
Nova Scotia Utility and Review Board

IN THE MATTER OF *The Public Utilities Act*, R.S.N.S. 1989, c.380, as amended

Renewable to Retail M06214

Compliance Filing

April 25, 2016

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1 1.0 INTRODUCTION

2
3 On September 1, 2015, Nova Scotia Power Inc. (NS Power, the Company) filed an
4 Application¹ with the Nova Scotia Utility and Review Board (UARB, Board) proposing a
5 comprehensive regulatory framework to enable the purchase by retail customers (Retail
6 Customers) of renewable low-impact electricity generated in Nova Scotia from retail
7 suppliers (Licenced Retail Suppliers or LRS), who are licensed by the Board in
8 accordance with the Electricity Act, S.N.S. 2004, c. 25.

9
10 The Application followed a fifteen-month stakeholder consultation process. In the
11 Application, NS Power requested approval of tariffs and procedures required to
12 implement the Renewable to Retail market in Nova Scotia.

13
14 Subsequently, from October through December 2015, two rounds of Information
15 Requests (IRs) were responded to by NS Power and one round of IRs was responded to
16 by certain Intervenors. Evidence was filed by the Board's consultants, Energy
17 Consultants International (ECI) and Multeese Consulting (Multeese) and by the
18 Consumer Advocate (CA), the Small Business Advocate (SBA) and SWEB Development
19 Inc. (SWEB).²

20
21 NS Power convened a Settlement Conference on December 15, 2015. Although no
22 formal settlement agreement was reached, discussions among the parties resulted in
23 identification of several possible points of consensus, outlined in NS Power's Settlement
24 Report³ to the UARB on December 21, 2015.

25
26 Rebuttal Evidence was filed by the SBA⁴ and NS Power⁵ on January 8, 2016 and the
27 Hearing commenced on January 18, 2016.

¹ Exhibit N-16, NS Power Renewable to Retail Application, September 1, 2015.

² Exhibits N-31-35.

³ Exhibit N-40, NS Power Settlement Report, December 21, 2015.

⁴ Exhibit N-41, SBA Rebuttal Evidence, January 8, 2016.

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On March 23, 2016, the Board issued its Decision,⁶ directing NS Power to make changes to certain of the tariffs and procedures, and include them in a Compliance filing.

The Decision provided:

NSPI is directed to file, in a Compliance Filing, including the revisions to its Tariffs, Regulations, Terms and Conditions as approved by the Board in this Decision. The Compliance Filing is to be made on or before April 25, 2016.⁷

In accordance with the Board's direction, NS Power submits this Compliance Filing, providing confirmation of items approved as filed, and amended Tariffs and procedures as required.

⁵ Exhibit N-42, NS Power Rebuttal Evidence, January 8, 2016.

⁶ Decision 2016 NSUARB 33, M06214, March 23, 2016.

⁷ Decision, page 47, paragraph 150.

1 **2.0 CONFIRMATION OF SETTLEMENT REPORT ITEMS**

2
3 In its Decision, the Board noted that a number of issues raised by Intervenors were
4 addressed satisfactorily by the Company through the settlement process that resulted in
5 NS Power's Settlement Report to the UARB on December 21, 2015.⁸

6
7 The issues included:

- 8
- 9 • The requirement for regular reporting by NS Power;
 - 10
 - 11 • Certification and qualification requirements, which are already contained in the
12 legislation or Board Retailers Regulations;
 - 13
 - 14 • A separate accounting by NS Power for Energy Balancing Service Tariff (EBS)
15 energy;
 - 16
 - 17 • Confirmation that the Renewable to Retail Transition Tariff (RTT) will recover
18 generation-related fixed costs not recovered through the Top-up energy charge in
19 the EBS;
 - 20
 - 21 • Inclusion of the fuel portion of Renewable to Retail (RtR) revenues, including the
22 fuel portion of ancillary services, into the Fuel Adjustment Mechanism (FAM),
23 with necessary adjustments to NS Power's FAM reports;
 - 24
 - 25 • Agreement that the revenue requirement should be reduced by the \$30.7 million
26 2014 portion of the deferral in the Distribution Tariff (DT), EBS, Standby Service
27 Tariff (SS) and RTT Tariffs, and agreement on apportionment of the reduction;
28 and
 - 29

⁸ Decision, page 6-7, paragraphs 17-18.

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- 1 • Amendments to certain provisions of the proposed LRS Terms and Conditions.

2

3 In consideration of the fact that the some of the consensus items result in revisions to the
4 Company's tariffs and related rules, the Board confirmed that it accounted for them as
5 part of its approval of the Application as a whole and directed the Company to confirm
6 them in the Compliance Filing. The amendments to the tariffs and related rules and terms
7 required to address these items are set out in the pertinent sections that follow.

1 **3.0 CHANGES TO TARIFFS**

2
3 The Board provided the following in its Decision:

4
5 The Board approves the DT, EBS, SS and RTT, subject to the Board's
6 findings elsewhere in this Decision. All such Board directed adjustments
7 will be reflected in the Compliance Filing to be filed by NSPI, including,
8 but not limited to, reflection of the \$30.7 million amount of deferred costs
9 from the cost of service (as identified by Mr. Whalen); reflection of the
10 2014 overearnings; removal of the 1.38 cents per kWh adder from the
11 EBS; adoption of the Load Following rate for the energy portion of the
12 EBS; removal of the declining spill rate; and the reflection of line losses.⁹
13

14 The implementation of the above tariff adjustments is discussed in the sections below.

15
16 **3.1 Deferral and 2014 Earnings**

17
18 As proposed by NS Power in the Settlement Report,¹⁰ and subsequently directed by the
19 UARB in its Decision,¹¹ the Company reduced the fixed cost components of the EBS, SS,
20 DT and RTT, to align with a reduction in the 2014 revenue requirement of generation,
21 distribution and retail areas upon which the RtR tariffs were based originally by \$30.7
22 million, or 4.255 percent. The derivation of the 4.255 percent is provided in **Appendix**
23 **A, Adjustment to Revenue Requirement**. The details behind modifications to the rates of
24 these tariffs are discussed in the appropriate sections below.
25

26 The Company was also directed, in setting the initial rates, to reduce the Cost of Service
27 by the 2014 earnings beyond the approved range of return and flow the corresponding
28 adjustment through the RTT.¹² NS Power was further directed to propose an approach to

⁹ Decision, page 38, paragraph 111.

¹⁰ Exhibit N-40, NS Power Settlement Report, December 21, 2015, Appendix A Page 8 of 10.

¹¹ Decision, pages 35-38, paragraphs 102-108.

¹² Decision, page 37, paragraph 107.

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1 refine its Annually Adjusted Rates (AAR) to ensure NS Power's actual cost to serve was
2 captured.¹³

3
4 In order to address the Board's directives, the Company has added two lines to the
5 Energy Charge component of the RTT. The first line, identified as the 2014 Cost of
6 Service Earnings Adjustment, provides a credit equivalent to the \$38.2 million of 2014
7 non-fuel earnings beyond the approved range of return.¹⁴ This credit is calculated to be
8 0.780 cents per kilowatt-hour, as shown in **Appendix N**. The Company notes that the
9 Board's reference to the \$41.3 million of earnings beyond the approved range of return in
10 2014 included \$3.1 million of earnings that was in fact applied to the FAM deferral
11 balance in 2015. This \$3.1 million adjustment is reflected in the Company's 2015
12 earnings beyond the approved range of return of \$44.7 million and is reflected in the
13 Prior Period Actual Earnings Adjustment discussed below.

14
15 The second line, identified as the Prior Period Actual Earnings Adjustment, will reflect
16 the adjustment required to the 2014 Cost of Service Earnings Adjustment to align it with
17 the most recently closed financial results. It can represent an increase or a decrease to the
18 RTT Energy Charge, and will be addressed during the AAR process. For 2016, this
19 adjustment is calculated to be a decrease of 0.133 cents per kilowatt-hour, as shown in
20 **Appendix N**. It is the difference between 2015 earnings beyond the approved range of
21 return of \$44.7 million and the corresponding 2014 figure of \$38.2 million.

22
23 The Company notes that the adjustments to the RTT to account for earnings beyond the
24 approved range of return are only required for the calendar years 2015-2019 as set out in
25 the *Electricity Plan Implementation Act*.

¹³ Decision, page 38, paragraph 108.

¹⁴ M07417, NSPI Annual Financial Reports, Attachment 2, page 17 of 48, April 15, 2016.

1 3.2 Distribution Tariff

2
3 The Board approved the DT as filed, subject to the Board's finding that the 2014 COS
4 revenue requirement, upon which the RtR Tariffs were based, should be reduced by \$30.7
5 million. As shown in **Appendix A**, this translates to a decrease in the Distribution
6 revenue requirement by 4.255 percent. The Company has reduced the demand and
7 energy charges of the applicable distribution rates by this factor. The exceptions are the
8 Domestic and Small General Service rate classes, in which the energy charges were
9 reduced by more than 4.255 percent because these rates use customer charges, which are
10 kept the same as the bundled service charges.

11
12 In addition to the above adjustment, NS Power has made two changes to streetlight
13 charges.

- 14
15 1. The Power and Energy component of all streetlight rates as well as charges under
16 the Miscellaneous Small Loads Tariff have been modified to reflect a correction
17 identified in NS Power's response to Multese IR-12.¹⁵
18
- 19 2. The Capital component of full service LED streetlight rates has been updated to
20 reflect the Board's Decision on the LED Capital Work Order submission¹⁶ and
21 align this with the currently approved LED rates.
22

23 The adjustments are reflected in the amended Distribution Tariff included with this
24 Compliance Filing as:
25

¹⁵ The streetlight charges filed in the Application were underestimated by about 1%. This was explained and corrected in NSPI(Multese) IR-12, Exhibit N-26, November 9, 2015.

