

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

OPEN ACCESS TRANSMISSION TARIFF (“Tariff”)

TABLE OF CONTENTS

I. COMMON SERVICE PROVISIONS 1

1. DEFINITIONS 1

2. INITIAL ALLOCATION AND RENEWAL PROCEDURES 8

 2.1 Initial Allocation of Available Transfer Capability: 8

 2.2 Reservation Priority for Existing Firm Service Customers: 9

3. ANCILLARY SERVICES 9

 3.1 Scheduling, System Control and Dispatch Service: 10

 3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service: 10

 3.3 Regulation and Frequency Response Service: 10

 3.4 Energy Imbalance Service for Loads: 10

 3.5 Operating Reserve - Spinning Reserve Service: 10

 3.6 Operating Reserve - Supplemental Reserve Service: 10

 3.7 Generator Imbalance Service: 11

 3.8 Generation and Storage Balancing Service: 11

4. TRANSMISSION SERVICE WEBSITE 11

5. TAX EXEMPT BONDS 11

6. RECIPROCITY 11

7. BILLING AND PAYMENT 12

 7.1 Billing Procedure: 12

 7.2 Late Payment: 12

 7.3 Customer Default: 12

8. ACCOUNTING FOR TRANSMISSION PROVIDER'S USE OF THE TARIFF 13

 8.1 Transmission Revenues: 13

 8.2 Study Costs and Revenues: 13

9. FORCE MAJEURE AND INDEMNIFICATION 13

 9.1 Force Majeure: 13

 9.2 Indemnification: 13

10. CREDITWORTHINESS 13

11. DISPUTE RESOLUTION PROCEDURES 14

 11.1 Internal Dispute Resolution Procedures: 14

 11.2 External Arbitration Procedures: 14

 11.3 Arbitration Decisions: 14

 11.4 Costs: 14

12. GENERAL PROVISIONS 15

 12.1 Unilateral Right to Change: 15

 12.2 Tariff Availability: 15

 12.3 Delegation of Responsibility: 15

II. POINT-TO-POINT TRANSMISSION SERVICE 15

13. NATURE OF FIRM POINT-TO-POINT TRANSMISSION SERVICE 16

 13.1 Term: 16

 13.2 Reservation Priority: 16

 13.3 Use of Firm Transmission Service by Transmission Provider: 17

 13.4 Service Agreements: 17

 13.5 Transmission Customer Obligations for Facility Additions: 17

 13.6 Curtailment of Firm Transmission Service: 18

 13.7 Classification of Firm Transmission Service: 18

 13.8 Scheduling of Firm Point-to-Point Transmission Service: 19

14. NATURE OF NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE.....	19
14.1 Term:	19
14.2 Reservation Priority:.....	20
14.3 Use of Non-Firm Point-to-Point Transmission Service by Transmission Provider:.....	20
14.4 Service Agreements:.....	20
14.5 Classification of Non-Firm Point-to-Point Transmission Service:	20
14.6 Scheduling of Non-Firm Point-to-Point Transmission Service:	21
14.7 Curtailment or Interruption of Service:	21
15. SERVICE AVAILABILITY	22
15.1 General Conditions:.....	22
15.2 Determination of Available Transfer Capability:	22
15.3 Executed Service Agreement Required:	22
15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, or Conditional Curtailment:.....	22
15.5 Deferral of Service:.....	23
15.6 Other Transmission Service Schedules:.....	23
15.7 Real Power Losses:.....	23
16. TRANSMISSION CUSTOMER RESPONSIBILITIES	23
16.1 Conditions Required of Transmission Customers:	23
16.2 Transmission Customer Responsibility for Third-Party Arrangements:	24
17. PROCEDURES FOR ARRANGING FIRM POINT-TO-POINT TRANSMISSION SERVICE ...	24
17.1 Application:	24
17.2 Completed Application:.....	24
17.3 Deposit:.....	25
17.4 Notice of Deficient Application:.....	26
17.5 Response to a Completed Application:.....	26
17.6 Execution of Service Agreement:	26
17.7 Extensions for Commencement of Service:.....	27
18. PROCEDURES FOR ARRANGING NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE	27
18.1 Application:	27
18.2 Completed Application:.....	27
18.3 Reservation of Non-Firm Point-to-Point Transmission Service:.....	28
18.4 Determination of Available Transfer Capability:	28
19. ADDITIONAL STUDY PROCEDURES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE REQUESTS	28
19.1 Notice of Need for System Impact Study:	28
19.2 System Impact Study Agreement and Payment:.....	29
19.3 System Impact Study Procedures:	29
19.4 Notice of Need for Environmental Study:	30
19.5 Facilities Study Procedures:.....	30
19.6 Facilities Study Modifications:.....	31
19.7 Completing New Facilities:	31
19.8 Partial Interim Service:.....	31
19.9 Expedited Procedures for New Facilities:.....	31
20. PROCEDURES IF TRANSMISSION PROVIDER IS UNABLE TO COMPLETE NEW TRANSMISSION FACILITIES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE...	32
20.1 Delays in Construction of New Facilities:	32
20.2 Alternatives to the Original Facility Additions:.....	32

20.3	Refund Obligation for Unfinished Facility Additions:	32
21.	PROVISIONS RELATING TO TRANSMISSION CONSTRUCTION AND SERVICES ON THE SYSTEMS OF OTHER UTILITIES	33
21.1	Responsibility for Third-Party System Additions:	33
21.2	Coordination of Third-Party System Additions:	33
22.	CHANGES IN SERVICE SPECIFICATIONS	33
22.1	Modifications on a Non-Firm Basis:	33
22.2	Modification on a Firm Basis:	34
23.	SALE OR ASSIGNMENT OF TRANSMISSION SERVICE	34
23.1	Procedures for Assignment or Transfer of Service:	34
23.2	Limitations on Assignment or Transfer of Service:	35
23.3	Information on Assignment or Transfer of Service:	35
24.	METERING AND POWER FACTOR CORRECTION AT RECEIPT AND DELIVERY POINTS(S)	35
24.1	Transmission Customer Obligations:	35
24.2	Transmission Provider Access to Metering Data:	35
24.3	Power Factor:	35
25.	COMPENSATION FOR TRANSMISSION SERVICE	35
26.	STRANDED COST RECOVERY	36
27.	COMPENSATION FOR NEW FACILITIES	36
III.	NETWORK INTEGRATION TRANSMISSION SERVICE	36
28.	NATURE OF NETWORK INTEGRATION TRANSMISSION SERVICE	36
28.1	Scope of Service:	36
28.2	Transmission Provider Responsibilities:	36
28.3	Network Integration Transmission Service:	37
28.4	Secondary Service:	37
28.5	Real Power Losses:	37
28.6	Restrictions on Use of Service:	37
29.	INITIATING SERVICE	37
29.1	Condition Precedent for Receiving Service:	38
29.2	Application Procedures:	38
29.3	Technical Arrangements to be Completed Prior to Commencement of Service:	40
29.4	Network Customer Facilities:	41
29.5	Executed Service Agreement Required:	41
30.	NETWORK RESOURCES	41
30.1	Designation of Network Resources:	41
30.2	Designation of New Network Resources:	41
30.3	Termination of Network Resources:	42
30.4	Operation of Network Resources:	42
30.5	Transmission Arrangements for Network Resources Not Physically Interconnected with Transmission Provider:	43
30.6	Limitation on Designation of Network Resources:	43
30.7	Use of Interface Capacity by the Network Customer:	43
30.8	Network Customer Owned Transmission Facilities:	43
31.	DESIGNATION OF NETWORK LOAD	44
31.1	Network Load:	44
31.2	New Network Loads Connected with Transmission Provider:	44
31.3	Network Load Not Physically Interconnected with Transmission Provider:	44
31.4	New Interconnection Points:	44

31.5	Changes in Service Requests:	44
31.6	Annual Load and Resource Information Updates:.....	45
32.	ADDITIONAL STUDY PROCEDURES FOR NETWORK INTEGRATION TRANSMISSION SERVICE REQUESTS	45
32.1	Notice of Need for System Impact Study:	45
32.2	System Impact Study Agreement and Payment:.....	45
32.3	System Impact Study Procedures:	46
32.4	Notice of Need for Environmental Study:.....	46
32.5	Facilities Study Procedures:.....	47
33.	LOAD SHEDDING AND CURTAILMENTS	47
33.1	Procedures:	47
33.2	Transmission Constraints:.....	47
33.3	Curtailments of Scheduled Deliveries:	48
33.4	Allocation of Curtailments:	48
33.5	Load Shedding:.....	48
33.6	System Reliability:.....	48
34.	RATES AND CHARGES	48
34.1	Monthly Demand Charge:	49
34.2	Determination of Network Customer's Monthly Network Load:	49
34.3	Determination of Transmission Provider's Monthly Transmission System Load:	49
34.4	Stranded Cost Recovery:	49
35.	OPERATING ARRANGEMENTS.....	49
35.1	Operation under the Network Operating Agreement:.....	49
35.2	Network Operating Agreement:.....	49
35.3	Network Operating Committee:.....	50
	SCHEDULE 1 - Scheduling, System Control and Dispatch Service	51
	SCHEDULE 2 - Reactive Supply and Voltage Control from Generation or Other Sources Service	52
	SCHEDULE 3 - Regulation and Frequency Response Service.....	53
	SCHEDULE 4 - Energy Imbalance Service for Loads.....	54
	SCHEDULE 5 - Operating Reserve - Spinning Reserve Service.....	55
	SCHEDULE 6 - Operating Reserve - Supplemental Reserve Service	56
	SCHEDULE 7 - Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service.....	57
	SCHEDULE 8 - Non-Firm Point-to-Point Transmission Service	58
	SCHEDULE 9 - Generator Imbalance Service.....	59
	SCHEDULE 10 - Unreserved Use of Transmission Service.....	60
	SCHEDULE 11 – Generation and Storage Balancing Service.....	61
	ATTACHMENT A - Form of Service Agreement for Long-Term Firm Point-to-Point Transmission Service	62
	ATTACHMENT A-1 – Form of Service Agreement for the Resale, Reassignment or Transfer of Long-Term Firm Point-to-Point Transmission Service.....	67
	ATTACHMENT B – Form of Service Agreement for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service.....	69
	ATTACHMENT C - Methodology to Assess Available Transfer Capability	73
	ATTACHMENT D - Methodology for Completing a System Impact Study	74
	ATTACHMENT E - Index of Point-to-Point Transmission Service Customers.....	75
	ATTACHMENT F - Service Agreement for Network Integration Transmission Service	76
	ATTACHMENT G - Network Operating Agreement.....	82
	ATTACHMENT H - Annual Transmission Revenue Requirement for Network Integration Transmission Service	89

ATTACHMENT I - Index of Network Integration Transmission Service Customers90
ATTACHMENT J - Procedures for Addressing Parallel Flows.....91
ATTACHMENT K - Transmission Planning Process.....92
ATTACHMENT L - Creditworthiness Procedures97
ATTACHMENT M - Transmission Line Ratings103
ATTACHMENT N – Standard Large Generator Interconnection Procedures (LGIP) including Standard
Large Generator Interconnection Agreement (LGIA)105
ATTACHMENT O – Small Generator Interconnection Procedures (SGIP) including Small Generator
Interconnection Agreement (SGIA).....106
ATTACHMENT P – Tariff Revision History107

I. COMMON SERVICE PROVISIONS

1. DEFINITIONS

A capitalized term that is not defined in this Tariff shall have the official NERC definition, if one exists.

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 Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 **Annual Transmission Costs:**

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

1.4 **Application:**

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

1.5 **Balancing Authority (BA):**

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

1.6 **Balancing Authority Area (BAA):**

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.

1.7 **Business Day:**

The days Monday through Friday, excluding NERC holidays, Presidents Day, Veterans Day, Martin Luther King Jr. Day, Juneteenth, and Native American Heritage Day.

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 fees.

1.10 **Cost-of-Service Analysis:**

A cost allocation study to evaluate cost drivers and determine the proportion of costs attributable to each customer group or class.

1.11 **Curtailement:**

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

1.12 **Delivering Party:**

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

1.13 **Delivery Point:**

Point of Delivery

1.14 **Demand:**

1. The rate at which electric energy is delivered to or by a system or part of a system, generally expressed in kilowatts or megawatts, at a given instant or averaged over any designated interval of time.
2. The rate at which energy is being used by the customer.

1.15 **Designated Agent:**

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

1.16 **Direct Assignment Facilities:**

Facilities or portions of facilities that are constructed by 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 Transmission Customer.

1.17 **Eligible Customer:**

Any electric utility (including Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale or resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada, or Mexico. Retail customers are not eligible for service under this Tariff.

1.18 **Environmental Study:**

A study that will evaluate potential environmental and cultural resource impacts associated with a proposed Transmission Service request by a Transmission Customer. The Environmental Study will include, but not be limited to, habitat assessments, biological assessments, wetland delineations, cultural resource surveys, environmental site assessments, and property ownership and land right determinations. In addition, the Environmental Study will also evaluate potential environmental, cultural, and/or land use authorizations and permits that may be necessary prior to work occurring.

1.19 **Facilities Study:**

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

1.20 **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.

1.21 **Good Utility Practice:**

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

1.22 **Grant PUD Commission:**

The publicly elected officials that govern Public Utility District No. 2 of Grant County, Washington, a municipal corporation as defined in Chapter 54.12 RCW.

1.23 **Integration/Regulation Service:**

The provision of the difference between the instantaneous output of a generation facility and the scheduled output of the facility. Integration/Regulation Service provides the necessary incremental and decremental capacity to allow the Balancing Authority to deliver the scheduled output from the generation facility.

1.24 **Interruption:**

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

1.25 **Load Ratio Share:**

Ratio of a Transmission Customer's Network Load to Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve-month basis.

1.26 **Load Shedding:**

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

1.27 **Long-Term Firm Point-to-Point Transmission Service:**

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

1.28 **Native Load Customers:**

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

1.29 **NERC:**

The North American Electric Reliability Corporation, or its successor, to which the Commission has delegated authority to act as the Electric Reliability Organization for North America, and which develops and enforces electric system reliability standards for North America.

1.30 **Network Customer:**

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

1.31 **Network Integration Transmission Service:**

The transmission service provided under Part III of the Tariff.

