated by WECC as being qualified for unscheduled flow mitigation, and any subsequent revisions thereto, are hereby incorporated and made part of this Tariff. The current WECC Unscheduled Flow Reduction Procedure can be accessed via the NERC website at:

<http://www.nerc.com/files/IRO-006-WECC-1.pdf>

ATTACHMENT K

Transmission Planning Process

The Transmission Planning Process is set forth on the Transmission Provider's OASIS website located at:

<http://www.oasis.oati.com/ldwp/index.html>

ATTACHMENT L

Creditworthiness Procedures

The Creditworthiness Procedures are set forth on the Transmission Provider's OASIS
website located at:

<http://www.oasis.oati.com/ldwp/index.html>