¹⁶ M06973, Board Decision Letter on CI#40320 - LED Streetlight Conversion Capital Work Order and Tariff, January 6, 2016.

1 **Appendix B** Distribution Tariff – redline

2 **Appendix C** Distribution Tariff – clean

3 **Appendix D** Distribution Tariff – Calculations

4
5 **3.3 Energy Balancing Service Tariff**

6
7 The Board approved the EBS as filed, subject to adjustments as per Board’s findings.¹⁷

8
9 NS Power has made the following adjustments:

- 10
11 • Reflection of the \$30.7 million credit of deferred costs from the Cost of Service as
12 noted above.¹⁸
- 13
14 • Adoption of the fuel cost component of the Load Following rate for the fuel cost
15 component of the Energy Charge and Energy Credit portion of the EBS,¹⁹ which
16 also addresses the removal of the 1.38 cents per kWh differential from the EBS
17 Top-Up rate.²⁰
- 18
19 • Removal of the declining spill rates under the Energy Credit.²¹
- 20
21 • Reflection of locational line losses.²²

22
23 The adjustments have been made in the EBS and are included with this Compliance
24 Filing as:

¹⁷ Decision, page 48, paragraph 154.

¹⁸ Decision, page 38, paragraph 111.

¹⁹ Decision, page 11, paragraph 33.

²⁰ Decision page 10, paragraph 30.

²¹ Decision pages 14-15, paragraph 39.

²² Decision, pages 22-23, paragraphs 62-66.

1 **Appendix E** Energy Balancing Service Tariff – redline

2 **Appendix F** Energy Balancing Service Tariff – clean

3 **Appendix G** Energy Balancing Service Tariff – Calculations

4 **Appendix H** Renewable to Retail Locational Loss Factors

5
6 **3.3.1 Reflection of the \$30.7 million amount of deferred costs from the Cost of Service.**

7
8 The Company has reduced the Fixed Cost Adder under the Energy Charge by 4.255
9 percent from 3.309 cents per kWh to 3.168 cents per kWh in reflection of the \$30.7
10 million deferral. The derivation of the 4.255 percent is provided in **Appendix A**.

11
12 **3.3.2 Adoption of the Load Following rate for the energy portion of the EBS.**

13
14 The Company has replaced the proposed fuel cost portion of the Energy Charge top-up
15 rate of 6.650 cents per kWh and Energy Credit of 5.27 cents per kWh with the 2016 fuel
16 cost component of the Load Following rate of 4.239 cents per kWh.²³

17
18 NS Power notes that the present Load Following rate is 4.739 cents per kWh. The
19 Company has subtracted 0.5 cents from the Load Following rate to avoid double-
20 counting as 0.5 cents of the 4.739 recovers certain operational, maintenance and
21 administrative costs, which are already accounted for in the EBS under the Energy and
22 Administration Charges. This approach is consistent with the application of the fuel
23 portion of the Load Following rate under the Wholesale Market Backup/Top-up Service
24 Tariff.²⁴

25

²³ The Generation Replacement and Load Following tariff can be found at <http://www.nspower.ca/en/home/about-us/electricity-rates-and-regulations/rates/default.aspx>

²⁴ The Wholesale Market Backup/Top-up Service Tariff can be found at <http://www.nspower.ca/en/home/about-us/electricity-rates-and-regulations/rates/default.aspx>

1 **3.3.3 Removal of the 1.38 cents per kWh differential from the EBS Top-Up rate.**

2
3 By setting the fuel cost portion of the Energy Charge for top-up service and the Energy
4 Credit for spill service equal to the fuel cost component of the Load Following rate, the
5 1.38 cent per kWh differential between the top-up rate and the spill rate in the EBS is
6 eliminated.

7
8 **3.3.4 Removal of the declining spill rate.**

9
10 The Company removed the declining payment for annual excess spill under the Energy
11 Credit. All spill energy will be credited at the same flat spill rate approved for use each
12 year.

13
14 **3.3.5 Reflection of locational line losses.**

15
16 The Company has addressed the Board's Decision with respect to the inclusion of
17 generator locational losses in the EBS tariff calculations by amending the EBS
18 Applicability condition (3) to reflect the use of locational losses.

19
20 To this end, the Nova Scotia Power System Operator (NSPSO) calculated locational loss
21 factors for incremental generation capacity additions at each 69kV and 138kV load bus
22 across Nova Scotia and subsequently divided the province into five locational loss factor
23 zones based on these results. The loss factors take into account the variation in losses
24 that occur over each hour of the year due to changes in load, generation and unit dispatch.
25 In the process of aligning the losses with the zones, the NSPSO concluded that five zones
26 enabled better zonal clustering of the loss results and has proposed this arrangement.
27 This is consistent with the Renewable Electricity Administrator's map which had four
28 RFP scoring levels across five geographical zones.

29
30 The locational loss factor that is applicable to a generating facility's interconnection
31 location and capacity will be used in the EBS calculations.

1
2 For the purpose of this Compliance Filing, the Renewable to Retail Locational Loss
3 Factors are provided as **Appendix H**, including a table of Zonal Losses and a map of the
4 province outlining the description and boundaries of each zone.

5
6 On an ongoing basis, NSPSO will publish and maintain the annual locational loss
7 information presented in **Appendix H** on the NS Power OASIS²⁵ website, and will
8 review and update the loss factors on an annual basis, as directed by the Board in its
9 Decision.²⁶

10 11 **3.4 Standby Service Tariff**

12
13 The Board approved the SS as filed, subject to the Board's finding that the 2014 revenue
14 requirement, upon which the RtR Tariffs were based, should be reduced by \$30.7 million.
15 As shown in **Appendix A**, this factor is 4.255 percent. The Company has reduced the
16 demand charge of the SS tariff by 4.255 percent from \$5.370 to \$5.141 per month, per
17 kilowatt (kW) of Monthly Standby Contract Demand.

18
19 The adjustment has been made in the SS Tariff and is included with this Compliance
20 Filing as:

21
22 **Appendix I** Standby Service Tariff – redline

23 **Appendix J** Standby Service Tariff – clean

24 **Appendix K** Standby Service Tariff – Calculations
25

²⁵ <http://oasis.nspower.ca/en/home/oasis/default.aspx>

²⁶ Decision, page 23, paragraph 66.

1 **3.5 Renewable To Retail Transition Tariff**

2
3 The Board approved the Renewable to Retail Transition Tariff as filed, subject to the
4 Board’s findings in its Decision. These findings include the following, each of which is
5 discussed below:

- 6
7 • Reflection of the \$30.7 million amount of deferred costs from the Cost of
8 Service.²⁷
9
10 • Reflection of the 2014 earnings.²⁸

11
12 The adjustments have been made in the RTT and are included with this Compliance
13 Filing as:

14
15 **Appendix L** Renewable to Retail Transition Tariff – redline

16 **Appendix M** Renewable to Retail Transition Tariff – clean

17 **Appendix N** Renewable to Retail Transition Tariff – Calculations

18
19 **3.5.1 Reflection of the \$30.7 million amount of deferred costs from the 2014 Cost of**
20 **Service**

21
22 The RTT employs directly the Fixed Cost adder from the EBS Tariff and Demand Charge
23 from the SS Tariff. By reducing these rate components for the effect of \$30.7 million
24 amount deferred costs, as discussed in sections above, the Company has updated the
25 RTT.

- 26
27 • The Fixed Cost adder from the EBS tariff was reduced by 4.255 percent from
28 3.309 cents per kWh to 3.168 cents per kWh; and

²⁷ Decision, page 48, paragraph 154.

²⁸ Decision, page 48, paragraph 154.

- 1
- 2 • The Demand Charge from the SS Tariff was reduced by 4.255 percent from
- 3 \$5.370 to \$5.141 per month, per kilowatt (kW) of demand.
- 4

5 **3.5.2 Reflection of the 2014 earnings**

6

7 Per the Board's Decision, an adjustment was required to the RTT to account for 2014

8 earnings beyond the approved range of return. In compliance with this directive the

9 Company proposes two rate adjustments: the 2014 Cost of Service Earnings Adjustment

10 of 0.780 cents per kilowatt-hour and Prior Period Actual Earnings Adjustment, which for

11 the purpose of the annual filing for 2016 is estimated to be 0.133 cents per kilowatt-hour.

12 Please refer to Section 3.1 above, which describes the two RTT adjustments developed to

13 comply with the Board's direction.

14

15 By design, these two components are applicable only to the displaced energy on NS

16 Power's generation system.²⁹ Absent any foreknowledge of the level and pattern of

17 future energy service uptake under the RtR market, the Company has assumed that

18 displaced energy will account for 50 percent of the total RtR energy consumption.³⁰ This

19 is consistent with Company's initial approach to the EBS and RTT rate calculations.³¹

20 After the RtR market develops and there is actual data on customer usage and LRS

21 generation, the Company will review this factor.

22

23 In November 2016, the Company will review this component for 2017 in its Annually

24 Adjusted Rate process.

25

²⁹ Please refer to the Energy Charge section of the Renewable to Retail Market Transition Tariff in Appendix F.

³⁰ Please refer to Exhibit N-17, NSPI (CA) IR-17, October 9, 2015.

³¹ See Exhibit N-16, Appendices 13 and 13B, NSPI (Mulleese) DR-25.