1.32 **Network Load:**

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

1.33 **Network Operating Agreement:**

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

1.34 **Network Operating Committee:**

A group made up of representatives from the Network Customer(s) and Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.35 **Network Resource:**

Any designated generating resource owned, purchased or leased by a Network Customer for the purpose of using Network Integration Transmission Service.

Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

1.36 **Network Upgrades:**

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

1.37 **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.

1.38 **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.

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

An electronic posting system that the Transmission Service Provider maintains or subscribes to for the posting of transmission access data and that allows all transmission customers to view the data simultaneously, and/or a webpage or a collection of webpages on which information and links relevant this Tariff are posted.

1.40 **Part I:**

Tariff Definitions and Common Service Provisions contained in Sections 1 through 12.

1.41 **Part II:**

Tariff Sections 13 through 27 pertaining to Point-to-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.42 **Part III:**

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

1.43 **Parties:**

Transmission Provider and Transmission Customer receiving service under the Tariff.

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

Point(s) on Transmission Provider's Transmission System where capacity and energy transmitted by 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.

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

Point(s) of interconnection on Transmission Provider's Transmission System where capacity and energy will be made available to 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.

1.46 **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.

1.47 **Pre-Confirmed Request:**

A request for Point-to-Point Transmission Service on Transmission Provider's OASIS that commits Eligible Customer to the purchase of such Transmission Service upon acceptance of the request by Transmission Provider.

1.48 **Preschedule Day:**

The day identified by Transmission Provider pursuant to the WECC Interchange Scheduling and Accounting Subcommittee daily scheduling calendar, or the applicable successor to such committee.

1.49 **Receiving Party:**

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

1.50 **Regional Transmission Group (RTG):**

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

1.51 **Reseller:**

A Transmission Customer that sells, assigns or transfers its rights under its Service Agreement to another Eligible Customer.

1.52 **Reserved Capacity:**

The maximum amount of capacity and energy that Transmission Provider agrees to transmit for Transmission Customer over 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.

1.53 **Service Agreement:**

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

1.54 **Service Commencement Date:**

The date Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.55 **Short-Term Firm Point-to-Point Transmission Service:**

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

1.56 **System Condition:**

A specified condition on 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 Transmission Customer's Service Agreement.

1.57 **System Impact Study:**

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

1.58 **Third-Party Sale:**

Any sale for resale in interstate commerce to another entity that is not designated as part of Network Load under the Network Integration Transmission Service.

1.59 **Transmission Customer:**

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

1.60 **Transmission Provider:**

Public Utility District No. 2 of Grant County, Washington.

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

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

1.62 **Transmission Service:**

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

1.63 **Transmission System:**

The facilities owned, controlled, or operated by Transmission Provider that are used to provide transmission service.

1.64 **Unreserved Use:**

The use of Transmission Service by an Eligible Customer at a Point of Receipt or Point of Delivery that it has not reserved or for which it has not executed a Service Agreement.

1.65 **Uniform Commercial Code:**

A standardized set of legal guidelines adopted by states to regulate commercial transactions, including sales, leases, negotiable instruments, and secured transactions, ensuring consistency and fairness in interstate commerce.

1.66 **WECC:**

The Western Electricity Coordinating Council, or its successor.

1.67 **WPP:**

The Western Power Pool, or its successor.

2. INITIAL ALLOCATION AND RENEWAL PROCEDURES

2.1 Initial Allocation of Available Transfer Capability:

For purposes of determining whether existing capability on Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial sixty (60) calendar day period commencing with the effective date of the Tariff will be deemed to have been filed simultaneously. A lottery shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) calendar day period shall be assigned a priority pursuant to Section 13.2.

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

Existing firm service customers (wholesale requirements and transmission-only, with a contract term of five years or more), have the right to continue to take transmission service from Transmission Provider when the contract expires, rolls over or is renewed. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from Transmission Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, Transmission Provider's Transmission System cannot accommodate all of the requests for transmission service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay Transmission Provider's then current just and reasonable rate for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer.

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. Transmission Provider is required to provide, and 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.

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

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, (i) Generator Imbalance Service, (ii) Operating Reserve - Spinning, (iii) Operating Reserve – Supplemental, and (iv) the applicable Integration/Regulation Service for the type of generation when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area. Transmission Customer using Transmission Service to deliver energy from a generator located within Transmission Provider's Balancing Authority Area is required to acquire these Ancillary

Services, whether from Transmission Provider or (if permitted by Transmission Provider), from a third party or by self-supply.

Transmission Customer may not decline Transmission Provider's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. Transmission Customer must list in its Application which Ancillary Services it intends to purchase from Transmission Provider. A Transmission Customer that exceeds its Reserved Capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this Section 3 that were provided by Transmission Provider associated with the unreserved service. Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve.

In the event of an unauthorized use of Ancillary Services by Transmission Customer, the Unreserved Use will be subject to Schedule 10, Unreserved Use of Transmission Service.

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 Transmission Provider in conjunction with its provision of transmission service as follows: (i) any offer of a discount made by Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (ii) 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 (iii) 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 Transmission Provider's system. Sections 3.1 through 3.8 below list the eight 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 for Loads:

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 Generation and Storage Balancing Service:

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

4. TRANSMISSION SERVICE WEBSITE

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

5. TAX EXEMPT BONDS

Transmission Provider utilizes state and federal income tax-exempt financial instruments on an ongoing basis to fund the ownership and operation of its transmission system. Notwithstanding any other provision of this Tariff, Transmission Provider shall not be required to provide transmission service to any Eligible Customer pursuant to this Tariff if the provision of such transmission service would jeopardize the tax-exempt status of any bond(s) used to finance Transmission Provider's facilities that would be used in providing such transmission service. If Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any bond(s) used to finance its facilities that would be used in providing such transmission service, it shall so advise Eligible Customer and shall not be obligated to provide service.

6. RECIPROCITY

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

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

This reciprocity requirement applies not only to 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 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, Transmission Provider shall submit an invoice to Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by Transmission Customer within fifteen (15) Business days of receipt. All payments shall be made in immediately available funds payable to Transmission Provider, or by electronic payments to a bank named by Transmission Provider.

7.2 Late Payment:

Interest shall be applied and accrue on past due balances until paid in accordance with Transmission Provider's Customer Service Policy.

7.3 Customer Default:

In the event Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to 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 Transmission Provider notifies Transmission Customer to cure such failure, a default by Transmission Customer shall be deemed to exist. Upon the occurrence of a default, Transmission Provider may terminate service with thirty (30) calendar days' notice.

In the event of a billing dispute between Transmission Provider and Customer, Transmission Provider shall continue to provide transmission service under the Service Agreement provided Transmission Customer continues to make all payments, including those in dispute. If Customer fails to meet this requirement for continuation of service, Transmission Provider may provide notice to Customer of a default pursuant to this Section 7.3. If Customer disputes any portion of an invoice, Customer shall pay the disputed amount by the applicable due date and submit written notice of a claim within 90 days from the date of the invoice. The Parties agree to use good faith efforts to resolve the dispute as soon as possible. Upon resolution of the dispute, any overpayments shall, at Transmission Provider's discretion, be refunded to Customer within 30 days of such resolution or deducted from subsequent invoices.

8. ACCOUNTING FOR TRANSMISSION PROVIDER'S USE OF THE TARIFF

Transmission Provider shall track and 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 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 Transmission Customer's billing under the Tariff.

9. FORCE MAJEURE AND INDEMNIFICATION

9.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, pandemic, epidemic, explosion, breakage or accident to machinery or equipment, loss or material modification of FERC License 2114, 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 Transmission Provider nor Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

9.2 Indemnification:

To the extent permitted by law, Transmission Customer shall at all times indemnify, defend, and hold 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 Transmission Provider's performance of its obligations under this Tariff on behalf of Transmission Customer, except in cases of gross negligence or intentional wrongdoing by Transmission Provider.

10. CREDITWORTHINESS

Transmission Provider will specify its creditworthiness procedures in Attachment L and in

applicable business practices.

11. DISPUTE RESOLUTION PROCEDURES

11.1 Internal Dispute Resolution Procedures:

In the event either Party has a dispute, or asserts a claim, that arises out of or in connection with these procedures, or their performance, such Party (the "disputing Party") shall provide the other Party with written notice of the dispute or claim ("Notice of Dispute"). Such dispute or claim shall be referred to a designated senior representative of each Party for resolution on an informal basis as promptly as practicable after receipt of the Notice of Dispute by the other Party. In the event the designated representatives are unable to resolve the claim or dispute through unassisted or assisted negotiations within thirty (30) Calendar Days of the other Party's receipt of the Notice of Dispute, such claim or dispute may, upon mutual agreement of the Parties, be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below. In the event the Parties do not agree to submit such claim or dispute to arbitration, each Party may exercise whatever rights and remedies it may have in equity or at law consistent with the terms of this Tariff.

11.2 External Arbitration Procedures:

Any arbitration initiated under these procedures shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) Calendar Days of the submission of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) Calendar Days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("Arbitration Rules") and taking into account any relevant FERC precedents, any applicable RTO or ISO rules; provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 11, the terms of this Section 11 shall prevail.

11.3 Arbitration Decisions:

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within ninety (90) Calendar Days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of these procedures and shall have no power to modify or change any provision of these procedures 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 or the Administrative Dispute Resolution Act.

11.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable: (i) 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 (ii) one half the cost of the single arbitrator jointly chosen by the Parties.

12. GENERAL PROVISIONS

12.1 Unilateral Right to Change:

Notwithstanding any other provision in this Tariff or a Service Agreement, Transmission Provider shall have the right unilaterally to make changes in rates, charges, classification of service, or any rule, regulation, or business practice related to this Tariff. Prior to the effectiveness of any change, Transmission Provider shall provide sixty (60) calendar days' notice to its customers. Such changes will not impact the firm nature of Transmission Provider's commitments under firm service agreements entered into prior to such changes.

12.2 Tariff Availability:

Nothing contained in this Tariff shall restrict Transmission Provider's right unilaterally to withdraw the Tariff at any time. Except as otherwise provided in this Section 12.2, such withdrawal shall not affect existing Service Agreements for Long-Term Firm Point-to-Point Transmission Service entered into under the Tariff, except no Transmission Customer will have any right to roll-over or extend a Service Agreement in the event of withdrawal of the Tariff. Upon such withdrawal of this Tariff, all Service Agreements for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service shall terminate immediately, except that Transmission Provider shall complete Transmission Service for specific scheduled Non-Firm and Short-Term Firm Transmission Service transactions prior to the date of termination of the Tariff (not to exceed service for three months). Transmission Provider shall provide at least thirty (30) calendar days' notice of its intent to terminate this Tariff to Transmission Customers that have entered into Service Agreements for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service.

Should it withdraw the Tariff, Transmission Provider will work with firm transmission customers taking service under Long-Term Transmission Service Agreements in existence prior to the withdrawal of the Tariff to continue to provide firm service with a priority equal to Transmission Provider's service to Native Load.

12.3 Delegation of Responsibility:

Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this Tariff.

II. POINT-TO-POINT TRANSMISSION SERVICE

Preamble:

Transmission Provider will provide Firm and Non-Firm Point-to-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-to-Point Transmission Service is for the

receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

13. NATURE OF FIRM POINT-TO-POINT TRANSMISSION SERVICE

13.1 Term:

The minimum term of Firm Point-to-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement, and in no case will exceed thirty (30) years.

13.2 Reservation Priority:

13.2.1 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.

13.2.2 Reservations for Short-Term Firm Point-to-Point Transmission Service will be based upon the length of the requested transaction or reservation. However, Pre-Confirmed Requests 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 determined by the date and time of the request or reservation.

13.2.3 If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one Business 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 has the right of first refusal to match any longer-term request or equal duration service before losing its reservation priority. A longer-term competing request for Short-Term Firm Point-to-Point Transmission Service will be granted if 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 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 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.

13.2.4 Firm Point-to-Point Transmission Service will always have a reservation priority over Non-Firm Point-to-Point Transmission Service under the Tariff. All Long-Term Firm Point-to-Point Transmission Service will have

equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by Transmission Provider:

To the extent Transmission Provider uses the Transmission System for off-system sales, Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under executed agreements.

13.4 Service Agreements:

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

A new Service Agreement will not be required for subsequent short-term firm or non-firm transactions. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved or that has not executed a Service Agreement (“Unreserved Use”) will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement and will be subject to the rates for Unreserved Use in Schedule 10. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, Transmission Provider shall provide Transmission Customer notice of any changes to the curtailment conditions no less than ninety (90) calendar days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, Transmission Provider shall provide 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 Transmission Provider determines that the Transmission System is not capable of providing Firm Point-to-Point Transmission Service without (i) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-to-Point Transmission Service, or (ii) interfering with Transmission Provider's ability to meet prior firm contractual commitments to others, Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. Transmission Customer must agree to compensate Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. Any Network Upgrade or Direct Assignment Facilities costs to be charged to Transmission Customer on an incremental basis under the Tariff will be specified in the Service

Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service:

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

13.7 Classification of Firm Transmission Service:

- 13.7.1 Transmission Customer taking Firm Point-to-Point Transmission Service may (i) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (ii) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- 13.7.2 Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on 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.
- 13.7.3 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 Transmission Customer shall be set forth in the Service Agreement for Long-Term Firm Point-to-Point 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 Transmission Customer shall be set

forth in the Service Agreement for Long-Term Firm Point-to-Point 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 (i) the sum of the capacity reservations at the Point(s) of Receipt, or (ii) the sum of the capacity reservations at the Point(s) of Delivery shall be Transmission Customer's Reserved Capacity. Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. 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. 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 Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved.

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

Schedules for Transmission Customer's Firm Point-to-Point Transmission Service must be submitted to Transmission Provider no later than 10:00 a.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission Provider] of the Preschedule Day applicable to such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by Transmission Provider]. Transmission Customers within Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission Provider] before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify Transmission Provider, and Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14. NATURE OF NON-FIRM POINT-TO-POINT TRANSMISSION SERVICE

14.1 Term:

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

reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority:

Non-Firm Point-to-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-to-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Requests. 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 date and time of the request or reservation. 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 Eligible Customer with the right of first refusal does not agree to match the competing request: (i) immediately for hourly Non-Firm Point-to-Point Transmission Service after notification by Transmission Provider; and, (ii) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section 14.6) for Non-Firm Point-to-Point Transmission Service other than hourly transactions after notification by Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service. Non-Firm Point-to-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

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

To the extent that Transmission Provider uses its transmission to make Third-Party Sales, Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under executed agreements. 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:

Transmission Provider shall offer a standard Service Agreement for Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service (Attachment B) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-to-Point Transmission Service and 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. 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. 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 Transmission Provider) exceeds its non-firm capacity reservation. The applicable rates for Unreserved Use are stated in Schedule 10. Non-Firm Point-to-Point Transmission Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity and energy on a daily, weekly, or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

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

Schedules for Non-Firm Point-to-Point Transmission Service must be submitted to Transmission Provider no later than 2:00 p.m. [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission Provider] of the Preschedule Day applicable to such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Schedules of energy that are to be delivered must be stated in increments of 1,000 kW per hour [or a reasonable increment that is generally accepted in the region and is consistently adhered to by Transmission Provider]. Transmission Customers within Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted twenty (20) minutes [or a reasonable time that is generally accepted in the region and is consistently adhered to by Transmission Provider] before the start of the next scheduling interval, provided that the Delivering Party and Receiving Party also agree to the schedule modification. Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify Transmission Provider, and 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:

Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-to-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly and indirectly interconnected with Transmission Provider's Transmission System. Transmission Provider 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 (i) a request for Firm Transmission Service, (ii) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (iii) transmission service for Network Customers from non-designated resources, or (iv) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. Transmission Provider also will discontinue or reduce service to Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-to-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions

require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-to-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-to-Point Transmission Service under the Tariff. 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:

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 Transmission Provider's specific methodology for assessing available transfer capability posted on 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 Long-Term Firm Point-to-Point Service, Transmission Provider may respond by performing a System Impact Study.

15.3 Executed Service Agreement Required:

Service will commence following the execution of a Service Agreement consistent with the terms of this Tariff.

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

15.4.1 If 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, 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 Transmission Customer agrees to compensate Transmission Provider for such costs pursuant to the terms of Section 27. 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 Transmission Provider has the right to expand or modify.

15.4.2 If 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, Transmission Provider will offer the Firm Transmission Service with the condition that 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 Transmission Customer accepts the service, Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for Transmission Customer, (ii) Transmission Provider determines through a reassessment that it can no longer reliably provide such service, or (iii) 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:

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 Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules:

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

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. Transmission Customer will pay for losses per the terms and loss factors stated in Rate Schedule 33 - Wholesale Ancillary Services (see www.grantpud.org).

16. TRANSMISSION CUSTOMER RESPONSIBILITIES

16.1 Conditions Required of Transmission Customers:

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

- (i) Transmission Customer has pending a Completed Application for service;
- (ii) Transmission Customer meets the creditworthiness criteria set forth in Section 10;
- (iii) Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to Transmission Provider prior to the time service under Part II of the Tariff commences;
- (iv) Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not Transmission Customer takes service for the full term of its reservation;

- (v) Transmission Customer provides the information required by Transmission Provider's planning process established in Attachment K; and
- (vi) Transmission Customer has executed a Point-to-Point Service Agreement pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of Transmission Customer requesting service. Transmission Customer shall provide, unless waived by Transmission Provider, notification to Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by 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, Transmission Provider will undertake reasonable efforts to assist Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

17. PROCEDURES FOR ARRANGING FIRM POINT-TO-POINT TRANSMISSION SERVICE

17.1 Application:

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

Public Utility District No. 2 of Grant County, Washington
Attn: Senior Manager Transmission Business Services
PO Box 878
Ephrata, WA 98823

At least sixty (60) days in advance of the calendar month in which service is to commence. The timeline to apply to Short-Term Firm Point-to-Point Transmission Service is specified in the applicable business practice. Requests for firm service for periods of less than one year shall be submitted pursuant to an executed Service Agreement as contained in Attachment B per Section 13.4. All Firm Point-to-Point Transmission Service requests should be submitted by entering the information listed below on Transmission Provider's OASIS. Prior to implementation of Transmission Provider's OASIS, a Completed Application may be submitted by transmitting the required information to Transmission Provider by email to transmissionservices@gcpud.org. The email received at transmissionservices@gcpud.org will provide a time-stamped record for establishing the priority of the Application. Transmission Provider will provide an application form for such a request.

17.2 Completed Application:

A Completed Application for Long-Term Firm Point-to-Point Transmission Service, a form for which is available upon request, shall provide all of the information included in 18 CFR § 2.20, including but not limited to the following:

- (i) The identity, address, telephone number and email address of the entity

- requesting service;
- (ii) A contact name and specific email address and telephone number for the contact;
 - (iii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
 - (iv) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
 - (v) 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. 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 an applicable RTG transmission information sharing agreements.
 - (vi) A description of the supply characteristics of the capacity and energy to be delivered;
 - (vii) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
 - (viii) The Service Commencement Date and the term of the requested Transmission Service;
 - (ix) The transmission capacity requested for each Point of Receipt and each Point of Delivery on Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
 - (x) A statement indicating that, if Eligible Customer submits a Pre-Confirmed Request, Eligible Customer will execute a Service Agreement upon receipt of notification that Transmission Provider can provide the requested Transmission Service; and
 - (xi) Any additional information required by Transmission Provider's planning process established in Attachment K.
 - (xii) If 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 reciprocity requirements of Section 6.
 - (xiii) Other information as specified on the application form.

17.3 **Deposit:**

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. If the Application is rejected by Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a request for proposals, said deposit shall be returned without interest less any reasonable costs incurred by Transmission Provider

in connection with the review of the losing bidder's Application. The deposit also will be returned without interest less any reasonable costs incurred by Transmission Provider if Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or Eligible Customer decides not to enter into a Service Agreement for Firm Point-to-Point Transmission Service, the deposit shall be refunded in full, without interest, less reasonable costs incurred by Transmission Provider to the extent such costs have not already been recovered by Transmission Provider from Eligible Customer. Transmission Provider will provide to Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-to-Point Transmission Service is executed, the deposit, without interest, will be returned to 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, Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with Eligible Customer. If such efforts are unsuccessful, Transmission Provider shall return the Application, along with any deposit, without interest. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, 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 Long-Term Firm Point-to-Point Transmission Service, Transmission Provider shall make a determination of available transfer capability as required in Section 15.2. Transmission Provider shall notify 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 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 Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement.

Failure of an Eligible Customer to execute and return the Service Agreement within fifteen (15) days after it is tendered by Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be

refunded without interest. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service for Long-Term Firm Point-to-Point Transmission Service. 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 or fraction thereof within fifteen (15) calendar days of notifying 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 Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) calendar 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 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 Transmission Provider per Section 14.4 and execute a Service Agreement.

18.2 Completed Application:

A Completed Application, a form for which is available upon request, shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

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

- (vii) If 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 reciprocity requirements of Section 6, and
- (viii) Other information as requested on the application form.

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

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

Transmission Provider will treat this information in (ix) and (x) as confidential at the request of 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 applicable RTG transmission information sharing agreements.

- (xi) A statement indicating that, if Eligible Customer submits a Pre-Confirmed Request, Eligible Customer will execute a Service Agreement upon receipt of notification that 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) calendar days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) calendar days before service is to commence; requests for daily service shall be submitted no earlier than the Business Day before the Preschedule Day applicable to such service; and requests for hourly service shall be submitted no earlier than 10:00 a.m. on the Preschedule Day applicable to such service. Requests for service received later than 2:00 p.m. prior to the applicable Preschedule Day will be accommodated if practicable.

18.4 Determination of Available Transfer Capability:

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

19. ADDITIONAL STUDY PROCEDURES FOR FIRM POINT-TO-POINT TRANSMISSION SERVICE REQUESTS

19.1 Notice of Need for System Impact Study:

After receiving a request for service, Transmission Provider shall determine on a non-

discriminatory basis whether a System Impact Study is needed. A description of Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform Eligible Customer, as soon as practicable. Once informed, Eligible Customer shall timely notify Transmission Provider if it elects to have 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, Eligible Customer can avoid the costs associated with the study of these options. Transmission Provider shall within sixty (60) calendar days of receipt of a Completed Application, tender a System Impact Study agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, Eligible Customer shall execute the System Impact Study agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the System Impact Study agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned without interest.

19.2 **System Impact Study Agreement and Payment:**

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

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

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

19.3 **System Impact Study Procedures:**

Upon receipt of an executed System Impact Study agreement, Transmission Provider will use due diligence to complete the required System Impact Study within a reasonable amount of time. The System Impact Study shall identify (i) any system constraints, identified with specificity by transmission element or flowgate, (ii) conditional curtailment options (when requested by an Eligible Customer) including the estimated number of hours per year and the System Conditions during which conditional curtailment may occur, and (iii) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. If Transmission Provider possesses information indicating that any resource outside its Balancing Authority Area could relieve the constraint, it shall identify each such resource in the

System Impact Study. In the event that Transmission Provider is unable to complete the required System Impact Study within ninety (90) calendar days, it shall so notify Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to Eligible Customer as soon as the System Impact Study is complete. 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.

Transmission Provider shall notify Eligible Customer upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) calendar days of completion of the System Impact Study Eligible Customer must execute a Service Agreement, or the Application shall be deemed terminated and withdrawn.

19.4 Notice of Need for Environmental Study:

If Transmission Provider determines that an Environmental Study is required in response to a request for service, Transmission Provider shall tender an Environmental Study agreement as soon as practicable. Pursuant to such agreement Eligible Customer shall agree to pay Transmission Provider for performing the Environmental Study. Eligible Customer shall execute and return the Environmental Study agreement within thirty (30) calendar days of receipt, or its application shall be deemed withdrawn and any applicable deposit net of expenditures already made shall be returned without interest. Transmission Provider must comply with state and federal law and local regulations, if any, regarding an Environmental Study. The need for an Environmental Study may be determined at any point in the process of evaluating a request for service. The results of the Environmental Study may impact the identified facilities and the costs of such facilities identified in a Facilities Study per Section 19.5 and may result in a need to update a Facilities Study to represent these costs.

19.5 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply Eligible Customer's service request, Transmission Provider, within sixty (60) calendar days of the completion of the System Impact Study, shall tender to Eligible Customer a Facilities Study agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, Eligible Customer shall execute the Facilities Study agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the Facilities Study agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned without interest. Upon receipt of an executed Facilities Study agreement, Transmission Provider will use due diligence to complete the required Facilities Study within a reasonable amount of time. If Transmission Provider is unable to complete the Facilities Study in a reasonable time period, Transmission Provider shall notify Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study.

When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to Transmission Customer, (ii) 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 estimated time required to complete such construction and initiate the requested service. Transmission Customer shall provide Transmission Provider with a letter of credit or other reasonable form of security acceptable to Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. Transmission Customer shall have thirty (30) calendar days to execute a Service Agreement and provide the required letter of credit or other form of security. If executed Service Agreement and security are not received within thirty (30) calendar days by Transmission Provider, the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.6 Facilities Study Modifications:

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

19.7 Completing New Facilities:

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.

19.8 Partial Interim Service:

If 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, Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-to-Point Transmission Service that can be accommodated without addition of any facilities. However, 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.

19.9 Expedited Procedures for New Facilities:

In lieu of the procedures set forth above, Eligible Customer shall have the option to expedite the process by requesting Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which Eligible Customer would agree to compensate Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, Eligible Customer shall request in writing an Expedited Service

Agreement covering all of the above-specified items within thirty (30) calendar days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. Transmission Provider is not obligated to offer an Expedited Service Agreement and may at its sole discretion inform Eligible Customer that an Expedited Service Agreement will not be offered.

If Transmission Provider agrees to move forward with an Expedited Service Agreement, Transmission Provider will provide 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 Eligible Customer must agree in writing to compensate Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (15) calendar days of its receipt or Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn. Transmission Provider reserves the right to require adequate security as part of an Expedited Service Agreement and has complete discretion regarding the adequacy of the security.

20. PROCEDURES IF 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, Transmission Provider shall promptly notify Transmission Customer. In such circumstances, Transmission Provider shall, within thirty (30) calendar days of notifying Transmission Customer of such delays, convene a technical meeting with Transmission Customer to evaluate the alternatives available to Transmission Customer. Transmission Provider also shall make available to Transmission Customer studies and work papers related to the delay, including all information that is in the possession of Transmission Provider that is reasonably needed by Transmission Customer to evaluate any alternatives.

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, Transmission Provider shall present such alternatives for consideration by Transmission Customer. If, upon review of any alternatives, Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request 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, Transmission Provider shall tender a Service Agreement for Non-Firm Point-to-Point Transmission Service providing for the service upon Transmission Customer's application for a Service Agreement per Section 14.4. In the event Transmission Provider concludes that no reasonable alternative exists, and Transmission Customer disagrees, Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 11.

20.3 Refund Obligation for Unfinished Facility Additions:

If Transmission Provider and Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-to-Point Transmission Service shall terminate and any deposit made by Transmission Customer shall be returned without interest. However, Transmission Customer shall be responsible for all prudently incurred costs by 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:

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. Transmission Provider will undertake reasonable efforts to assist 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, Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. Transmission Provider, after consultation with 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. Transmission Provider shall notify 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) calendar days of receiving written notification by Transmission Provider of its intent to defer construction pursuant to this Section 21.2, Transmission Customer may challenge the decision in accordance with the dispute resolution procedures.

22. CHANGES IN SERVICE SPECIFICATIONS

22.1 Modifications on a Non-Firm Basis:

Transmission Customer taking Firm Point-to-Point Transmission Service may request 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.

- (i) 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 Transmission Provider on behalf of its Native Load Customers.

- (ii) The sum of all Firm and Non-Firm Point-to-Point Transmission Service provided to Transmission Customer at any time pursuant to this Section 22 shall not exceed the Reserved Capacity in the relevant Service Agreement under which such services are provided.
- (iii) 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.
- (iv) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-to-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 **Modification on a Firm Basis:**

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

23. **SALE OR ASSIGNMENT OF TRANSMISSION SERVICE**

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

23.1.1 A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. All commercial terms and conditions related to the transfer of rights shall be established by separate agreement between the Reseller and the Assignee. Transmission Provider may amend applicable Service Agreements to reflect its revised service level if Reseller sells, assigns, or transfers a portion of its rights.