3.5.3 Reflection of Fuel Cost Adjustment

The updated RTT also includes an updated calculation of the Annual Energy Cost Adjustment for 2016.³² This estimate was calculated on the basis of the 2016 test year fuel cost component of the Load Following rate and weighted average unit base cost of the fuel component of all the FAM rate classes, as approved by the Board in its 2016 AAR Decision³³ and 2016 BCF Decision.³⁴ The Company determined this component to be a charge of 1.543 cents per kWh calculated on the same basis as the Annually Adjusted Energy Savings Credit component, that displaced energy will account for 50 per cent of the total RtR energy consumption in that year. The calculation is provided in **Appendix N**. This component will be updated for 2017 in the Annually Adjusted Rate process.

3.6 Open Access Transmission Tariff (OATT)

3.6.1 Schedule 4 and 4A

In its Decision,³⁵ the Board approved the incorporation of the proposed Schedule 4A and the amendments to the OATT text as proposed by NS Power. Schedule 4 and 4A in final form are attached as **Appendix O**.

3.6.2 Transmission RtR Customer Operating Agreement

As noted in the Company's Application³⁶ and Closing Submission,³⁷ the transfer of any Retail Customer site that is physically connected to NS Power's transmission system to LRS supply will require the execution of a separate operating agreement between NS

³² See Applicability condition 4 of the RTT in Appendix M and Exhibit N-17, NSPI (CA) IR-17, October 9, 2015.

³³ M07169, Board Decision Letter on 2016 Annually Adjusted Rates ("AARs") - P-141, December 14, 2015.

³⁴ M06962, Decision, 2015-NSUAR-250, NSPI's 2016 Base Cost of Fuel Reset, November 20, 2015.

³⁵ Decision, page 42, paragraphs 126-127.

³⁶ Exhibit N-16, September 1, 2015, page 48.

³⁷ NS Power Closing Submission, February 12, 2016, pages 6-7, lines 19-25 and 1-5.

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1 Power and the transmission-connected Retail Customer in order to establish the general
2 obligations of the transmission-connected Retail Customer and NS Power. The proposed
3 Transmission RtR Customer Operating Agreement addresses operational topics such as
4 metering, load balance, harmonics, right-of-way and right-of-access. It is similar in form
5 to the existing OATT Network Operating Agreement as set out in Attachment G to the
6 OATT. Minor amendments are required to incorporate this new Transmission RtR
7 Customer Operating Agreement into the OATT as Attachment G1.

8
9 The Transmission RtR Customer Operating Agreement is attached as **Appendix P** to this
10 Compliance filing.

11
12 The following additional amendments are required to the OATT to incorporate the new
13 Transmission RtR Customer Operating Agreement:

- 14
15 (a) Addition of a new definition “Transmission RtR Customer Operating Agreement”
16 to OATT Section 1.0:

17
18 1.55.1 Transmission RtR Customer Operating Agreement: An
19 executed agreement that contains the terms and conditions under
20 which the RtR Customer whose facilities are physically connected
21 to the Transmission System shall operate its facilities and the
22 technical and operational matters associated with the connection of
23 such facilities to the Transmission System.
24

- 25 (b) An amendment to OATT Section 29.1 to confirm the requirement for the
26 transmission-connected RtR Customer of the LRS to enter into the Transmission
27 RtR Customer Operating Agreement with NS Power:

28
29 29.1 (v) in the case where an LRS is the Eligible Customer, any
30 RtR Customer whose facilities are physically connected to the
31 Transmission System executes a Transmission RtR Customer
32 Operating Agreement with the Transmission Provider pursuant to
33 Attachment G1.
34

1 **Appendix Q** incorporates/accepts the OATT amendments as-filed with the Company’s
2 Application and shows the additional amendments to the OATT related to the inclusion
3 of the new Transmission RtR Customer Operating Agreement in redline. In addition, a
4 final clean version of the OATT incorporating all amendments is included as **Appendix**
5 **R**.

6
7 **3.7 LRS Participation Agreement**

8
9 The Board has approved the Licenced Retail Supplier Participation Agreement and the
10 associated LRS Terms and Conditions (as amended in the Decision). No revision of the
11 as-filed version of the LRS Participation Agreement was necessary and it is attached as
12 **Appendix S**.

13
14 **3.8 LRS Terms and Conditions (LRS T&Cs)**

15
16 All amendments made to the LRS T&Cs and are included with this Compliance Filing as:

- 17
18 • **Appendix T** LRS Terms and Conditions – redline
19 • **Appendix U** LRS Terms and Conditions – clean

20
21 In its evidence, the Board’s consultant, ECI, suggested a number of changes to NS
22 Power’s draft LRS T&Cs, which were resolved through the settlement process. ECI
23 recommended:

- 24
25 (a) to be consistent with s. 30 of the draft *Board Retailers Regulations*, that the
26 requirement in s. 9.1 for contracts to be in writing be eliminated in order to allow
27 contracts to be executed by telemarketing or electronic means by Small Volume
28 Customers. In the Settlement Report, NS Power indicated its agreement and has
29 amended Section 9.1 of the LRS T&Cs by deleting the word “written” in the first
30 sentence.

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1 (b) that NS Power amend Section 11.5 of the LRS T&Cs specify a maximum seven-
2 day timeframe for NS Power to transfer a customer to Retailer-supply. In the
3 Settlement Report, NS Power proposed the timeframe be extended to 14 calendar
4 days, with the understanding that this could be revisited as the market develops.
5 NS Power's 14 day proposal was accepted by the Board, and NS Power has
6 amended the LRS T&Cs accordingly.

7
8 (c) that NS Power amend Section 11.7 of the LRS T&Cs to clarify that only
9 outstanding indebtedness that is in arrears would preclude NS Power from
10 transferring a customer to Retailer-supply. NS Power had agreed to this
11 recommendation in the Settlement Report and has amended the LRS T&Cs to
12 clarify that Section 11.7 applies to outstanding indebtedness that is in arrears.

13
14 In reviewing this matter, the Board also made the following finding:

15
16 In the Board's view, after a customer has been appropriately
17 transferred to LRS-supply, that customer is then the customer of
18 the LRS. While that customer may ultimately be disconnected if it
19 fails to comply with the terms of its contract with the LRS, the
20 Board finds that NSPI should no longer to be able to disconnect
21 that customer for any arrears owing to NSPI and its only option
22 would be another legal recourse. If NSPI considers that the
23 Board's finding needs to be reflected in the Terms and Conditions,
24 it should address that point in the Compliance Filing.³⁸
25

26 NS Power has revised s. 11.7 of the LRS T&Cs to reflect the Board's finding.
27 However, NS Power seeks clarification from the Board with respect to its right to
28 disconnect an RtR Customer after transfer to LRS-supply in the event that any
29 current charges go into arrears and the status of the RtR Customer as still being a
30 customer of NS Power. As noted above, in its Decision, the Board noted that
31 once a customer transfers to LRS supply, it is a customer of the LRS and no
32 longer a customer of NS Power. While this is the case for electricity supply, the

³⁸ Decision, pages 41-42, paragraph 123.

Renewable to Retail Compliance Filing

1 Company notes that under the RtR market design a customer transferred to LRS-
2 supply remains a customer of NS Power, receiving Distribution System Access
3 under the DT. The DT provides that NS Power's Regulations apply in this case.³⁹
4 NS Power Regulations, as amended, define a "Customer" to include an RtR
5 Customer receiving Distribution System Access.⁴⁰
6

7 Specifically, s. 12 of the DT⁴¹ provides that NS Power may discontinue
8 Distribution Access Service in accordance with the requirements of NS Power's
9 Regulations Section 6 - Disconnection of Electric Service, including Subsections
10 6.1, 6.2 and 6.3 which address disconnection procedures for a range of causes,
11 including non-payment of a delinquent account. Given that under the RtR market
12 design the RtR Customer remains a customer of NS Power, the Company should
13 retain the right to disconnect if current charges later go into arrears. In the
14 absence of such right an RtR Customer could be motivated to transfer to RtR
15 service to avoid payment of a large account balance.
16

17 The Company further notes that by virtue of the execution of the RtR
18 Transmission Customer Operating Agreement (See **Appendix P**) with all
19 transmission-connected RtR customers receiving LRS-supply, NS Power
20 maintains its customer relationship with the transmission RtR customer.
21

22 If the Board agrees with the Company's position, NS Power requests that Section
23 11.7 of the LRS T&Cs be further revised to re-insert the following sentence: "*NS
24 Power reserves the right to disconnect the RtR Customer should any of the RtR
25 Customer's current charges in respect of any NS Power electrical service
26 supplied to the RtR Customer go into arrears, in accordance with NS Power
27 Regulation - Section 6: Collection of Accounts.*"
28

³⁹ Appendix B, NS Power Distribution Tariff, Section 6, page 6.

⁴⁰ Appendix V, NS Power Regulations, definition of a "Customer" in Section 1.1.

⁴¹ Appendix B, NS Power Distribution Tariff, Section 12, page 10.

1 (d) that sub-section 14.5.5 of the LRS T&Cs, which requires the form of the LRS'
2 bill to be in a form acceptable to NS Power, be removed since the issue of
3 ensuring NS Power's DT charges are correctly reflected on the LRS's bill falls
4 under the Board's proposed Code of Conduct. NS Power agrees with this
5 recommendation and has revised the LRS T&Cs by deleting Section 14.5.5
6 completely. It is NS Power's understanding that section 10.3 of the Board's Code
7 of Conduct, which sets out the requirements to be followed by an LRS where an
8 LRS renders a bill on behalf of NS Power, will remain as set out in the July 2015
9 draft.

10
11 Finally, NS Power notes ECI's observation that several section numbers were transcribed
12 incorrectly in the version of the LRS T&Cs filed in its Application. The section
13 numbering has been corrected in the versions attached as **Appendices T & U**.

14
15 **3.9 NS Power Regulations**

16
17 The Board has approved the amendments proposed to the NS Power Regulations as
18 filed.⁴² The final version of the NS Power Regulations is attached as **Appendix V**.

19
20 **3.10 Generator Interconnection Procedures**

21
22 The Board has approved the amendments proposed to the Company's Generator
23 Interconnection Procedures (GIP), including the amendments proposed to the Agreement
24 in Appendix 6 of the GIP, as filed.⁴³ The final version of the NSPI GIP is attached as
25 **Appendix W**.

26

⁴² Decision, page 43, paragraph 132.

⁴³ Decision, page 43, paragraph 130.

1 **3.11 Wholesale Electricity Market Rules**

2
3 The Company confirms the NSPSO's final assessment of the proposed amendments to
4 the Wholesale Electricity Market Rules, as set out in the Company's Application, is as
5 follows:

- 6
7 (a) that the proposed amendments should be incorporated into the Market Rules as
8 proposed, and
9
10 (b) that the publishing and effective date of the proposed amendments will be set by
11 the NSPSO subject to and conditional upon the Board's Decision and Order for
12 the RtR Application.⁴⁴

13
14 The Company has been advised by the NSPSO that it does not foresee any additional
15 amendments to the Wholesale Market Rules as being necessary for the new RtR market
16 and that the NSPSO intends to establish the effective date of the amended Wholesale
17 Market Rules in a timeframe consistent with the RtR implementation period set out in the
18 Board's Order.

19
20 The final version of the Wholesale Electricity Market Rules is attached as **Appendix X**
21 for the Board's information.

⁴⁴ Decision, page 45, paragraph 141.

1 **4.0 RTR MARKET REPORTING TO THE BOARD**

2
3 As directed in the Decision,⁴⁵ NS Power will include an RtR market report within its
4 annual Wholesale Market Report to the Board. In addition, NS Power will provide a
5 semi-annual update to the Board on the specific RtR market activity, including the
6 following: (1) Customer participation (i.e., number of customers by bundled service
7 class); (2) Total demand and energy participation; (3) Energy received by NS Power as
8 spill under the EBS Tariff (and the estimated cost savings to NS Power of accepting this
9 energy); and (4) The energy sold by NS Power as top-up under the EBS Tariff (and the
10 estimated cost to provide this energy).

11
12 NS Power will file the above, commencing with the 2017 Wholesale Market Report,
13 which will be filed in the first quarter of 2018, or as otherwise directed.

⁴⁵ Decision, page 50, paragraph 161.

1 **5.0 OTHER COMPLIANCE ITEMS**

2
3 **5.1 Deferral of Implementation Costs**

4
5 NS Power confirms that it will defer recovery of its RtR Market Implementation Costs
6 and record the deferred tax effect of the deferral in the Statement of Earnings to align the
7 tax effect of the costs with the period in which the costs are recovered. The recovery of
8 such costs and the tax-effect will be included as part of a future Annually Adjusted Rate
9 process.

10
11 In order to develop a charge for the recovery of this amount, the Company requires a firm
12 estimate of the market uptake, which it does not have at this stage of market
13 development. This amount will be reviewed annually as part of the AAR filing.

14
15 To date, implementation costs have been approximately \$800,000. As provided by the
16 Company in its response to UARB IR-5, total implementation costs will include the
17 following:

- 18
19
- 20 • NS Power external consultant costs;
 - 21 • RtR market process and procedure development costs;
 - 22 • Stakeholder engagement costs;
 - 23 • Billing system development costs;
 - 24 • UARB consulting costs and counsel costs;
 - 25 • Small Business Advocate and Consumer Advocate RtR proceeding engagement
26 costs; and
 - 27 • Financing costs associated with these expenditures

28 NS Power is in the process of developing its implementation plan based upon the
29 framework and tariffs approved by the Board in its Decision, and proposes to provide the
30 Board with an estimate of the implementation costs by the end of September 2016.

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5.2 Unbundling

The Board provided:

In the circumstances, the Board directs that NSPI convene its recommended stakeholder consultation and report back to the Board on or before April 28, 2017, with respect to whether, and how, unbundling should occur, the timing associated with unbundling and any other matters the Company and stakeholders think may be relevant. Thereafter, the Board will provide further direction.⁴⁶

NS Power confirms that it will conduct the stakeholder consultation and report to the Board by April 28, 2017.

5.3 Capacity Contribution

The Decision provided the following summary of NS Power’s statements at the hearing concerning capacity contribution factors:

NSPI proposes to update wind generation studies in the coming year to assess capacity value for wind with 2015 data and include its results in its 10 year System Outlook Report, which is filed annually with the Board.

NSPI proposed to continue work with stakeholders on the issue of capacity contribution of wind and avoided capacity-related costs. Any changes to the wind generation will be included in the next Annually Adjusted Rates (“AAR”) application to the Board.⁴⁷

The Board directed:

The Board has considered the evidence and approves NSPI’s proposal on this point, as presented. The Board supports the stakeholder consultation

⁴⁶ Decision, page 17, paragraph 47.
⁴⁷ Decision, page 24, paragraph 68-69.

1 and the consultation report is to be filed with the Board prior to the next
2 GRA.⁴⁸
3

4 NS Power confirms that it will update wind generation studies, and include the results in
5 the next 10 Year System Outlook.
6

7 Changes to wind generation will be included in the next Annually Adjusted Rates
8 Application to the Board.
9

10 NS Power will continue to work with stakeholders on the issue of capacity contribution
11 of wind generation and file a consultation report to the Board prior to the next GRA.
12

13 **5.4 Reconcile Language on Non-Power Charges**

14
15 The Decision provided:

16
17 Mr. Chernick, on behalf of the CA, identified concerns with the language
18 in the DT that does not exist in the bundled rate customers' tariffs and
19 requested that unless NSPI can justify the language it should be deleted.
20 This language, while not written into each bundled customer's tariff, exists
21 in the Regulations that apply to all customers.
22

23 During the opening statement of Mr. Chernick, the Board heard a
24 willingness to accept a commitment from NSPI to deal with this concern
25 in the next GRA.
26

27 3.6.1 Findings

28
29 The Board agrees, unless there is sufficient justification for varied
30 language, it should be reconciled. This, however, is not vital to the market
31 opening and the Board directs NSPI to work with stakeholders to arrive at
32 an agreeable solution prior to the next GRA.⁴⁹
33

⁴⁸ Decision, page 25, paragraph 71.

⁴⁹ Decision, page 25, paragraphs 72-74.

Renewable to Retail Compliance Filing

1 NS Power confirms that it will reconcile the Renewable to Retail language variations on
2 Non-power charges between the DT and the NS Power Regulations, and act to resolve
3 this issue with stakeholders prior to the next GRA.

1 **6.0 RELIEF SOUGHT**

2
3 NS Power has updated and amended the RtR tariffs, procedures and related RtR market
4 documents in accordance with the Board's Decision dated March 23, 2016. NS Power re
5 respectfully requests that the UARB approve the following:

- 6
- 7 (a) the Distribution Tariff as set out in **Appendix C**;
 - 8
 - 9 (b) the Energy Balancing Service Tariff as set out in **Appendix F**;
 - 10
 - 11 (c) the Standby Service Tariff as set out in **Appendix J**;
 - 12
 - 13 (d) the Renewable to Retail Transition Tariff as set out in **Appendix M**;
 - 14
 - 15 (e) the revised Open Access Transmission Tariff as set out in **Appendix R**, including
16 Open Access Transmission Tariff Schedules 4 and 4A and the Transmission RtR
17 Customer Operating Agreement) as set out in **Appendices O and P respectively**;
 - 18
 - 19 (f) the LRS Participation Agreement as set out in **Appendix S**;
 - 20
 - 21 (g) the LRS Terms and Conditions as set out in **Appendix U**;
 - 22
 - 23 (h) the revised NS Power Regulations as set out in **Appendix V**;
 - 24
 - 25 (i) the revised Generator Interconnection Procedures as set out in **Appendix W**;
 - 26
 - 27 (j) the ability of the Company to defer recovery of its RtR Market Implementation
28 Costs and record the deferred tax effect of the deferral in the Statement of
29 Earnings; and
 - 30

Renewable to Retail Compliance Filing

1 (k) confirm this Compliance filing otherwise satisfies all aspects of the Board's
2 Decision.

3
4 NS Power further seeks clarification with respect to its right to disconnect in the event
5 that any current charges go into arrears owing by an RtR Customer to the Company after
6 the RtR customer's transfer to LRS supply as set out above and that an RtR Customer is
7 still a customer of NS Power as noted above.

ADJUSTMENT TO REVENUE REQUIREMENT

Fixed Cost Deferral Adjustment from 2014 Test Year Applicable to Approved Renewable to Retail Tariffs (in thousands of \$'s)					
	Amount	Relative Share	Differential by Area	RR Adjustment to Generation and Distribution Areas	% Adj. Applicable to Rates
Fixed Cost Deferral⁽¹⁾					
Total ATL Revenue after FX Cost Deferral	\$1,241,863				
Less: Total ATL Revenue as per COSS Deferral	<u>\$1,277,146</u>				
	-\$35,283				
Revenue Requirement Adjustment⁽²⁾					
FX Costs by Area					
Generation Fixed ⁽³⁾	\$481,877	58%	-\$20,505.90	-\$20,506	-4.255%
Transmission	\$107,466	13%	-\$4,573		
Distribution & Retail ⁽⁴⁾	<u>\$239,776</u>	<u>29%</u>	-\$10,203	-\$10,203	-4.255%
Total	\$829,119	100%	-\$35,283	-\$30,709	

Footnotes

(1) 2013 GRA Compliance Filing: Appendix 7 - Revenue Summary, page 6, row 24, columns J, K, L.

(2) 2013 COS Compliance Filing: Appendix 1 COS Compliance Model, Exhibit 5, column 1.