23.1.2 The Assignee must execute a service agreement with Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by Transmission Provider pursuant to Section 13.2. Following an assignment, the Reseller will continue to be responsible for

all charges under Schedule 7 for PTP Transmission Service and for the applicable Ancillary Service Charges under Schedules 1, 2 and 11. The Assignee will be responsible for the applicable Ancillary Services Charges under Schedules 3, 4, 5, 6, and 9 and for charges for Real Power Losses per Section 15.7.

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, 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 Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate 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 Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

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

24. METERING AND POWER FACTOR CORRECTION AT RECEIPT AND DELIVERY POINTS(S)

24.1 Transmission Customer Obligations:

Unless otherwise agreed, 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 Transmission Provider. Such equipment shall remain the property of Transmission Customer.

24.2 Transmission Provider Access to Metering Data:

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

24.3 Power Factor:

Unless otherwise agreed, Transmission Customer is required to maintain a power factor within the same range as 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). Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales. Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 8.

26. STRANDED COST RECOVERY

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

27. COMPENSATION FOR NEW FACILITIES

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

III. NETWORK INTEGRATION TRANSMISSION SERVICE

Preamble:

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

28. NATURE OF NETWORK INTEGRATION TRANSMISSION SERVICE

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in Transmission Provider's Balancing Authority Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities:

Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over Transmission Provider's Transmission System.

Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by Transmission Provider to calculate available transfer capability. Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

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

28.4 Secondary Service:

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

28.5 Real Power Losses:

Real power losses are associated with all transmission service. The Network Customer will pay for losses per the terms and loss factors stated in Rate Schedule 33 - Wholesale Ancillary Services (see www.grantpud.org).

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-to-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of Transmission Provider's Transmission System. Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

29. INITIATING SERVICE

29.1 Condition Precedent for Receiving Service:

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

29.2 Application Procedures:

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

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

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- Arrangements governing sale and delivery of power to third parties from generating facilities located in Transmission Provider Balancing Authority Area, where only a portion of unit output is designated as a Network Resource;

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

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the Balancing Authority Area from which the power will originate
- Delivery point(s) to Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons

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

- Power flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a power flow format compatible with that used by Transmission Provider. If requested by Transmission Provider for any particular generation facilities or loads, an Eligible Customer must provide specific modeling data and provide test results demonstrating the accuracy of their modeling data to actual operation.
- Operating restrictions needed for reliability
- Operating guides employed by system operators

- Contractual restrictions or committed uses of Eligible Customer's transmission system, other than Eligible Customer's Network Loads and Resources
 - Location of Network Resources described in subsection (v) above
 - 10-year projection of system expansions or upgrades
 - Transmission System maps that include any proposed expansions or upgrades
 - Thermal ratings of Eligible Customer's Balancing Authority Area ties with other Balancing Authority Areas;
- (vii) Service Commencement Date and the term of the requested Network Integration Transmission Service. The minimum term for Network Integration Transmission Service is one year;
- (viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program;
- (ix) 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 the reciprocity requirements of Section 6; and
- (x) Any additional information required of Transmission Customer as specified in Transmission Provider's planning process established in Attachment K.

Unless the Parties agree to a different time frame, Transmission Provider must acknowledge the request within ten (10) calendar days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to Eligible Customer. If an Application fails to meet the requirements of this Section 29, Transmission Provider shall notify Eligible Customer requesting service within fifteen (15) calendar days of receipt and specify the reasons for such failure. Wherever possible, Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with Eligible Customer. If such efforts are unsuccessful, Transmission Provider shall return the Application without prejudice to Eligible Customer filing a new or revised Application that fully complies with the requirements of this Section 29. Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until Transmission

Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities:

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

29.5 Executed Service Agreement Required:

Service will be commenced following the execution of a Service Agreement consistent with the terms of this Tariff.

30. NETWORK RESOURCES

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff.

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

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new network resource satisfies the following conditions: (i) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (ii) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network

Customer's Network Load on a non- interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement and Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 **Termination of Network Resources:**

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof. Requests to redesignate a different resource and/or a resource with increased capacity will be deemed deficient and Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 **Operation of Network Resources:**

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Balancing Authority Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of Transmission Provider to respond to an emergency or other unforeseen condition

which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service or utilizing secondary service pursuant to Section 28.4. Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

30.5 Transmission Arrangements for Network Resources Not Physically Interconnected with Transmission Provider:

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

30.6 Limitation on Designation of Network Resources:

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

30.7 Use of Interface Capacity by the Network Customer:

There is no limitation upon a Network Customer's use of Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.

30.8 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration, the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of Transmission Provider, to serve its power and transmission customers. For facilities added by the Network Customer subsequent to (January 1, 2026), as determined by final action of the Grant PUD Commission, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of

Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by Transmission Provider, would be eligible for inclusion in Transmission Provider's annual transmission revenue requirement as specified in Attachment H. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31. DESIGNATION OF NETWORK LOAD

31.1 Network Load:

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

31.2 New Network Loads Connected with Transmission Provider:

The Network Customer shall provide Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.5 and shall be charged to the Network Customer.

31.3 Network Load Not Physically Interconnected with Transmission Provider:

This Section 31.3 applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside Transmission Provider's Transmission System, the Network Customer shall have the option of (i) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or (ii) excluding that entire load from its Network Load and purchasing Point-to-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this Section 31.3 the request must be made through a modification of service pursuant to a new Application.

31.4 New Interconnection Points:

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

31.5 Changes in Service Requests:

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

31.6 Annual Load and Resource Information Updates:

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

32. ADDITIONAL STUDY PROCEDURES FOR NETWORK INTEGRATION TRANSMISSION SERVICE REQUESTS

32.1 Notice of Need for System Impact Study:

After receiving a request for service, Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform Eligible Customer, as soon as practicable. In such cases, Transmission Provider shall within sixty (60) calendar days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, Eligible Customer shall execute the System Impact Study Agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned without interest.

32.2 System Impact Study Agreement and Payment:

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

to evaluate the impact of eligible Customer's request for service on the Transmission System.

- 32.2.2 If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for Transmission Provider to accommodate the service requests, the costs of that study shall be pro-rated among Eligible Customers.
- 32.2.3 For System Impact Studies that Transmission Provider conducts on its own behalf, Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 8.

32.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, Transmission Provider will use due diligence to complete the required System Impact Study as soon as reasonable and practical. The System Impact Study shall identify (i) any system constraints, identified with specificity by transmission element or flowgate, (ii) available options for installation of automatic devices to Curtail service (when requested by an Eligible Customer), and (iii) additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. If Transmission Provider possesses information indicating that any resource outside its Balancing Authority Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that Transmission Provider is unable to complete the required System Impact Study within a reasonable time period, it shall so notify Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to Eligible Customer as soon as the System Impact Study is complete. 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. Transmission Provider shall notify Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) calendar days of completion of the System Impact Study Eligible Customer must execute a Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Notice of Need for Environmental Study:

If Transmission Provider determines that an Environmental Study is required in response to a request for service, Transmission Provider shall tender an Environmental Study agreement as soon as practicable. Pursuant to such agreement Eligible Customer shall agree to pay Transmission Provider for performing the Environmental Study. Eligible Customer shall execute and return the Environmental Study agreement within thirty (30) calendar days of receipt, or its application shall be deemed withdrawn and its deposit shall be returned without interest. Transmission Provider must comply with state and federal law and local regulations, if any, regarding an Environmental Study. The need for an Environmental Study may be determined at any point in the process of evaluating a request for service. The results of the Environmental Study may impact the identified facilities and the costs of such facilities identified in a Facilities

Study per Section 32.5 and may result in a need to update a Facilities Study to represent these costs.

32.5 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply Eligible Customer's service request, Transmission Provider, within sixty (60) calendar days of the completion of the System Impact Study, shall tender to Eligible Customer a Facilities Study agreement pursuant to which Eligible Customer shall agree to pay Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, Eligible Customer shall execute the Facilities Study agreement and return it to Transmission Provider within fifteen (15) calendar days. If Eligible Customer elects not to execute the Facilities Study agreement, its Application shall be deemed withdrawn and its deposit shall be returned without interest. Upon receipt of an executed Facilities Study agreement, Transmission Provider will use due diligence to complete the required Facilities Study as soon as reasonable and practical. If Transmission Provider is unable to complete the Facilities Study in a reasonable time period, Transmission Provider shall notify Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to Eligible Customer, (ii) Eligible Customer's appropriate share of the cost of any required Network Upgrades, and (iii) the estimated time required to complete such construction and initiate the requested service. Eligible Customer shall provide Transmission Provider with a letter of credit or other reasonable form of security acceptable to Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. Eligible Customer shall have thirty (30) calendar days to execute a Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

33. LOAD SHEDDING AND CURTAILMENTS

33.1 Procedures:

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

33.2 Transmission Constraints:

During any period when Transmission Provider determines that a transmission constraint exists on the Transmission System, and such constraint may impair the reliability of Transmission Provider's system, Transmission Provider will take

whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of Transmission Provider's system.

33.3 Curtailments of Scheduled Deliveries:

If Transmission Provider determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Network Operating Agreement.

33.4 Allocation of Curtailments:

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

33.5 Load Shedding:

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

33.6 System Reliability:

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

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

34. RATES AND CHARGES

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

34.1 Monthly Demand Charge:

The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of Transmission Provider's Annual Transmission Revenue Requirement specified in Attachment H. At such time as Transmission Provider determines that a change to the revenue requirement is called for, it would undertake a Cost-of-Service Analysis process, which would be subject to public notice and comment.

34.2 Determination of Network Customer's Monthly Network Load:

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

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

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

34.4 Stranded Cost Recovery:

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

35. OPERATING ARRANGEMENTS

35.1 Operation under the Network Operating Agreement:

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

35.2 Network Operating Agreement:

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

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

35.3 Network Operating Committee:

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

SCHEDULE 1 - 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 Transmission Provider (if Transmission Provider is the Balancing Authority Area operator) or indirectly by Transmission Provider making arrangements with the Balancing Authority Area operator that performs this service for Transmission Provider's Transmission System. Transmission Customer must purchase this service from 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 Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator.

The charges for Scheduling, System Control and Dispatch Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 2 - Reactive Supply and Voltage Control from Generation or Other Sources Service

In order to maintain transmission voltages on 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. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on Transmission Provider's transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other Sources Service that must be supplied with respect to Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by Transmission Provider.

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

The charges for Reactive Supply and Voltage Control from Generation and Other Sources Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

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 Transmission Provider (or the Balancing Authority Area operator that performs this function for Transmission Provider). Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. Transmission Customer must either purchase this service from Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. Transmission Provider will take into account the speed and accuracy of regulation resources in its determination of Regulation and Frequency Response reserve requirements, including as it reviews whether a self-supplying Transmission Customer has made alternative comparable arrangements. Upon request by the self-supplying Transmission Customer, Transmission Provider will share with Transmission Customer its reasoning and any related data used to make the determination of whether Transmission Customer has made alternative comparable arrangements.

The amount of and charges for Regulation and Frequency Response Service are set forth below. To the extent the Balancing Authority Area operator performs this service for Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator.

The charges for Regulation and Frequency Response Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 4 - Energy Imbalance Service for Loads

Energy Imbalance Service for Loads 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. Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. Transmission Customer must either purchase this service from 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 Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator. Transmission Provider may charge Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The charges for Energy Imbalance Service for Loads provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

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. Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. Transmission Customer must either purchase this service from 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 Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator.

The charges for Operating Reserve – Spinning Reserve Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

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. Transmission Provider must offer this service when the transmission service is used to serve load within its Balancing Authority Area. Transmission Customer must either purchase this service from 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 Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area operator.

The charges for Operating Reserve – Supplemental Reserve Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 7 - Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service

Transmission Customer shall compensate Transmission Provider each month for Reserved Capacity.

The charges for Long-Term Firm and Short-Term Firm Point-to-Point Transmission Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 32 Point-to-Point Transmission Service (see www.grantpud.org).

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

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

The charges for Non-Firm Point-to-Point Transmission Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 32 Point-to-Point Transmission Service (see www.grantpud.org).

1. Discounts: Three principal requirements apply to discounts for transmission service as follows (i) any offer of a discount made by Transmission Provider must be announced to all Eligible Customers solely by posting on the OASIS, (ii) 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 (iii) 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, 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.
2. 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 Transmission Provider's Balancing Authority Area and a delivery schedule from that generator to (i) another Balancing Authority Area or (ii) a load within the Transmission Provider's Balancing Authority Area over a single hour. 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. Transmission Customer must either purchase this service from 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 Transmission Provider, charges to Transmission Customer are to reflect only a pass-through of the costs charged to Transmission Provider by that Balancing Authority Area Operator. Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The charges for Generator Imbalance Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org).

SCHEDULE 10 - Unreserved Use of Transmission Service

Transmission Provider will impose an Unreserved Use charge in any circumstance where Transmission Provider detects that an Eligible Customer has used transmission service that it has not reserved (including instances where transmission was used in excess of the quantity reserved). For the purpose of this Schedule 10, and in accordance with Sections 3, 13.4, and 14.4 under this Tariff, such Eligible Customer shall be deemed to have executed the appropriate Service Agreement attached to this Tariff.

In each case of Unreserved Use, 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 charge. Transmission Provider will calculate the Unreserved Use charge as follows:

1. The Unreserved Use charge for each hour of Unreserved Use is two times Transmission Provider's rate at the time of the Unreserved Use for Daily Firm Point-to-Point Transmission Service as set forth on Schedule 7; and
2. For the actual period of Unreserved Use, Transmission Provider will charge Eligible Customer two times the posted rates for any ancillary services associated with the customer's actual Unreserved Use pursuant to the terms of Schedules 1, 2, 3, 4, 5, 6, 8, 9 and 11 of the Tariff.

SCHEDULE 11 – Generation and Storage Balancing Service

Generation and Storage Balancing Service is required to help maintain the power system frequency at 60 Hz and to conform to NERC and WECC reliability standards. Generation and Storage Balancing Service is accomplished primarily by committing on-line generation that can raise or lower output through the use of automatic generation control equipment.