(3) Calculated as a difference between Total Generation costs and total fuel-related costs: \$929,904 - \$448,027 = \$481,877.

(4) Includes Costs Associated with Wholesale Municipal Customers.



NOVA SCOTIA POWER INCORPORATED

DISTRIBUTION TARIFF

~~As Approved by the UARB on ●~~

Nova Scotia Power Distribution Tariff

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Nova Scotia Power Distribution Tariff

1. DEFINITIONS

In this Distribution Tariff, the following terms shall have the following meanings:

Act: The *Electricity Act*, S.N.S. 2004, c. 25, as amended from time to time.

Ancillary Services: Services that are necessary to support the transport of capacity and energy from generation resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Board: The Nova Scotia Utility and Review Board.

Bundled Service: Electrical service taken from NS Power under NS Power tariffs approved by the Board. This takes the form of having generation, transmission, distribution, Ancillary Services and all other items associated with the provision of such service blended or bundled within the rate. For certainty, Bundled Service does not include services taken from NS Power under the Distribution Tariff, the Energy Balancing Service Tariff, the Standby Service Tariff or the Renewable to Retail Market Transition Tariff.

Customer Information: Information including, but not limited to, the name, telephone number, mailing address, e-mail address, service address, site contact name, site contact telephone number and information regarding electricity consumption, class of service and payment history of a Retail Customer or an RtR customer, as applicable.

Demand Side Management Recovery Charges: Costs of demand side management programs that NS Power is entitled to recover from RtR Customers.

Distribution System: NS Power's facilities and equipment (generally rated at less than 69 kV) used to distribute electricity to ultimate usage points such as homes and industries either directly from nearby generators or from interchanges from the Transmission System.

Distribution System Access: The services provided by NS Power to the RtR Customer under the Distribution Tariff provide for the connection of the RtR Customer to the Distribution System, but does not include the provision of electricity. These services are comprised of delivery of electricity on the distribution system and related services including connections, disconnections, line and service extensions, inspection services,

Nova Scotia Power Distribution Tariff

meter services, power restoration, meter reading, and customer service, all in accordance with applicable NS Power Regulations.

Distribution Tariff: This Distribution Tariff, its terms and conditions and all appendices and attachments referenced herein, including the Distribution Tariff Rate Schedules.

Distribution Tariff Rate Schedules: The rate schedules attached hereto as Appendix A which outline the pricing and availability provisions for Distribution System Access.

DT Charges: This term shall have the meaning set out in Section 11.2.

Good Utility Practice: Those practices, methods or acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in North America) that at a particular time, in the exercise of reasonable judgment, would have been expected to accomplish the desired result in a manner consistent with regulations, reliability, safety, environmental protection, economy and expedition as applied and practiced in the utility industry with respect to power generation, delivery, purchase and sale.

Licensed Retail Supplier (LRS): A Retail Supplier who:

- (a) holds a valid Retail Supplier Licence; and
- (b) has a valid LRS Participation Agreement executed with NS Power. For certainty, a Wholesale Customer is not a Licensed Retail Supplier.

LRS Participation Agreement: The agreement (and any amendments or supplements thereto) between a Licensed Retail Supplier and NS Power with respect to the sale of renewable low-impact electricity by the LRS in the form approved by the Board.

NS Power: Nova Scotia Power Incorporated.

NS Power Regulations: NS Power Regulations approved by the Board pursuant to the *Public Utilities Act* (Nova Scotia) as such regulations may be amended from time to time with the approval of the Board.

Open Access Transmission Tariff (OATT): NS Power's Open Access Transmission Tariff, as approved by the Board.

Province: Province of Nova Scotia

Nova Scotia Power Distribution Tariff

Real Power Losses: Resistive losses occurring as the result of current flow through primary distribution feeders, distribution transformers, secondary conductors and service drops.

Reasonable Efforts: With respect to an action required to be attempted or taken by a party, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a party would use to protect its own interests.

Renewable Low-Impact Electricity: This term has the same meaning as in the Renewable Electricity Regulations (Nova Scotia).

Retail Supplier: This term has the same meaning as under the Act.

Retail Supplier Licence: A Retail Supplier licence issued by the Board in accordance with the Act and regulations made thereunder which authorizes a person to sell renewable low-impact electricity generated within the Province.

Retail Customer: This term has the same meaning as under the Act. For certainty, a customer of a municipal utility (as defined under the Act) is not a Retail Customer for the purposes of this Distribution Tariff.

RtR Customer: A Retail Customer who is acquiring renewable low-impact electricity from an LRS at an individual RtR Customer Premises and is not receiving Bundled Service from NS Power at that RtR Customer Premises.

RtR Customer Premises: A premises that is provided with electricity through a single meter and, as the context requires, either:

- (a) a complete building such as an office building, factory or house; or
- (b) a part of a building such as a suite of offices in an office building or an apartment in an apartment building, and in such cases the part of the building occupied must be contiguous and include no space not controlled by the customer; or
- (c) a group of buildings served by one electric service and at its discretion accepted by NS Power as one RtR Customer for LRS billing purposes.

RtR Customer Transaction Request Application: A NS Power document to be used by a Licenced Retail Supplier for the purpose of applying to NS Power to accept and process RtR Customer transactions.

Nova Scotia Power Distribution Tariff

Transmission Provider: NS Power.

Transmission Services: The services obtained by market participants under the terms and conditions of the OATT to access the Transmission System for the purpose of transporting electric energy and Ancillary Services.

Transmission System: The facilities, generally rated at 69 kV and above, owned, controlled or operated by the Transmission Provider that are used to provide transmission service under the OATT.

Wholesale Customer: This term has the same meaning as under the Act.

Nova Scotia Power Distribution Tariff

2. PURPOSE OF THE DISTRIBUTION TARIFF

In accordance with the provisions of the Act and the regulations made thereunder, NS Power will, subject to the terms of this Distribution Tariff, provide Distribution System Access to RtR Customers to enable the connection of the RtR Customer to the Distribution System.

3. SCOPE OF THE DISTRIBUTION TARIFF

The Distribution Tariff is applicable to all RtR Customers connected to the Distribution System.

This Distribution Tariff is not applicable to RtR Customers directly connected to the Transmission System. Transmission-connected RtR Customers must have their Transmission System access arranged by the LRS under the provisions of the OATT.

The Distribution Tariff outlines the terms and conditions that apply to the provision of Distribution System Access to RtR Customers.

The Distribution Tariff Rate Schedules apply to the provision of Distribution System Access.

4. BOARD APPROVAL

The Distribution Tariff has been approved by the Board.

Nothing contained in the Distribution Tariff shall be construed as affecting in any way the right of NS Power to make application to the Board for a change in any rates (including the Distribution Tariff Rate Schedules), terms and conditions, charges, classification of service, rules or regulations.

5. APPENDICES

For greater certainty, Appendix A attached hereto forms part of the Distribution Tariff.

6. APPLICABILITY OF NS POWER REGULATIONS TO THE RTR CUSTOMER

The NS Power Regulations apply to an RtR Customer receiving Distribution System Access.

Nova Scotia Power Distribution Tariff

7. NS POWER RESPONSIBILITIES

NS Power shall be responsible for:

- (a) provision of Distribution System Access;
- (b) processing RtR Customer Transaction Request Applications that are received from an LRS on behalf of the RtR Customer;
- (c) providing billing data for the RtR Customer's Distribution Tariff charges for inclusion on the RtR Customer's invoice; and
- (d) acting as the point of contact for RtR Customers for matters related to the provision of Distribution Access Service.

NS Power shall not be responsible to the RtR Customer for the supply of electricity (whether renewable low-impact electricity or otherwise) which the RtR Customer shall be obligated to obtain from an LRS.

NS Power shall not be responsible for monitoring, reviewing or enforcing contracts or arrangements between the RtR Customer and the LRS and shall not be liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the LRS's failure to perform its obligations to its RtR Customer(s).

8. RtR CUSTOMER RESPONSIBILITIES

The RtR Customer shall be responsible for:

- (a) payment of all fees and charges arising in connection with the Distribution Tariff;
- (b) compliance with the terms and conditions of the Distribution Tariff and the NS Power Regulations;
- (c) obtaining a supply of renewable low-impact electricity from an LRS; and
- (d) all contractual arrangements with an LRS for the supply of renewable low-impact electricity.

Nova Scotia Power Distribution Tariff

9. INTERRUPTION OF DISTRIBUTION SYSTEM ACCESS

Notwithstanding any term of this Distribution Tariff, NS Power shall have the right to suspend or interrupt, in whole or in part, the provision of Distribution System Access for the purpose of safeguarding life or property, for making repairs, changes, renewals, improvements or replacements to the Distribution System provided NS Power shall make Reasonable Efforts to ensure all such suspensions or interruptions are of a minimum duration consistent with the exigencies of the case, provided, however, any such suspensions or interruptions shall not release the RtR Customer from its obligation to pay all charges pursuant to this Distribution Tariff during the period of any such suspensions or interruption and to resume the use of power and energy when the supply is restored.