Generation and Storage Balancing Service is provided when a difference occurs between the instantaneous output or consumption of a generation or storage facility and the schedule for the facility. Generation and Storage Balancing Service provides the necessary incremental and decremental capacity to allow the Balancing Authority to deliver the schedule to or from the generation or storage facility.

The charges for Generation and Storage Balancing Service provided by Transmission Provider under this Tariff are stated in Rate Schedule 33 Ancillary Services (see www.grantpud.org). Transmission Provider will determine the applicable rate from Rate Schedule 33 based on the characteristics of the facility.

**ATTACHMENT A - Form of Service Agreement for Long-Term Firm Point-to-Point
Transmission Service**

This Long-Term Firm Point-to-Point Transmission Service Agreement (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”) and <TRANSMISSION CUSTOMER> (“Transmission Customer”), which hereinafter may be referred to individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, Grant PUD provides Firm Point-to-Point Transmission Service over its Transmission System under Grant PUD’s Open Access Transmission Tariff (“Tariff”); and

WHEREAS, Transmission Customer desires to receive Long-Term Firm Point-to-Point Transmission Service under the Tariff; and

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

NOW THEREFORE, the Parties agree as follows:

1. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in the Tariff. <TRANSMISSION CUSTOMER> shall be Transmission Customer as such term is used in the Tariff and Grant PUD shall be Transmission Provider as such term is used in the Tariff.

2. Standard Provisions

2.1 Terms and Conditions: The terms and conditions under which Long-Term Firm Transmission Service is offered and accepted are pursuant to this Service Agreement and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this Service Agreement. Grant PUD may change the terms and conditions of the Tariff.

2.2 Incorporation of Exhibits: The following exhibits are incorporated herein and made a part of this Service Agreement. Exhibit 1 (Specifications and Charges for Long-Term Firm Point-to-Point Transmission Service) and Exhibit 2 (Specifications and Charges for Ancillary Services).

2.3 Completed Application: Grant PUD has determined that Transmission Customer is deemed to have a Completed Application for Firm Point-to-Point Transmission Service under the Tariff.

2.4 Application Deposit: Transmission Customer has provided to Grant PUD an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.

3. Term and Regulatory Filing

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

3.2 Service Commencement Date: Service under this Service Agreement shall commence on ____.

33 Termination of Agreement: This Service Agreement shall remain in effect through _____.

4. Long-Term Firm Point-to-Point Transmission Service

As of the Service Commencement Date Grant PUD shall provide, and Transmission Customer shall take and pay for, Long-Term Firm Point-to-Point Transmission Service pursuant to the Tariff. Exhibit 1 to this Service Agreement, as may be amended, lists the Points of Receipt and Points of Delivery, the amounts of Reserved Capacity at the Points of Receipt and Points of Delivery and applicable charges for Long-Term Firm Point-to-Point Transmission Service.

5. Other Services

As of the Service Commencement Date Grant PUD shall provide, and Transmission Customer shall take and pay for, all applicable Ancillary Services. The amounts of such services, specific terms and conditions associated with such services, and the charges for such services are listed in Exhibit 2 to this Service Agreement.

6. Construction of Facilities

<No construction/Construction> of Direct Assignment Facilities or Network Upgrades

<are/is> required for Firm Transmission Service to be provided pursuant to this Service Agreement. Such facilities, if any, shall be specified in Exhibit 1 or in a separate facilities construction agreement between the Parties.

7. Billing and Payment

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

Attention: <>
<>
<>
<>

All payments to Grant PUD shall be to the account specified on each billing invoice.

8. If Transmission Customer does not own, control, or operate transmission facilities, Transmission Customer shall not use this Service Agreement to assist an Eligible Customer to avoid the reciprocity requirements of Section 6 of the Tariff.

9. Miscellaneous Provisions

9.1 Waivers: Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Service Agreement shall not be considered a waiver with respect to any other default of the same or any other matter.

9.2 Creditworthiness: Transmission Customer shall demonstrate and maintain creditworthiness per Section 10 of the Tariff.

- 9.3 Effect of Section Headings: Section headings appearing in this Service Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Service Agreement.
- 9.4 Notices: 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
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	

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

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
 of Grant County, Washington

Transmission Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT 1
SPECIFICATIONS AND CHARGES FOR LONG-TERM FIRM POINT-TO-POINT TRANSMISSION SERVICE

Point(s) of Receipt

Location:

Reserved Capacity:

Delivering Party:

Point(s) of Delivery

Location:

Reserved Capacity:

Receiving Party:

Reserved Capacity

Maximum Amount of Capacity and Energy to be Transmitted:

Monthly Transmission Charge

Pursuant to Schedule 7 of the Tariff

Real Power Losses

Pursuant to Section 15.7 of the Tariff

Applicable Delivery Voltage(s) for Real Power Losses:

Unreserved Use of Transmission Service

Pursuant to Schedule 10 of the Tariff

Direct Assignment Facilities Charges

Designation of Party Subject to Reciprocal Service Obligation

Pursuant to Section 6 of the Tariff

**EXHIBIT 2
SPECIFICATIONS AND CHARGES FOR ANCILLARY SERVICES**

Scheduling, System Control and Dispatch Service

Pursuant to Schedule 1 of the Tariff

Reactive Supply and Voltage Control from Generation Sources

Pursuant to Schedule 2 of the Tariff

Regulation and Frequency Response Service

Pursuant to Schedule 3 of the Tariff, as applicable

Energy Imbalance Service

Pursuant to Schedule 4 of the Tariff, as applicable

Operating Reserve - Spinning Reserve Service

Pursuant to Schedule 5 of the Tariff, as applicable

Operating Reserve - Supplemental Reserve Service

Pursuant to Schedule 6 of the Tariff, as applicable

Generator Imbalance Service

Pursuant to Schedule 9 of the Tariff, as applicable

Generation and Storage Balancing Service

Pursuant to Schedule 11 of the Tariff, as applicable

<Designation of applicable rate per Schedule 11>

<Other Ancillary Services>

**ATTACHMENT A-1 – Form of Service Agreement for the Resale, Reassignment or
 Transfer of Long-Term Firm Point-to-Point Transmission Service**

1. This Service Agreement for the Resale, Reassignment or Transfer of Long-Term Firm Point-to-Point Transmission Service (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”), and _____ (“Assignee”).
2. The Assignee has been determined by Grant PUD to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
3. The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of Transmission Provider’s Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of this Tariff) and the Assignee to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller’s Points of Receipt and Points of Delivery will be subject to the provisions of Section 23.2 of this Tariff.
4. Assignee and Reseller will be responsible to pay for Ancillary Services and Real Power Losses per Section 23.1.2 of the Tariff.
5. 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
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	

6. Specifications for the Resale, Reassignment, or Transfer of Long-Term Firm Point-to-Point Transmission Service:
 - 6.1 Term of Transaction: _____
 Start Date: _____
 Termination Date: _____
 - 6.2 Description of capacity and energy to be transmitted by Transmission Provider including the Balancing Authority in which the transaction originates.

 - 6.3 Point(s) of Receipt: _____
 Delivering Party: _____

6.4 Point(s) of Delivery: _____

Receiving Party: _____

6.5 Maximum amount of reassigned capacity: _____

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

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

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

6.8.1 Transmission Charge: As specified in Grant PUD's Rate Schedules

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

6.8.3 Direct Assignment Facilities Charge: _____

6.8.4 Ancillary Services Charges: _____

6.9 Name of Reseller of the reassigned transmission capacity:

7. The Tariff is incorporated herein and made a part hereof. Grant PUD may change the terms and conditions of the Tariff.

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
of Grant County, Washington

Assignee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

**ATTACHMENT B – Form of Service Agreement for Short-Term Firm Point-to-Point
Transmission Service and Non-Firm Point-to-Point Transmission Service**

This Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service Agreement (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”), and _____ (“Transmission Customer”), which hereinafter may be referred to individually as "Party" or collectively as "Parties".

RECITALS

WHEREAS, Grant PUD provides Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service over its Transmission System under Grant PUD's Open Access Transmission Tariff; and

WHEREAS, Transmission Customer desires to obtain Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service over Grant PUD’s Transmission System from time to time.

NOW THEREFORE, the Parties agree as follows:

1. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in Grant PUD’s Open Access Transmission Tariff (“Tariff”). <TRANSMISSION CUSTOMER> shall be Transmission Customer as such term is used in the Tariff and Grant PUD shall be Transmission Provider as such term is used in the Tariff.

2. Standard Provisions

2.1 Terms and Conditions: The terms and conditions under which short-term firm and non-firm Transmission Service is offered and accepted are pursuant to this Service Agreement and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this Service Agreement as Exhibit 1. Grant PUD may change the terms and conditions of the Tariff.

2.2 Eligible Customer: Transmission Customer represents that it is an Eligible Customer under the Tariff.

3. Term

3.1 Effective Date: This Service Agreement shall be effective on the date set forth above (“Effective Date”) and shall remain in effect for 5 years following the Effective Date.

3.2 Termination Due to Lack of Creditworthiness: If at any time during the term of this Service Agreement Grant PUD should require Transmission Customer, by written notice and pursuant to Section 10 of the Tariff, to provide and maintain a form of security and Transmission Customer does not comply with this requirement within a reasonable period of time, Grant PUD may terminate this Service Agreement.

3.3 Termination Due to Customer Default: Grant PUD may terminate this Service Agreement due to

default by Transmission Customer including but not limited to default per Section 7.3 of the Tariff.

3.4 Termination of Agreement: Except as provided in Sections 3.1, 3.2 and 3.3, this Service Agreement shall remain in effect until such time as Transmission Customer provides written notice of termination to Grant PUD.

4 Point-to-Point Transmission Service

4.1 Grant PUD shall provide Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service upon request by an authorized representative of Transmission Customer.

4.2 Transmission Customer agrees to supply information which Grant PUD deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

4.3 Grant PUD shall provide, and Transmission Customer shall take and pay for, Short-Term Firm Point-to-Point Transmission Service and Non-Firm Point-to-Point Transmission Service pursuant to the provisions of Part II of the Tariff and this Service Agreement.

4.4 The applicable charges for Short-Term Firm Point-to-Point Transmission Service shall be pursuant to Schedule 7 of the Tariff.

4.5 The applicable charges for Non-Firm Point-to-Point Transmission Service shall be pursuant to Schedule 8 of the Tariff.

4.6 The applicable Ancillary Services for each purchase of Point-to-Point Transmission Service under this Service Agreement will be determined by Transmission Provider. The applicable charges for Ancillary Services shall be pursuant to Schedules 1, 2, 3, 4, 5, 6, 9, 11, and any additional applicable Ancillary Services added to the Tariff after the Effective Date of this Service Agreement per Section 3.

4.7 Transmission Customer shall reimburse Transmission Provider for losses pursuant to Section 15.7 of the Tariff.

5. Billing and Payment

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

Attention: <>

<>

<>

<>

All payments to Grant PUD shall be to the account specified on each billing invoice.

6. Resale, Reassignment, or Transfer

6.1 As an Eligible Customer under the Tariff, pursuant to which the transmission service rights to be

transferred were originally obtained, Transmission Customer (“Assignee”) may request and accept the resale, re-assignment or transfer of Short-Term Firm Point-to-Point Transmission Service by a Reseller.

- 6.2 The terms and conditions for any resale, re-assignment or transfer under this Service Agreement shall be subject to the terms and conditions of Part II of Grant PUD’s Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 23.1 of the Tariff) and Assignee, which may include: contract effective and termination dates, the amount of reassigned capacity or energy, Point(s) of Receipt and Point(s) of Delivery. Changes by the Assignee to the Reseller’s Point(s) of Receipt and Point(s) of Delivery shall be subject to the provisions of Section 23.2 of the Tariff.

Grant PUD is not responsible for any payment owed to the Reseller by the Assignee.

- 7. If Transmission Customer does not own, control, or operate transmission facilities, Transmission Customer shall not use this Service Agreement to assist an Eligible Customer to avoid the reciprocity requirements of Section 6 of the Tariff.

8. Miscellaneous Provisions

- 8.1 **Waivers:** Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Service Agreement shall not be considered a waiver with respect to any other default of the same or any other matter.
- 8.2 **Creditworthiness:** Transmission Customer shall demonstrate and maintain creditworthiness per Section 10 of the Tariff.
- 8.3 **Effect of Section Headings:** Section headings appearing in this Service Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Service Agreement.
- 8.4 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
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823	

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
of Grant County, Washington

Transmission Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT C - Methodology to Assess Available Transfer Capability

Transmission Provider will comply with all its applicable standards and guidelines of NAESB or its successor(s) in assessing Available Transmission Capacity (ATC).

Transmission Provider details its ATC practices in the Available Transfer Capability Implementation Document (ATCID), posted on its OASIS website.

ATTACHMENT D - Methodology for Completing a System Impact Study

Transmission Provider will assess the capability of its Transmission System to provide the service requested using the criteria and process for this assessment as detailed in the current applicable [FERC Form 715](#), Parts 4 and 5 of Transmission Provider's annual submittal. In determining the level of capacity available for new requests for Point-to-Point Transmission Service, Transmission Provider may exclude, from capacity to be made available for new requests for Point-to-Point Transmission Service, that capacity needed to meet current and reasonably forecasted loads of Native Load Customers and Network Customers, and to meet contractual obligations existing prior to the initial implementation of the Transmission Provider's OATT.

In conjunction with its process for considering transmission applications, Transmission Provider will share pertinent information on FERC Form 715, upon request and subject to appropriate protective agreements.

ATTACHMENT E - Index of Point-to-Point Transmission Service Customers

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

ATTACHMENT F - Service Agreement for Network Integration Transmission Service

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

This NETWORK INTEGRATION TRANSMISSION SERVICE AGREEMENT (“Service Agreement”), effective upon the date of the last Party’s signature below, is by and between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”) and <TRANSMISSION CUSTOMER> (“Transmission Customer”), which hereinafter may be referred to individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, Grant PUD provides Network Integration Transmission Service over its Transmission System under Grant PUD’s Open Access Transmission Tariff (“Tariff”); and

WHEREAS, Grant PUD has determined that Transmission Customer has submitted a completed application.