9A. LIMITATION OF LIABILITY

- (a) NS Power shall not be responsible for any claim, loss, cost, liability, action, judgment, suit, proceeding, expense, disbursement or damage whatsoever arising, either directly or indirectly, whether in contract or tort (including negligence) or otherwise, in respect of any interruptions, diversions, curtailments, or other procedures necessary to maintain the efficient and effective operation of the Distribution System or the Transmission System. This would include all Distribution Access Service as permitted by this Distribution Tariff.
- (b) NS Power not liable for damages in respect of any delay, interruption or other partial or complete failure in supplying Distribution System Access where such damages are caused by something which is beyond the ability of the Company to control by reasonable and practicable effort.
- (c) Notwithstanding any other provision herein or applicable law to the contrary, NS Power shall not be liable for:
 - i. any indirect or consequential loss or incidental or special damages, including, without limitation, any punitive or aggravated damages;
 - ii. any loss of profit, loss of contract, loss of opportunity or loss of goodwill;
or
 - iii. damages for loss of use,

Nova Scotia Power Distribution Tariff

arising, directly or indirectly, with the performance or delivery of the Distribution Access Service or any other obligations of NS Power under this Distribution Tariff, including but not limited to interruptions, diversions, curtailments or suspensions of any of the Distribution Access Services or from any acts or omissions of its employees and agents, and whether arising in contract, indemnity, tort (including negligence) or any other legal theory.

Nova Scotia Power Distribution Tariff

10. METERING

10.1. Provision and Ownership

NS Power will provide, install and seal all revenue class meters as necessary for application of this Distribution Tariff. The meters will be used for determining charges for Distribution System Access under the Distribution Tariff applicable to the RtR Customers.

Interval meters with remote polling capability shall be installed for all RtR Customers.

All meters and associated revenue metering equipment shall remain the property of NS Power. All revenue metering equipment installations shall meet the requirements under the Electricity and Gas Inspection Act regulations in effect at the time.

RtR Customer metering requirements are set out in the NS Power Regulations Section 4 - Metering.

10.2. Meter Reading

RtR Customer meter reading requirements are set out in NS Power Regulations Section 5 – Meter Reading and Billing.

11. BILLING

11.1. Application of Distribution Tariff Rates

The Distribution Tariff amounts payable by the RtR Customer will be calculated by NS Power using the RtR Customer's meter readings and the Distribution Tariff Rate Schedule applicable to the RtR Customer's rate class.

If the operational or consumption characteristics of the RtR Customer change, such that the RtR Customer, in NS Power's determination, no longer qualifies for its current rate class, NS Power shall apply a Distribution Tariff rate appropriate to the RtR Customer's new operational or consumption characteristics.

Nova Scotia Power Distribution Tariff

11.2. Billing

Unless NS Power directs otherwise, the RtR Customer shall be invoiced by the LRS and will pay the LRS for any charges or fees, inclusive of all applicable taxes, owing by the RtR Customer to NS Power under this Distribution Tariff (DT Charges).

For greater certainty, the DT Charges shall include:

- (a) All fees and charges for the provision of Distribution System Access under this Distribution Tariff;
- (b) Demand Side Management Recovery Charges;
- (c) any applicable costs incurred by NS Power resulting from performance of repairs, changes, renewals, improvements or replacements outside of normal working hours, at the RtR Customer's request; and
- (d) Other items as may be approved by the Board.

NS Power may, at its discretion, include fees for any special customer services provided at the LRS's or the RtR Customer's request, pursuant to NS Power Regulation 7.1 - Schedule of Charges.

The RtR Customer consents to NS Power providing the LRS with Customer Information for the purposes of facilitating the billing arrangements between the LRS and the RtR Customer.

The RtR Customer acknowledges and agrees that unless NS Power directs otherwise, it shall be responsible to the LRS with respect to all matters relating to the payment and collection of the DT Charges and any other amounts owing by it under this Distribution Tariff.

The RtR Customer shall not make or bring any claim, action or demand against NS Power arising out of or in any way attributable to the collection of the DT Charges by the LRS, its servants, agents or employees.

11.3. Real Power Losses

Distribution System Real Power Losses associated with Distribution System Access are incorporated in the Distribution Tariff rates applicable to each RtR Customer's rate class. The RtR Customer is responsible for the costs of such Real Power Losses.

Nova Scotia Power Distribution Tariff

12. DISCONTINUANCE OF DISTRIBUTION SYSTEM ACCESS BY NS POWER

For certainty, NS Power may discontinue Distribution System Access to an RtR Customer in accordance with the requirements of NS Power Regulations Section 6 – Collection of Accounts, Regulations 6.1 - Disconnection of Electric Service, 6.2 - Rules Governing Disconnection and 6.3 - Medical Emergency.

Nova Scotia Power Distribution Tariff

APPENDIX A: DISTRIBUTION TARIFF RATE SCHEDULES

NOVA SCOTIA POWER INCORPORATED***DISTRIBUTION TARIFF RATES****

**Note: For certainty, all capitalized terms shall, unless otherwise defined herein, have the meanings ascribed thereto in Distribution Tariff.*

APPLICABILITY

This schedule provides charges for Distribution System Access applicable to distribution-connected RtR Customers receiving supply of renewable low-impact electricity from a Licenced Retail Supplier as provided for under the Electricity Act (Nova Scotia).

CHARGES

Rate Class	Customer Charge	Distribution Charge	Demand Charge	Minimum Monthly Charge	Transformer Ownership Credit
	\$/month	¢/kWh	\$/kVA	\$/month	\$/kVA
Domestic Service	10.83	2.549 <u>2.383</u>	0.000	10.83	0
Domestic Service Time of Day	10.83	2.549 <u>2.383</u>	0.000	10.83	0
Small General	12.65	2.362 <u>2.197</u>	0.000	12.65	0
General (1)	0	0.000	5.458 <u>5.226</u>	12.65	-0.32
Large General (2)	0	0.000	3.361 <u>3.224</u>	12.65	-0.32
Small Industrial	0	0.000	4.494 <u>4.303</u>	12.65	-0.32
Medium Industrial	0	0.000	3.347 <u>3.496</u>	12.65	-0.32
Large Industrial Firm (2) Rate Code 23	0	0.000	2.430 <u>2.327</u>	12.65	-0.32
Outdoor Recreational Light Rate	0	3.551 <u>3.400</u>	0.000	0	0
Unmetered Service Rates	0	0.000	11.960 <u>12.484</u>	17.51	0
Miscellaneous Small Loads	0	0.000	11.960 <u>12.484</u>	17.51	0

Footnotes

(1) Demand Charges and credits are applicable to kilowatt (kW) demand.

(2) Demand Charges and credits are applicable to kilovolt-ampere of maximum (kVA) demand of the current month or the maximum actual demand of the previous December, January or February occurring in the previous eleven months regardless whether service was taken under the bundled or unbundled service.

~~PROPOSED: September 1, 2015~~ ————— ~~EFFECTIVE:~~

NOVA SCOTIA POWER INCORPORATED

DISTRIBUTION TARIFF RATES*

MAXIMUM PER KWH CHARGE/MINIMUM BILL

The same maximum per kWh charges and minimum bills will apply as stated in tariffs for NS Power Bundled Service for each Rate Class listed above.

AVAILABILITY

The same Availability conditions will apply as stated in tariffs for NS Power Bundled Service for each Rate Class listed above, saving and excepting the Interruptible Rider to the Large Industrial Tariff (Rate Code 25) which will not apply.

SPECIAL CONDITIONS

The same Special Conditions will apply as stated in tariffs for NS Power Bundled Service for each Rate Class listed above, saving and excepting the Interruptible Rider to the Large Industrial Tariff (Rate Code 25) which will not apply.

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| ~~PROPOSED: September 1, 2015~~ ~~—————~~ ~~EFFECTIVE:~~

NOVA SCOTIA POWER INCORPORATED***DISTRIBUTION TARIFF RATES******(A) STREET AND AREA LIGHTING****RATES****(1) INCANDESCENT**

Rate Code	Watts	kWh/Mo.	\$/Mo.	Other
a) <u>Operating, Maintenance and Capital (Full Charge)</u>				
001	300 and less	97	\$10.78 <u>10.67</u>	
002	Greater than 300	154	13.09 <u>12.92</u>	
b) <u>Operating Only</u>				
003	300 and Less	97	3.74 <u>3.63</u>	

(2) MERCURY VAPOUR

Rate Code	Watts	kWh/Mo.	\$/Mo.	Other
a) <u>Operating, Maintenance and Capital (Full Charge)</u>				
100	100	43	\$10.03 <u>9.98</u>	
101	125	52	11.88 <u>11.82</u>	
102	175	69	10.77 <u>10.69</u>	
103	250	97	12.59 <u>12.48</u>	
104	400	154	14.86 <u>14.69</u>	
105	700	260	20.14 <u>19.85</u>	
106	1000	363	25.15 <u>24.74</u>	
107	250	212	17.74 <u>17.63</u>	Continuous Operation
b) <u>Operating and Maintenance Only</u>				
201	125	52	\$8.87 <u>8.81</u>	
202	175	69	7.80 <u>7.72</u>	
203	250	97	8.90 <u>8.79</u>	
204	400	154	11.09 <u>10.92</u>	
205	700	260	15.19 <u>14.90</u>	
206	1000	363	19.17 <u>18.76</u>	
c) <u>Operating Only</u>				
301	125	52	\$2.00 <u>1.94</u>	
302	175	69	2.64 <u>2.56</u>	
303	250	97	3.74 <u>3.63</u>	
304	400	154	5.93 <u>5.76</u>	

~~PROPOSED: September 1, 2015~~ ————— ~~EFFECTIVE:~~

NOVA SCOTIA POWER INCORPORATED

DISTRIBUTION TARIFF RATES*

305	700	260	10.03 <u>9.74</u>
306	1000	363	14.01 <u>13.60</u>

(3) **FLUORESCENT**

Rate Code	Bulb Length	Number of Bulbs/Unit	kWh/Mo.	\$/Mo.	Other
a) <u>Operating, Maintenance and Capital (Full Charge)</u>					
110	24	2	30	13.91 <u>13.87</u>	
111	48	2	85	16.28 <u>16.18</u>	
112	72	2	116	17.96 <u>17.82</u>	
113	72	4	222	23.16 <u>22.90</u>	
114	96	1	47	15.08 <u>15.03</u>	
115	72	1	60	15.21 <u>15.14</u>	
116	48	4	166	19.99 <u>19.80</u>	
b) <u>Operating and Maintenance Only</u>					
213	72	4	222	18.86 <u>18.60</u>	
214	96	1	47	12.11 <u>12.06</u>	
215	72	1	60	12.63 <u>12.56</u>	
216	48	4	166	16.74 <u>16.55</u>	
217	48	1	49	12.18 <u>12.13</u>	
218	48	2	85	13.59 <u>13.49</u>	
c) <u>Operating Only</u>					
330	35	4	47	1.80 <u>1.75</u>	

~~PROPOSED: September 1, 2015~~ ————— ~~EFFECTIVE:~~

NOVA SCOTIA POWER INCORPORATED

*DISTRIBUTION TARIFF RATES**

(4) FLUORESCENT CROSSWALK

a) Continuous Burning - Operating Only

117	72	4	486	\$8,568.30
118	24	2	66	1,151.12
119	48	4	364	6,436.24
120	96	2	254	4,494.35
150	96	4	613	10,8010.48

~~PROPOSED: September 1, 2015~~ ~~—————~~ ~~EFFECTIVE:~~

NOVA SCOTIA POWER INCORPORATED

DISTRIBUTION TARIFF RATES*(4) **FLUORESCENT CROSSWALK (cont.)**b) Photocell Operation - Operating Only

310	24	2	30	\$1.17 <u>1.13</u>
311	48	4	166	6.43 <u>6.24</u>
312	72	2	116	4.50 <u>4.36</u>
313	72	4	222	8.55 <u>8.29</u>
314	96	1	47	1.80 <u>1.75</u>
315	72	1	60	2.32 <u>2.25</u>
350	96	4	280	10.82 <u>10.50</u>

(5) **LOW PRESSURE SODIUM**

Rate Code	Watts	kWh/Mo.	\$/Mo.	Other
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a) Operating, Maintenance and Capital (Full Charge)

130	135	60	\$23.58 <u>23.51</u>	
131	180	80	26.94 <u>26.85</u>	
132	90	45	22.99 <u>22.94</u>	

b) Operating and Maintenance Only

231	180	80	18.56 <u>18.47</u>	
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c) Operating Only

331	180	80	3.09 <u>3.00</u>	
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(6) **HIGH PRESSURE SODIUM**a) Operating, Maintenance and Capital (Full Charge)

121	250	100	\$12.23 <u>12.12</u>	
122	400	150	14.28 <u>14.11</u>	
123	70	32	9.41 <u>9.37</u>	
124	100	45	9.93 <u>9.88</u>	
125	150	65	10.89 <u>10.81</u>	
126	100	99	15.08 <u>15.03</u>	Continuous Operation

~~PROPOSED: September 1, 2015~~ ————— ~~EFFECTIVE:~~

NOVA SCOTIA POWER INCORPORATED

DISTRIBUTION TARIFF RATES*(6) **HIGH PRESSURE SODIUM** (cont'd)

Rate Code	Watts	kWh/Mo.	\$/Mo.	Other
b) <u>Operating and Maintenance Only</u>				
221	250	100	\$9,028.91	
222	70	32	6,396.35	
223	100	45	6,896.84	
224	150	65	7,677.59	
c) <u>Operating Only</u>				
321	250	100	\$3,863.75	
322	70	32	1,231.19	
323	100	45	1,731.68	
324	150	65	2,542.43	
326	400	150	5,795.62	
327	500	183	7,076.86	
328	1000	363	14,0213.61	
329	1500	500	19,3018.73	

(7) **METALLIC ADDITIVE**a) Operating, Maintenance and Capital (Full Charge)

140	400	150	\$17,8517.68
141	1000	360	31,8331.42
142	250	100	19,9819.87
143	150	67	18,7018.62
144	100	50	18,0517.99

b) Operating Only

341	1000	360	\$13,8913.48
342	400	150	5,795.62
343	250	100	3,863.75
344	175	75	2,892.81
345	150	67	2,582.50
346	100	50	1,931.87

~~PROPOSED: September 1, 2015~~ ~~—————~~ ~~EFFECTIVE:~~

NOVA SCOTIA POWER INCORPORATED

DISTRIBUTION TARIFF RATES*(8) **LIGHT EMITTING DIODE (LED) LESS THAN 30 WATTS FOR TRAFFIC CONTROL SIGNALS ONLY**

Rate Code	\$/Mo.	Other
530	\$0.06	Non – Continuous
531	\$0.09	Continuous

(9) **LIGHT EMITTING DIODE (LED) – Operating Only**

Rate Code	Watts	kWh/Mo.	\$/Mo.
532	44	15	\$0.580.56
533	66	22	0.8582
534	88	29	1.4209
535	92	31	1.2016
536	105	35	1.3531
537	170	57	2.2013
539	110	37	1.4339
540	65	22	0.8582
541	55	18	0.6967
542	83	28	1.0805
543	48	16	0.602
544	72	24	0.9390

(10) **INTERIM LIGHT EMITTING DIODE (LED) – Operating & Capital Only***

Rate Code	Watts	kWh/Mo.	\$/Mo.	Other
615	44	15	\$7.857.74	
616	55	18	7.967.85	
623	28	9	7.627.52	
624	50	17	7.9382	
625	72	24	8.2008	
626	100	33	8.548.42	
627	200	67	9.869.69	

* While fixture maintenance costs associated with LED streetlights may occur, this component is currently not reflected in the rates.

~~PROPOSED: September 1, 2015~~ ~~EFFECTIVE:~~



NOVA SCOTIA POWER INCORPORATED

DISTRIBUTION TARIFF

Nova Scotia Power Distribution Tariff

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Nova Scotia Power Distribution Tariff

1. DEFINITIONS

In this Distribution Tariff, the following terms shall have the following meanings:

Act: The *Electricity Act*, S.N.S. 2004, c. 25, as amended from time to time.

Ancillary Services: Services that are necessary to support the transport of capacity and energy from generation resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

Board: The Nova Scotia Utility and Review Board.

Bundled Service: Electrical service taken from NS Power under NS Power tariffs approved by the Board. This takes the form of having generation, transmission, distribution, Ancillary Services and all other items associated with the provision of such service blended or bundled within the rate. For certainty, Bundled Service does not include services taken from NS Power under the Distribution Tariff, the Energy Balancing Service Tariff, the Standby Service Tariff or the Renewable to Retail Market Transition Tariff.

Customer Information: Information including, but not limited to, the name, telephone number, mailing address, e-mail address, service address, site contact name, site contact telephone number and information regarding electricity consumption, class of service and payment history of a Retail Customer or an RtR customer, as applicable.

Demand Side Management Recovery Charges: Costs of demand side management programs that NS Power is entitled to recover from RtR Customers.

Distribution System: NS Power's facilities and equipment (generally rated at less than 69 kV) used to distribute electricity to ultimate usage points such as homes and industries either directly from nearby generators or from interchanges from the Transmission System.

Distribution System Access: The services provided by NS Power to the RtR Customer under the Distribution Tariff provide for the connection of the RtR Customer to the Distribution System, but does not include the provision of electricity. These services are comprised of delivery of electricity on the distribution system and related services including connections, disconnections, line and service extensions, inspection services,

Nova Scotia Power Distribution Tariff

meter services, power restoration, meter reading, and customer service, all in accordance with applicable NS Power Regulations.

Distribution Tariff: This Distribution Tariff, its terms and conditions and all appendices and attachments referenced herein, including the Distribution Tariff Rate Schedules.

Distribution Tariff Rate Schedules: The rate schedules attached hereto as Appendix A which outline the pricing and availability provisions for Distribution System Access.

DT Charges: This term shall have the meaning set out in Section 11.2.

Good Utility Practice: Those practices, methods or acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in North America) that at a particular time, in the exercise of reasonable judgment, would have been expected to accomplish the desired result in a manner consistent with regulations, reliability, safety, environmental protection, economy and expedition as applied and practiced in the utility industry with respect to power generation, delivery, purchase and sale.

Licensed Retail Supplier (LRS): A Retail Supplier who:

- (a) holds a valid Retail Supplier Licence; and
- (b) has a valid LRS Participation Agreement executed with NS Power. For certainty, a Wholesale Customer is not a Licensed Retail Supplier.

LRS Participation Agreement: The agreement (and any amendments or supplements thereto) between a Licensed Retail Supplier and NS Power with respect to the sale of renewable low-impact electricity by the LRS in the form approved by the Board.

NS Power: Nova Scotia Power Incorporated.

NS Power Regulations: NS Power Regulations approved by the Board pursuant to the *Public Utilities Act* (Nova Scotia) as such regulations may be amended from time to time with the approval of the Board.

Open Access Transmission Tariff (OATT): NS Power's Open Access Transmission Tariff, as approved by the Board.

Province: Province of Nova Scotia

Nova Scotia Power Distribution Tariff

Real Power Losses: Resistive losses occurring as the result of current flow through primary distribution feeders, distribution transformers, secondary conductors and service drops.

Reasonable Efforts: With respect to an action required to be attempted or taken by a party, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a party would use to protect its own interests.

Renewable Low-Impact Electricity: This term has the same meaning as in the Renewable Electricity Regulations (Nova Scotia).

Retail Supplier: This term has the same meaning as under the Act.

Retail Supplier Licence: A Retail Supplier licence issued by the Board in accordance with the Act and regulations made thereunder which authorizes a person to sell renewable low-impact electricity generated within the Province.

Retail Customer: This term has the same meaning as under the Act. For certainty, a customer of a municipal utility (as defined under the Act) is not a Retail Customer for the purposes of this Distribution Tariff.