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

NOW THEREFORE, the Parties agree as follows:

1. Definitions

Unless otherwise defined herein, all capitalized terms shall have their respective meanings as set forth in the Tariff. <Transmission Customer> shall be Transmission Customer as such term is used in the Tariff and Grant PUD shall be Transmission Provider as such term is used in the Tariff.

2. Standard Provisions

2.1 Terms and Conditions and Incorporation of Tariff: The terms and conditions under which Network Integration Transmission Service is offered and accepted are pursuant to this Service Agreement and to the Tariff. The Tariff is hereby incorporated by this reference and made a part of this Service Agreement. Unless otherwise mutually agreed by the Parties, Grant PUD. may change the terms and conditions of the Tariff.

2.2 Incorporation of Exhibits: The following exhibits are incorporated herein and made a part of this Service Agreement: Exhibit 1 (Specifications for Network Integration Transmission Service), Exhibit 2 (Specifications and Charges for Ancillary Services), and Exhibit 3 (Network Operating Agreement).

3. Term and Regulatory Filing

3.1 Effective Date and Filing: This Service Agreement shall be effective on the date executed by both Parties.

3.2 Service Commencement Date: Service under this Service Agreement shall commence on _____.

3.3 Cancellation Rights: If any part of this Service Agreement must be changed as the result of a binding arbitration decision under Section 11 of the Tariff, Transmission Provider shall offer an amended Service Agreement reflecting such changes to Transmission Customer. In the event such amended Service Agreement is not executed by Transmission Customer within 21 days after it is offered by Transmission Provider, this Service Agreement shall be void and have no further force and effect.

3.4 Termination of Agreement: Except as provided in Section 3.3, this Service Agreement shall remain in effect through _____.

4. Network Integration Transmission Service

As of the Service Commencement Date Grant PUD shall provide, and Transmission Customer shall take and pay for Network Integration Transmission Service pursuant to the Tariff. Grant PUD's obligation to provide Network Integration Transmission Service shall be subject to Grant PUD's right to Curtailment or Interruption of schedules pursuant to the Tariff. Exhibit 1 to this Service Agreement, as may be amended, lists Transmission Customer's designated Network Resources and Network Loads.

4.1 Transmission Service: Section 34 of the Tariff and Exhibit 1 describe the applicable rates and charges methodology for Network Integration Transmission Service.

4.2 Direct Assignment Facilities and Low-voltage Substation and Distribution Facilities: Exhibit 1 describes the applicable rates and charges for any Direct Assignment Facilities and for service over any low-voltage substation and distribution facilities.

4.3 Power Factor Penalty Adjustment: Power delivered at each Point of Delivery shall be at a power factor greater than or equal to 0.95, leading or lagging, unless otherwise mutually agreed upon by the Parties. To compensate for deliveries made to a Point of Delivery at a power factor of less than 0.95, leading or lagging, Grant PUD may adjust the billing demand at such Point of Delivery. Grant PUD shall provide one month's notice to Transmission Customer prior to applying for any such adjustment for the first time at a Point of Delivery. Exhibit 1 describes the methodology for a power factor adjustment.

5. Other Services

As of the Service Commencement Date, Grant PUD shall provide, and Transmission Customer shall take and pay for all applicable Ancillary Services. The amounts of such services, specific terms and conditions associated with such services and the charges for such services are listed in Exhibit 2 to this Service Agreement.

6. Construction of Facilities

As of the Service Commencement Date, <no construction/construction> of new or additional Direct Assignment Facilities <and/or> Network Upgrades is required for Network Integration Transmission Service to be provided pursuant to this Service Agreement. Such facilities, if any, shall be specified in Exhibit 1 or in a separate facilities construction agreement between the Parties.

7. Billing and Payment

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

Attention: <>

<>

<>

<>

All payments to Grant PUD shall be submitted via electronic funds transfer to the account specified on each billing invoice.

8. If Transmission Customer does not own, control, or operate transmission facilities, Transmission Customer shall not use this Service Agreement to assist an Eligible Customer to avoid the reciprocity requirements of Section 6 of the Tariff.

9. Miscellaneous Provisions

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

9.2 Future Changes or Additions: Future changes or additions that increase Grant PUD's Transmission System capability shall not obligate Grant PUD to provide any transmission or other services in addition to those services provided under this Service Agreement, except by separate Application pursuant to Section 31.2 of the Tariff or pursuant to Grant PUD's responsibilities under Section 28.2 of the Tariff.

9.3 Waivers: Any waiver at any time by either Party hereto of its rights with respect to the other Party or with respect to any matter arising in connection with this Service Agreement shall not be considered a waiver with respect to any other default of the same or any other matter.

9.4 Effect of Section Headings: Section headings appearing in this Service Agreement are inserted for convenience of reference only and shall not be construed to be interpretations of the text of this Service Agreement.

9.5 Assignment: Grant PUD may assign this Service Agreement only upon the prior written consent of Transmission Customer, provided, however, that Transmission Customer hereby consents to assignment of this Service Agreement to a successor where such successor acquires all or substantially all of Grant PUD's electric transmission assets. Transmission Customer may request an assignment of this Service Agreement. This assignment shall include all rights and post-assignment obligations associated with this Service Agreement. Such assignment shall require mutual agreement by Grant PUD and Transmission Customer, provided that Grant PUD shall not unreasonably withhold such agreement. When notice of such assignment is provided to Grant PUD, the Parties shall work in good faith to make any necessary modifications to this Service Agreement and the Network Operating Agreement, implement metering modifications, ensure compliance with the Tariff, and make any other adjustments necessary to allow such assignment to proceed. If Grant PUD withholds agreement to such assignment, Grant PUD shall

provide a detailed written explanation as to why it is withholding agreement and shall include a detailed list of remedies that would allow Grant PUD to agree to such assignment. A Party requesting assignment shall provide at least six months' prior notice to the other Party. Subject to the foregoing restrictions on assignment, this Service Agreement shall be binding upon, inure to the benefit of and be enforceable by the Parties and their successors and assigns.

9.6 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
Public Utility District No. 2 of Grant County, Washington Attn: Senior Manager Transmission Business Services PO Box 878 Ephrata, WA 98823 TransmissionServices@gcpud.org	

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

IN WITNESS WHEREOF, the Parties hereto have caused this Service Agreement to be executed in their respective names by their duly authorized representatives as of the dates noted below.

Public Utility District No. 2
 of Grant County, Washington

Transmission Customer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT 1 SPECIFICATIONS FOR NETWORK INTEGRATION TRANSMISSION SERVICE

Designated Network Resources

Designated Network Loads

Monthly Transmission Charge

(Pursuant to Section 34 of the Tariff)

[Applicable to new Network Customers only]

For the first twelve months of service under this Service Agreement commencing with the Service Commencement date specified in Section 3.2, Transmission Customer's Load Ratio Share will be determined based on Transmission Customer's average Load Ratio Share in the months during which Transmission Customer has taken service. After the first twelve months of service, the Load Ratio Share will be calculated on a rolling twelve-month average basis.

Monthly Charges for Direct Assignment and Low Voltage Facilities

Power Factor Penalty Adjustment

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

Losses

Real power losses based on the delivery voltage or voltages will be charged pursuant to Section 28.5 of the Tariff.

Metering

EXHIBIT 2
SPECIFICATIONS AND CHARGES FOR ANCILLARY
SERVICES

Scheduling, System Control and Dispatch Service

(Pursuant to Schedule 1 of the Tariff)

Reactive Supply and Voltage Control from Generation or Other Sources Service

(Pursuant to Schedule 2 of the Tariff)

Regulation and Frequency Response Service

(Pursuant to Schedule 3 of the Tariff)

<Method of establishing billing determinants shall be specified >

Energy Imbalance Service

(Pursuant to Schedule 4 of the Tariff, as applicable)

Operating Reserve - Spinning Reserve Service

(Pursuant to Schedule 5 of the Tariff)

<Any exceptions or special conditions shall be specified>

Operating Reserve - Supplemental Reserve Service

(Pursuant to Schedule 6 of the Tariff)

<Any exceptions or special conditions shall be specified >

Generator Imbalance Service

(Pursuant to Schedule 9 of the Tariff, as applicable)

Other Applicable Services

ATTACHMENT G - Network Operating Agreement

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

This NETWORK OPERATING AGREEMENT (“Agreement”) is attached to the Network Integration Transmission Service Agreement (“Service Agreement”) between Public Utility District No. 2 of Grant County, Washington (“Grant PUD”) and <Transmission Customer> (“Transmission Customer”), each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties," and incorporated herein.

1. Purpose of Network Operating Agreement

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

2. Definitions

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

2.1 Deviation Band 1: The first band for Generator Imbalance Service per Schedule 9.

2.2 Energy Imbalance: An amount of energy determined to be an imbalance per Schedule 9.

2.3 Facility Connection Requirements: The Grant PUD Interconnection Technical Requirements, or its successor document.

3. Term

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

4. Network Operating Committee

4.1 Membership – The Network Operating Committee shall be composed of representatives from Grant PUD, Transmission Customer, other Network Customers of Grant PUD and Transmission Customer’s wholesale utility customers that receive energy delivered under a Grant PUD Network Integration Transmission Service Agreement.

4.2 Responsibilities – The Network Operating Committee shall meet at least once per year to: (i) adopt rules and procedures consistent with this Agreement and the Tariff governing operating and technical requirements necessary for implementing Network Integration Transmission Service under the Tariff; (ii) review Network Resources and Network Loads on an annual basis in order to assess the adequacy of the Transmission System, and (iii) obtain from Grant PUD its operating policies, procedures, and guidelines for network interconnection and operation.

- 4.3 General Customer Information Requirement – Transmission Customer shall, when requested by Grant PUD, provide load forecasts, generation forecasts, schedules and any other information necessary for Grant PUD’s calculation of available transmission capability on Grant PUD’s Transmission System and for Grant PUD’s implementation of Curtailment, load shedding and congestion management procedures.
- 4.4 Designation of Transmission Customer Representatives to the Network Operating Committee - Transmission Customer will communicate to Grant PUD the name and contact information of the representatives for Transmission Customer to the Network Operating Committee. Transmission Customer may designate a primary and alternative representative and may change the designations at any time by subsequent communication.

5. Interconnection Principles and Requirements

This section needs to be completed based on the existence of an applicable Interconnection Agreement

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

[Information regarding the ownership, operation and maintenance of the Parties interconnected electric facilities are specified in Attachment A to this Agreement.]

6. Interconnection of Network Resources

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

7. Curtailment of Network Resources

Curtailement of Network Resources Pursuant to Section 33 of the Tariff – Consistent with Section 33 of the Tariff, Grant PUD may direct specific operation of a Network Resource, including Curtailement, without prior notice to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. Grant PUD may direct specific operation of a Network Resource, including Curtailement, on a planned basis with prior notice to facilitate maintenance on the Transmission System or to respond to a condition which may impair or degrade the reliability of the Transmission System.

Curtailement of Contract Resources –Pursuant to Section 33 of the Tariff, Grant PUD may require the Curtailement of scheduled deliveries from contract Network Resources at a specified Point of Receipt. In the event of such Curtailement Grant PUD shall, pursuant to Good Utility Practice and on a comparable basis with service to all other affected Network Customers and Grant PUD’s bundled retail Native Load Customers, accept scheduled deliveries up to an amount equal to the Curtailement at any other available Point of Receipt on Grant PUD’s system. Any Energy Imbalances outside Deviation Band 1 that are incurred for the hour in which any such Curtailement is implemented shall be settled as if such Energy Imbalances are within Deviation Band 1. If no alternative Point of Receipt is available to Transmission Customer for the following hour or hours during such Curtailement, any resulting Energy Imbalances shall continue to be settled as if they are within Deviation Band 1.

8. Scheduling

8.1 Scheduling and Schedule Revisions – Schedules for Transmission Customer’s designated Network Resources shall be submitted by Transmission Customer to Grant PUD on the Preschedule Day applicable to such service and no later than the earlier of 10:00 a.m. or such other reasonable time that is generally accepted within the region and consistently adhered to by Grant PUD. Schedules shall be stated in increments of one megawatt per hour. Electronic tag or schedule revisions for Network Integration Transmission Service will be permitted up to twenty (20) minutes prior to the start of the hour in which such scheduled power flows, *provided, however,* that:

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

the issue. In such event, Grant PUD shall document and justify its concerns, and the Parties shall work in good faith to address the issue.

- 8.2 Scheduling of Network Resources – Transmission Customer’s designated Network Resources under the Service Agreement amount to the purchase of system power by contract. At such time as Transmission Customer intends to designate a specific generation resource connected to Grant PUD’s Transmission System or to a third-party system as a Network Resource, the Parties shall develop applicable terms and conditions regarding the scheduling of such resource and amend this Agreement accordingly. Transmission Customer will supply a minimum of nine (9) months’ notice to facilitate the addition of a Network Resource.

Parties shall specify specific scheduling requirements based on type of resource (identified resource vs system power), resource location (on or off Grant PUD’s or Transmission Customer’s system), and scheduling type (standard, dynamic, or pseudo-tie). Transmission Customer will supply a minimum of nine (9) months’ notice if Transmission Customer plans to use a dynamic schedule or a pseudo-tie. Grant PUD may require compliance with reasonable standards for all schedules.

- 8.3 Sharing of Aggregate Schedule Information – For purposes of reliable and economic operation of Grant PUD’s Balancing Authority Area, Transmission Customer consents to Grant PUD’s transmission function passing on an aggregated sum of Transmission Customer’s schedules associated with all of its borderline wheeling loads to Grant PUD’s load-serving entity and Balancing Authority function.

9. Metering and Communications

- 9.1 Meters and Meter Reading – Grant PUD and/or Transmission Customer shall own and maintain all meters used to determine any billing associated with the Service Agreement. As of the Effective Date, meters at the Points of Delivery are provided by

<Grant PUD/Transmission Customer>. Meters at the Point(s) of Delivery shall be read pursuant to the Meter Reading and Meter Test Procedures outlined in Section 9.4.

Exchange of Metering Data – The Party owning, operating and maintaining each meter used to determine billing associated with the Service Agreement shall provide to the other Party all hourly meter readings and any more frequent readings, if existing, from each such meter. All meter reading information for a given month shall be validated and made available to Grant PUD in the succeeding month by 10:00 a.m. of the fifth (5th) Business Day of such succeeding month. All meter reading records and scheduled amounts shall be exchanged electronically between the Parties on a monthly basis. Either Party shall notify the other as soon as practicable in the event of system configuration changes or other events which may affect meter readings or access to meter reading information including, but not limited to, advance notice of planned line and substation outages and planned communications outages.

- 9.2 Use of <Grant PUD/Transmission Customer>’s Meter Reading Information –<The Parties shall specify terms and conditions regarding the sharing of such data>.
- 9.3 Tests of Metering Installations – Each Party shall, at its expense, test its measuring installations associated with this Agreement and the Service Agreement in accordance with the Meter Reading and Meter Test Procedures outlined in Section 9.4, attached hereto. The Parties may mutually agree to use a single set of meters. In the event that a single set of meters is utilized,

tests of such meters shall be conducted jointly by the Parties in accordance with Section 9.4 and shall be witnessed and agreed to by representatives of each Party.

9.4 Meter Reading and Meter Test Procedures

- (a) Meter Readings – Meter readings associated with the delivery of electric power to the Point(s) of Delivery shall be the responsibility of the Party owning such meters. Electric power deliveries in any month shall be calculated on information based on meter readings, with any necessary date adjustments made by pro-rating metered amounts to the number of days in such month. In the event a recording metering device is installed, actual hourly and monthly energy deliveries shall be determined from the record developed. Each Party shall permit representatives of the other Party to inspect all the records relating to the delivery or transmission of electric power under the Service Agreement.
- (b) Meter Testing – Grant PUD and/or Transmission Customer shall own and maintain all meters used to determine any billing under the Service Agreement.
 - (i) Grant PUD meters shall be tested and inspected in accordance with Grant PUD’s meter testing practices. If requested by Transmission Customer, Grant PUD shall provide copies of applicable test and calibration records and calculations. Grant PUD shall permit representatives of Transmission Customer, and/or Transmission Customer’s wholesale utility customer to be present at all times the meters are being tested. Additionally, Grant PUD shall test any or all such meters as may reasonably be requested by Transmission Customer. Reasonable costs for such requested test shall be paid by Transmission Customer unless any of the meters are found to be inaccurate, as determined by Grant PUD consistent with its practices, in which case Grant PUD shall pay for the test.
 - (ii) Transmission Customer’s meters shall be tested and inspected in accordance with Transmission Customer’s meter testing program (“Transmission Customer Program”). If requested by Grant PUD, Transmission Customer shall provide copies of applicable test and calibration records and calculations. Transmission Customer shall permit a representative of Grant PUD to be present at all times the meters are being tested. Additionally, Transmission Customer shall test any or all such meters as may reasonably be requested by Grant PUD. Reasonable costs for such requested test shall be paid by Grant PUD unless any of the meters are found to be inaccurate, as defined in Transmission Customer Program, in which case Transmission Customer shall pay for the test.
 - (iii) Each Party shall give reasonable notice of the time when any such test or inspection is to be made to the other Party who may have representatives present at such tests or inspections. Any component of such installations found to be defective or inaccurate shall be adjusted, repaired or replaced by the owner of the meter to provide accurate metering.
- (c) Adjustments – If any meter fails to register, or if the measurement made by such meter during a test made as provided below fails to meet the standards of such test, or if an error in meter reading occurs, adjustment shall be made correcting all measurements for the actual period during which such inaccurate measurements were made. Should any metering equipment at any time fail to register, or should registration thereof be so erratic as to be meaningless, the capacity, energy and reactive power delivered shall be

determined from the best available data. If an estimate is required due to metering equipment malfunction, the method of estimating capacity, energy and reactive power delivered shall be made available and agreed upon by both Parties. The approval process shall not delay billings. Such corrected measurements shall be used to re-calculate billed amounts under the Service Agreement.

- 9.5 Metering and Communications Required for Integration of Network Resources –Transmission Customer shall be directly responsible for all costs associated with the installation, operation and maintenance of any metering, communications and supervisory control and data acquisition (SCADA) equipment necessary for the integration of any Network Resource under the Service Agreement and connected to Grant PUD’s Transmission System or within Grant PUD’s Balancing Authority Area. Grant PUD may, in its sole discretion, agree that Transmission Customer may assign responsibility for such costs to a third party. All such installations shall be pursuant to Grant PUD’s Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC and WPP standards or criteria and Good Utility Practice.

Metering and Communications Required for Ancillary Services –Transmission Customer shall be responsible for all costs associated with the installation, operation, and maintenance of any metering, communications and SCADA equipment necessary for the provision of Ancillary Services by Transmission Customer or by a third party. Grant PUD may, in its sole discretion, agree that Transmission Customer may assign responsibility for such costs to a third party. All such installations shall be pursuant to Grant PUD’s Facility Connection Requirements as set forth under NERC Standard FAC-001 and any other applicable NERC, WECC and WPP standards or criteria and Good Utility Practice.

- 9.6 Installation and Use of Grant PUD Meters – Notwithstanding any other provision in this Section 9, Grant PUD may at any time install meters or metering equipment to make any measurements for any Point of Delivery required for any computation or determination mentioned in this Agreement or the Service Agreement. If such meters or metering equipment are so installed, such measurements shall be used thereafter in such computation or determination.

- 9.7 Real-Time Data Acquisition – For the purpose of enabling Grant PUD to monitor the loads on its transmission system, Grant PUD may require the acquisition of real-time load data (megawatts and megavars) at Points of Delivery that have meters and metering equipment owned by Transmission Customer. The Parties shall facilitate such data acquisition pursuant to Good Utility Practice and Transmission Customer shall provide either of the following to Grant PUD:

(a) Megawatt and megavar indications from Transmission Customer’s SCADA system, if existing, in a format agreed upon by the Parties, or

(b) The following:

(i) Metering current transformers (“CTs”) and potential transformers (“PTs”),

(ii) Space in Transmission Customer’s substation control house or cabinet for a Grant PUD remote terminal unit or such other equipment that performs a comparable function (“Grant PUD Equipment”), to be supplied by Grant PUD and installed by

—◇—————,

(iii) Voltage and current indications from Transmission Customer’s CTs and PTs to the Grant PUD Equipment, and

- (iv) Space for any conduit needed by Grant PUD for its communications out of the substation.

10. Operation and Maintenance

10.1 Maintenance Scheduling and Continuity of Service – Grant PUD may Curtail or otherwise temporarily suspend service at the Points of Delivery:

- (a) pursuant to Section 33 of the Tariff; and

without prior notice of such Curtailment or temporary suspension as may be necessary due to Force Majeure pursuant to Section 9 of the Tariff. Consistent with Section 33 of the Tariff, Grant PUD shall use reasonable efforts to repair the cause of any such Curtailment or temporary suspension comparable to such reasonable efforts Grant PUD uses with respect to its Native Load Customers.

10.2 Emergency Planning and Operation – As Transmission Provider, Grant PUD is responsible for planning, coordinating and implementing emergency operation schemes applicable to Grant PUD's Transmission System. Examples of such schemes include WPP programs related to underfrequency load shedding, undervoltage load shedding and system restoration. Other schemes may be developed to meet NERC, WECC or WPP reliability planning and operations objectives. Transmission Customer shall:

- (a) participate in the development and implementation of such load shedding and other programs to facilitate system reliability and security;
- (b) install and maintain or, in the alternative, require its wholesale utility customer served via the Service Agreement to install and maintain, any required load shedding relays, including underfrequency and undervoltage relays; and
- (c) participate in system restoration planning.

11. Miscellaneous

11.1 Supremacy of Tariff – In the event of any irreconcilable difference between the Tariff and this Agreement, the language of the Tariff shall govern.

11.2 Notices – Any formal notice to be served, given or made in connection with this Agreement shall be in writing and shall be directed as provided in the Service Agreement. Notices of an operating nature shall be given as provided in the Service Agreement.

11.3 Assignment – Any assignment of this Agreement shall be pursuant to the terms of assignment in the Service Agreement.

11.4 Amendment – From time-to-time Grant PUD may amend this Agreement. Grant PUD shall provide reasonable prior notice of any such amendment to Transmission Customer and the Parties shall work in good faith to reach consensus on the content of such amendment. Any such amendment shall become effective upon approval by the Grant PUD Commission. Any amendment will have only prospective effects.

**ATTACHMENT H - Annual Transmission Revenue Requirement for Network Integration
Transmission Service**

1. The Annual Transmission Revenue Requirement for purposes of the Network Integration Transmission Service shall be \$21,487,908.00.
2. The amount in (1) shall be effective until amended by Transmission Provider or modified by the Commission.

ATTACHMENT I - Index of Network Integration Transmission Service Customers

A list of Network Integration Transmission Service customers and Service Agreements can be found on Transmission Provider's OASIS.

ATTACHMENT J - Procedures for Addressing Parallel Flows

The North American Electric Reliability Corporation's ("NERC") Qualified Path Unscheduled Flow Relief for the Western Electricity Coordinating Council (WECC), Reliability Standard [IRO-006-WECC-3](#) and any amendments thereto, are hereby incorporated and made part of this Tariff. See www.nerc.com for the current version of the NERC's Qualified Path Unscheduled Flow Relief Procedures for WECC.

ATTACHMENT K - Transmission Planning Process

Section 1. Definitions

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

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

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

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

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

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

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

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

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

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

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

Section 2. Local Transmission Planning Process

2.1 Development and Update of Grant PUD Plan

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

2.2 Grant PUD Plan Availability

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

2.3 Integrated Resource Planning

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

2.4 Reliability Studies

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

2.5 Planning Study Methodology

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

2.5.1 Identification of Needs

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

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

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

2.5.2 Identification of Solutions

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

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

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

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

2.6 Formatting of Grant PUD Plan; Contact Person

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

2.7 Attachment K Planning Costs

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

2.8 Confidential Information and CEII

2.8.1 WECC Proprietary, Confidential and Sensitive Information

Transmission Provider's transmission planning studies may include base case data that are WECC proprietary data and the sharing of certain WECC data will need to adhere to applicable WECC information sharing policies and/or procedures . A requester must demonstrate to Transmission Provider's satisfaction that it has received written permission from WECC for Transmission Provider to disclose WECC proprietary data, such as base case data, to requester.

2.8.2 RC West Data

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

2.8.3 Confidential Data and CEII Data Requests

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

- a. Only an individual may request information . Requests may not be made on behalf of groups, organizations, businesses, or the like.
- b. Requester shall deliver a fully executed Non-Disclosure Agreement ("NDA") to Transmission Provider at the following address:

Grant PUD
Attn: Senior Manager Transmission Business Services
P.O. Box 878
Ephrata, WA 98823

- c. To the fullest extent practicable, requester will provide specific, detailed information in the General Critical Energy Infrastructure Information and Confidential Information Request Form to facilitate Transmission Provider's efficient review of the request. If Transmission Provider accepts requester's application, the General Critical Energy Infrastructure Information and Confidential Information Request Form will become part of requester's NDA pursuant to the terms of the NDA.

- d. As part of the application, requester must show to Transmission Provider's satisfaction and approval that the requester has a legitimate interest in and legitimate need for the requested information from Transmission Provider.
- e. If the request is for materials proprietary to the WECC (such as base case data), NorthernGrid, or any other entity, requester must also attach to the request proof of agreement to any nondisclosure agreements or other agreements required by such entities.
- f. Transmission Provider will make a determination of whether it considers the requested information to be CEII or otherwise confidential and whether to comply with the request or deny the request in whole or in part. Transmission Provider's determination on whether to grant a request is based upon, among other factors Transmission Provider deems relevant at the time of the request, the requester's legitimate need for the information, the extent to which the requester intends to use the information, the requester's technical ability to make use of the information, to whom the requester intends to share the information, and Transmission Provider's belief in the extent to which the requester is willing and capable of complying with the NDA.
- g. Transmission Provider will notify the requester within 20 working days after Transmission Provider's receipt via postal service of the request of its determination. If Transmission Provider determines that the requester is eligible to and should receive the requested information, Transmission Provider will determine what additional conditions beyond the NDA, if any, to place on the release of the information and may forward a supplemental nondisclosure form to the requester for execution.

Section 3. NorthernGrid's Enrolled Region Transmission Planning Process

NorthernGrid is an unincorporated association of entities that either own or operate, or that propose to own or operate, electric transmission facilities in the Western Interconnection. NorthernGrid promotes coordinated, open, and transparent transmission planning. NorthernGrid also facilitates compliance with certain Commission transmission planning directives for the parties enrolled in NorthernGrid's regional transmission planning process. Transmission Provider participates in NorthernGrid's transmission planning processes, including sharing the Grant PUD Plan with NorthernGrid.

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

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

ATTACHMENT L - Creditworthiness Procedures

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

1. **Credit Application** – Prior to a Transmission Customer or potential Transmission Customer receiving Transmission Service, the Transmission Customer must submit a credit application in the form of Appendix 1. This credit application, along with other required data described in this Attachment L, will form the basis for determining Transmission Customer’s financial creditworthiness. Transmission Provider will estimate Transmission Customer’s total Transmission Service charges for a three-month period and provide such estimate to Transmission Customer. If Transmission Provider determines that Transmission Customer’s (or its Guarantor’s) financial creditworthiness is sufficient to support it, Transmission Provider will extend unsecured credit to Transmission Customer for up to three months of Transmission Service charges. An acceptable corporate guaranty is an irrevocable and unconditional corporate guaranty obtained from a parent or an affiliate of Transmission Customer (“Guarantor”) guaranteeing the full and prompt payment of all amounts payable by Transmission Customer under the Service Agreements. The Guarantor must meet the same creditworthiness requirements imposed on Transmission Customer in this Attachment L. The corporate guaranty must clearly state (a) the identity of the Guarantor; and (b) the relationship between the Guarantor and Transmission Customer; and must name (c) Transmission Provider as the beneficiary of the guaranty. The corporate guaranty must be duly authorized by the Guarantor, must be signed by an officer of the Guarantor, and must be accompanied by an executed and sealed Secretary’s Certificate stating that the Guarantor is duly authorized to provide such guaranty and the person signing the corporate guaranty is duly authorized. If Transmission Customer’s (or its Guarantor’s) financial creditworthiness is insufficient to support an extension of unsecured credit for the three months of charges, a lesser amount of credit may be extended by Transmission Provider, and Transmission Customer will need to make prepayments, increase settlement frequency, or post-Performance Assurance (as defined in this Attachment L) in form acceptable to Transmission Provider, in order to achieve the same quality of guaranty as the three-month value. If Transmission Provider determines that it is not able to support any extension of unsecured credit, Transmission Provider will require Transmission Customer to provide Performance Assurance equal to three months of Transmission Service charges. Transmission Customer must provide requested Performance Assurance by the later of either (i) the last Business Day before Transmission Service begins or (ii) the fifth Business Day after Transmission Provider requests the Performance Assurance from Transmission Customer.
2. **Other Requirements** – In addition to the credit application, a Transmission Customer must submit both quantitative and qualitative data to support Transmission Provider’s financial creditworthiness analysis. Transmission Customers must provide financial statements as well as any related information that Transmission Provider requests within ten Business Days of such request. The data submitted must demonstrate Transmission Customer’s ability to meet its payment obligations to Transmission Provider (“Obligations”) on an unsecured basis or, prior to receiving or continuing to receive Transmission Service, Transmission Provider will require Transmission Customer to provide Performance Assurance. A Transmission Customer that provides Performance Assurance may still be required to provide financial statements and other information. In determining if unsecured credit will be extended, and in what amount, Transmission Provider will consider rating agency reports; financial conditions as demonstrated by Transmission Customer’s (or its Guarantor’s) financial statements and related information; references; records of litigation; commitments and contingencies; and other quantitative and qualitative information obtained in the creditworthiness due diligence process.

- (a) **Rating Agency Reports** – A Transmission Customer is sufficiently creditworthy to take or continue

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

- (b) Financial Statements and Related Information – Each Transmission Customer must submit audited or otherwise acceptable financial statements for itself or its Guarantor for at least the immediately preceding three fiscal years, or the period of Transmission Customer's existence, if shorter. Additionally, each Transmission Customer may be asked to submit current fiscal year interim unaudited financial statements for itself or its Guarantor, if available. The information should include the following:
- (i) if publicly traded:
 - 1. Annual and quarterly reports on Form 10-K and Form 10-Q, respectively
 - 2. Form 8-K reports, if any.
 - (ii) if privately held:
 - 1. Management's discussion and analysis
 - 2. Report of independent accountants
 - 3. Audited Financial statements, including:
 - balance sheet
 - income statement
 - statement of cash flows
 - statement of stockholders' equity
 - 4. Notes to financial statements
- (c) References – Each Transmission Customer must provide bank and utility credit references. If Transmission Customer does not have utility references, vendor references may be substituted.
- (d) Litigation, Commitments, and Contingencies – Each Transmission Customer is required to provide information about any known or anticipated material litigation, commitments, or contingencies, as well as any prior bankruptcy declarations or material defalcations by Transmission Customer or its predecessors.
- (e) Ongoing Financial Review – On an ongoing basis, Transmission Customer is required to submit its (or its Guarantor's) current rating agency report and recent financial statements, 10-Ks, 10-Qs, and 8-Ks, promptly upon their issuance. In addition, each Transmission Customer must inform Transmission Provider, in writing, within five Business Days of any material change in its financial condition. A material change in financial condition may include, but is not limited to, the following:
- change in ownership by way of a merger, acquisition, or substantial sale of assets
 - a downgrade of long- or short-term debt rating by a major rating agency;
 - being placed on a credit watch with negative implications by a major rating agency;
 - a bankruptcy filing;
 - any action requiring filing of a Form 8-K;

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

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

3. **Performance Assurance** – Transmission Customers that are unable to meet the financial creditworthiness requirements based on Transmission Provider's credit review process, or whose Obligations are greater than the amount of unsecured credit available to them, must provide one of the forms of Performance Assurance that are described below in order to receive or continue receiving Transmission Service. The amount of the Performance Assurance required ("Performance Assurance Requirement") will be based upon Transmission Customers' estimated or established Transmission Service charges for a three-month period. If Transmission Customer's actual transmission charges for any three-month period exceed the estimated transmission charges, the Performance Assurance Requirement will increase to the level of the actual Transmission Service charges. All costs associated with obtaining Performance Assurance are the responsibility of Transmission Customer. Transmission Provider may waive the Performance Assurance requirements to accommodate small or short-term Obligations. Performance Assurance will be returned when Transmission Service has been terminated and all Obligations have been paid in full.
- (a) **Letter of Credit** – An acceptable letter of credit is an unconditional irrevocable standby letter of credit for the full value of the Performance Assurance Requirement. The letter of credit shall provide that it will renew automatically except upon at least 90 days' prior notice from the issuing bank, or such other terms that Transmission Provider may reasonably agree to. The letter of credit must clearly state the full names of the "Issue" and "Account Party;" must name Transmission Provider as the beneficiary; must state the dollar amount available for drawing; and must be unconditional. It must specify that funds will be disbursed upon presentation of the drawing certificate. The draw statements drafted in the letter of credit must be in form acceptable to Transmission Provider. The bank issuing the letter of credit must have a minimum corporate Senior Unsecured Debt Rating or Long Term Issuer Credit rating of "A+" by Standard & Poor's or Fitch or "A1" by Moody's, and be an entity organized under the laws of the United States of America or any state thereof, or a domestic branch of a foreign entity, having capital and surplus of at least one billion dollars (\$1,000,000,000) or assets of at least ten billion dollars (\$10,000,000,000). If the letter of credit amount falls below the Performance Assurance Requirement because of a claim for payment, it must be replenished immediately; otherwise, Transmission Provider may declare Transmission Customer to be in default under one or more of the Agreements.
- (b) **Cash Deposit** – Transmission Customer may provide a cash deposit in an amount equal to the Performance Assurance Requirement. Transmission Customer must have a minimum corporate Senior Unsecured Debt Rating or Long Term Issuer Credit rating of "A+" by Standard & Poor's or Fitch, or "A1" by Moody's to use a cash deposit to meet the Performance Assurance

Requirement. If Transmission Customer has provided a cash deposit and its rating falls below these minimums, Transmission Customer will be required to transition to a letter of credit to meet the Performance Assurance Requirement. The cash deposit will be held in a depository account by Transmission Provider and will not accrue interest. Transmission Provider may apply amounts in the depository account to meet Transmission Customer's Obligations to Transmission Provider. If it is necessary to use all or a portion of the cash deposit to pay Transmission Customer's Obligation, the cash deposit must be replenished to the required level, or initial deposit level, within 30 days; otherwise, Transmission Customer may be in default under one or more of the Service Agreements. Transmission Provider will promptly return the cash deposit after receiving an acceptable letter of credit, or when Transmission Customer no longer has a Performance Assurance Requirement.

4. **Credit Limitations**

- (a) **Notification** – A Transmission Customer will be notified when its outstanding Obligations to Transmission Provider for Transmission exceed the amount of unsecured credit that Transmission Provider has extended to Transmission Customer.
 - (b) **Suspension** – A Transmission Customer that fails to maintain acceptable Performance Assurance is subject to suspension from scheduling any Transmission Service until such time that Transmission Customer meets the Performance Assurance Requirement. Additionally, Transmission Provider may take such actions as may be required or permitted under the Service Agreements to terminate Transmission Customer's ongoing Transmission Service. Failure to comply with the terms described herein constitutes a default under one or more of the Service Agreements.
 - (c) **Invoices and Payment** – Invoices shall be rendered to each Transmission Customer as provided in the Tariff. Payments to Transmission Provider must be made by the due date per the requirements of Section 7 in the Tariff.
5. **Default** – Failure to comply with the credit requirements or terms of the Service Agreements shall be considered a default by a Transmission Customer under one or more of the applicable Service Agreements.

**Appendix 1 to Attachment L
 CREDIT APPLICATION FOR TRANSMISSION CUSTOMER**

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

Applicant's Full Legal Name:	
Is the Applicant an Established Counterparty with Grant PUD?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, the rest of the application does not need to be completed.
Premise Address and Phone Number:	
Billing Address and Phone Number:	
Business Type:	<input type="checkbox"/> Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____
D&B No.:	
Principal Business of Firm:	
Year Business Started:	
Is Corporate Stock Publicly Traded?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, what is the ticker symbol?	
Credit Contact Name, Phone, and Email:	
Senior Unsecured Credit Ratings:	Moody's _____ S&P _____ Fitch _____

Bank References:

	Name	Address	Phone	Credit Limit
1.				
2.				

Utility Trade References:

	Name	Address	Phone	Credit Limit
1.				
2.				
3.				

The undersigned, being authorized and acting on behalf of the Applicant:

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

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

Signature: _____

Print Name: _____

Title: _____

Date: _____

ATTACHMENT M - Transmission Line Ratings

1. **General:** Transmission Provider will implement Transmission Line Ratings on the transmission lines over which it provides Transmission Service. Transmission Line Ratings are determined by equipment manufacturers published ratings in accordance with industry rating practices and industry standards such as IEEE and ANSI.

Transmission Line Ratings shall respect the most limiting applicable Equipment Rating of the individual equipment that comprises that transmission line. Established Equipment Ratings shall be determined based upon manufacturer's published ratings and conform to manufacturer's specified operating limitations. Should operating conditions fall outside of the established limitations, the equipment shall be derated in accordance with applicable good utility practice.

2. **Definitions:**

The following definitions apply for purposes of this Attachment:

Emergency Rating: A Transmission Line Rating that reflects operation for a specified, finite period, rather than reflecting continuous operation. An Emergency Rating may assume an acceptable loss of equipment life or other physical or safety limitations for the equipment involved.

Equipment Rating: The maximum and minimum voltage, current, frequency, real and reactive power flows on individual equipment under steady state, short-circuit, transient, and specified ambient conditions, as permitted or assigned by the equipment owner.

Near-Term Transmission Service: Transmission Service which ends not more than 10 days after the Transmission Service request date. When the description of obligations below refers to either a request for information about the availability of potential Transmission Service, including, but not limited to, a request for Available Transfer Capability (ATC), or to the posting of ATC or other information related to potential service, the date that the information is requested or posted will serve as the Transmission Service request date. "Near-Term Transmission Service" includes any Point-to-Point Transmission Service, Network Resource designations, or secondary service where the start and end date of the designation or request is within the next 10 days.

Seasonal Line Rating: A Transmission Line Rating that:

- (a) Applies to a specified season, where seasons are defined by Transmission Provider to include not fewer than three seasons in each year, and to reasonably reflect portions of the year where expected high temperatures are relatively consistent.
- (b) Reflects an assumed ambient air temperature and other ambient conditions, across the relevant season over which the rating applies.
- (c) Is updated upon recognized changes to equipment and/or assumptions.

Transmission Line Rating: The maximum transfer capability of a transmission line, computed in accordance with a written Transmission System Facility Ratings methodology and consistent with Good Utility Practice, considering the technical limitations on conductors and relevant transmission equipment (such as thermal flow limits), as well as technical limitations of the Transmission System (such as system voltage and stability limits). Relevant transmission equipment may include, but is not

limited to, circuit breakers, conductors, and transformers.

3. **System Reliability:** If Transmission Provider reasonably determines, consistent with Good Utility Practice, that the temporary use of a Transmission Line Rating different than would otherwise be required by this Attachment is necessary to ensure the safety and reliability of the Transmission System, then Transmission Provider may use such an alternate rating. Transmission Provider must document in its database of Transmission Line Ratings and Transmission Line Rating methodologies on OASIS or another password-protected website, as required by this Attachment, the use of an alternate Transmission Line Rating under this paragraph, including the nature of and basis for the alternate rating, the date and time that the alternate rating was initiated, and (if applicable) the date and time that the alternate rating was withdrawn and the standard rating became effective again.
4. **Obligations of Transmission Provider:** Transmission Provider must use Seasonal Line Ratings as the relevant Transmission Line Ratings when evaluating requests for and whether to curtail or interrupt any Transmission Service not otherwise covered above in this section (including, but not limited to, requests for non-Near-Term Transmission Service or requests to designate or change the designation of Network Resources or Network Load), when developing any ATC or other information posted or provided to potential customers related to such services. Transmission Provider must use uniquely determined Emergency Ratings, where applicable, for contingency analysis in the operations horizon and in post-contingency simulations of constraints. In developing assumptions of ambient conditions for Seasonal Line Ratings, Transmission Provider must develop such assumptions consistent with Good Utility Practice and on a non-discriminatory basis.

Postings to OASIS or another password-protected website: Transmission Provider must maintain on the password-protected section of its OASIS page or on another password-protected website a database of Transmission Line Ratings and Transmission Line Rating methodologies. The database must include a full record of all Transmission Line Ratings, both as used in real-time operations, and as used for all future periods for which Transmission Service is offered. Any postings of temporary alternate Transmission Line Ratings or exceptions used under the System Reliability section above or the Exceptions section below, respectively, are considered part of the database. The database must include records of which Transmission Line Ratings and Transmission Line Rating methodologies were in effect at which times over at least the previous five years, including records of which temporary alternate Transmission Line Ratings or exceptions were in effect at which times during the previous five years. Each record in the database must indicate which transmission line the record applies to, and the date and time the record was entered into the database. The database must be maintained such that users can view, download, and query data in standard formats, using standard protocols.

Sharing with transmission providers: Transmission Provider must share, upon request by any transmission provider and in a timely manner, the following information:

1. Transmission Line Ratings for each period for which Transmission Line Ratings are calculated, with updated ratings shared each time Transmission Line Ratings are calculated, and
2. Written Transmission Line Rating methodologies used to calculate the Transmission Line Ratings in item (1) above.

**ATTACHMENT N – Standard Large Generator Interconnection Procedures (LGIP)
including Standard Large Generator Interconnection Agreement (LGIA)**

Available on Transmission Provider’s OASIS or www.grantpud.org.

**ATTACHMENT O – Small Generator Interconnection Procedures (SGIP) including Small
Generator Interconnection Agreement (SGIA)**

Available on Transmission Provider's OASIS or www.grantpud.org.

ATTACHMENT P – Tariff Revision History

Revision	Effective Date	Description
1	Anticipated 06/22/2026	Initial version of tariff