RtR Customer: A Retail Customer who is acquiring renewable low-impact electricity from an LRS at an individual RtR Customer Premises and is not receiving Bundled Service from NS Power at that RtR Customer Premises.

RtR Customer Premises: A premises that is provided with electricity through a single meter and, as the context requires, either:

- (a) a complete building such as an office building, factory or house; or
- (b) a part of a building such as a suite of offices in an office building or an apartment in an apartment building, and in such cases the part of the building occupied must be contiguous and include no space not controlled by the customer; or
- (c) a group of buildings served by one electric service and at its discretion accepted by NS Power as one RtR Customer for LRS billing purposes.

RtR Customer Transaction Request Application: A NS Power document to be used by a Licenced Retail Supplier for the purpose of applying to NS Power to accept and process RtR Customer transactions.

Nova Scotia Power Distribution Tariff

Transmission Provider: NS Power.

Transmission Services: The services obtained by market participants under the terms and conditions of the OATT to access the Transmission System for the purpose of transporting electric energy and Ancillary Services.

Transmission System: The facilities, generally rated at 69 kV and above, owned, controlled or operated by the Transmission Provider that are used to provide transmission service under the OATT.

Wholesale Customer: This term has the same meaning as under the Act.

Nova Scotia Power Distribution Tariff

2. PURPOSE OF THE DISTRIBUTION TARIFF

In accordance with the provisions of the Act and the regulations made thereunder, NS Power will, subject to the terms of this Distribution Tariff, provide Distribution System Access to RtR Customers to enable the connection of the RtR Customer to the Distribution System.

3. SCOPE OF THE DISTRIBUTION TARIFF

The Distribution Tariff is applicable to all RtR Customers connected to the Distribution System.

This Distribution Tariff is not applicable to RtR Customers directly connected to the Transmission System. Transmission-connected RtR Customers must have their Transmission System access arranged by the LRS under the provisions of the OATT.

The Distribution Tariff outlines the terms and conditions that apply to the provision of Distribution System Access to RtR Customers.

The Distribution Tariff Rate Schedules apply to the provision of Distribution System Access.

4. BOARD APPROVAL

The Distribution Tariff has been approved by the Board.

Nothing contained in the Distribution Tariff shall be construed as affecting in any way the right of NS Power to make application to the Board for a change in any rates (including the Distribution Tariff Rate Schedules), terms and conditions, charges, classification of service, rules or regulations.

5. APPENDICES

For greater certainty, Appendix A attached hereto forms part of the Distribution Tariff.

6. APPLICABILITY OF NS POWER REGULATIONS TO THE RTR CUSTOMER

The NS Power Regulations apply to an RtR Customer receiving Distribution System Access.

Nova Scotia Power Distribution Tariff

7. NS POWER RESPONSIBILITIES

NS Power shall be responsible for:

- (a) provision of Distribution System Access;
- (b) processing RtR Customer Transaction Request Applications that are received from an LRS on behalf of the RtR Customer;
- (c) providing billing data for the RtR Customer's Distribution Tariff charges for inclusion on the RtR Customer's invoice; and
- (d) acting as the point of contact for RtR Customers for matters related to the provision of Distribution Access Service.

NS Power shall not be responsible to the RtR Customer for the supply of electricity (whether renewable low-impact electricity or otherwise) which the RtR Customer shall be obligated to obtain from an LRS.

NS Power shall not be responsible for monitoring, reviewing or enforcing contracts or arrangements between the RtR Customer and the LRS and shall not be liable for any loss, damages, cost, injury, expense or other liability, whether direct, indirect, consequential or special in nature, howsoever caused, as a result of the LRS's failure to perform its obligations to its RtR Customer(s).

8. RtR CUSTOMER RESPONSIBILITIES

The RtR Customer shall be responsible for:

- (a) payment of all fees and charges arising in connection with the Distribution Tariff;
- (b) compliance with the terms and conditions of the Distribution Tariff and the NS Power Regulations;
- (c) obtaining a supply of renewable low-impact electricity from an LRS; and
- (d) all contractual arrangements with an LRS for the supply of renewable low-impact electricity.

Nova Scotia Power Distribution Tariff

9. INTERRUPTION OF DISTRIBUTION SYSTEM ACCESS

Notwithstanding any term of this Distribution Tariff, NS Power shall have the right to suspend or interrupt, in whole or in part, the provision of Distribution System Access for the purpose of safeguarding life or property, for making repairs, changes, renewals, improvements or replacements to the Distribution System provided NS Power shall make Reasonable Efforts to ensure all such suspensions or interruptions are of a minimum duration consistent with the exigencies of the case, provided, however, any such suspensions or interruptions shall not release the RtR Customer from its obligation to pay all charges pursuant to this Distribution Tariff during the period of any such suspensions or interruption and to resume the use of power and energy when the supply is restored.

9A. LIMITATION OF LIABILITY

- (a) NS Power shall not be responsible for any claim, loss, cost, liability, action, judgment, suit, proceeding, expense, disbursement or damage whatsoever arising, either directly or indirectly, whether in contract or tort (including negligence) or otherwise, in respect of any interruptions, diversions, curtailments, or other procedures necessary to maintain the efficient and effective operation of the Distribution System or the Transmission System. This would include all Distribution Access Service as permitted by this Distribution Tariff.
- (b) NS Power not liable for damages in respect of any delay, interruption or other partial or complete failure in supplying Distribution System Access where such damages are caused by something which is beyond the ability of the Company to control by reasonable and practicable effort.
- (c) Notwithstanding any other provision herein or applicable law to the contrary, NS Power shall not be liable for:
 - i. any indirect or consequential loss or incidental or special damages, including, without limitation, any punitive or aggravated damages;
 - ii. any loss of profit, loss of contract, loss of opportunity or loss of goodwill;
or
 - iii. damages for loss of use,

Nova Scotia Power Distribution Tariff

arising, directly or indirectly, with the performance or delivery of the Distribution Access Service or any other obligations of NS Power under this Distribution Tariff, including but not limited to interruptions, diversions, curtailments or suspensions of any of the Distribution Access Services or from any acts or omissions of its employees and agents, and whether arising in contract, indemnity, tort (including negligence) or any other legal theory.

Nova Scotia Power Distribution Tariff

10. METERING

10.1. Provision and Ownership

NS Power will provide, install and seal all revenue class meters as necessary for application of this Distribution Tariff. The meters will be used for determining charges for Distribution System Access under the Distribution Tariff applicable to the RtR Customers.

Interval meters with remote polling capability shall be installed for all RtR Customers.

All meters and associated revenue metering equipment shall remain the property of NS Power. All revenue metering equipment installations shall meet the requirements under the Electricity and Gas Inspection Act regulations in effect at the time.

RtR Customer metering requirements are set out in the NS Power Regulations Section 4 - Metering.

10.2. Meter Reading

RtR Customer meter reading requirements are set out in NS Power Regulations Section 5 – Meter Reading and Billing.

11. BILLING

11.1. Application of Distribution Tariff Rates

The Distribution Tariff amounts payable by the RtR Customer will be calculated by NS Power using the RtR Customer's meter readings and the Distribution Tariff Rate Schedule applicable to the RtR Customer's rate class.

If the operational or consumption characteristics of the RtR Customer change, such that the RtR Customer, in NS Power's determination, no longer qualifies for its current rate class, NS Power shall apply a Distribution Tariff rate appropriate to the RtR Customer's new operational or consumption characteristics.

Nova Scotia Power Distribution Tariff

11.2. Billing

Unless NS Power directs otherwise, the RtR Customer shall be invoiced by the LRS and will pay the LRS for any charges or fees, inclusive of all applicable taxes, owing by the RtR Customer to NS Power under this Distribution Tariff (DT Charges).

For greater certainty, the DT Charges shall include:

- (a) All fees and charges for the provision of Distribution System Access under this Distribution Tariff;
- (b) Demand Side Management Recovery Charges;
- (c) any applicable costs incurred by NS Power resulting from performance of repairs, changes, renewals, improvements or replacements outside of normal working hours, at the RtR Customer's request; and
- (d) Other items as may be approved by the Board.

NS Power may, at its discretion, include fees for any special customer services provided at the LRS's or the RtR Customer's request, pursuant to NS Power Regulation 7.1 - Schedule of Charges.

The RtR Customer consents to NS Power providing the LRS with Customer Information for the purposes of facilitating the billing arrangements between the LRS and the RtR Customer.

The RtR Customer acknowledges and agrees that unless NS Power directs otherwise, it shall be responsible to the LRS with respect to all matters relating to the payment and collection of the DT Charges and any other amounts owing by it under this Distribution Tariff.

The RtR Customer shall not make or bring any claim, action or demand against NS Power arising out of or in any way attributable to the collection of the DT Charges by the LRS, its servants, agents or employees.

11.3. Real Power Losses

Distribution System Real Power Losses associated with Distribution System Access are incorporated in the Distribution Tariff rates applicable to each RtR Customer's rate class. The RtR Customer is responsible for the costs of such Real Power Losses.

Nova Scotia Power Distribution Tariff

12. DISCONTINUANCE OF DISTRIBUTION SYSTEM ACCESS BY NS POWER

For certainty, NS Power may discontinue Distribution System Access to an RtR Customer in accordance with the requirements of NS Power Regulations Section 6 – Collection of Accounts, Regulations 6.1 - Disconnection of Electric Service, 6.2 - Rules Governing Disconnection and 6.3 - Medical Emergency.

Nova Scotia Power Distribution Tariff

APPENDIX A: DISTRIBUTION TARIFF RATE SCHEDULES

NOVA SCOTIA POWER INCORPORATED***DISTRIBUTION TARIFF RATES****

**Note: For certainty, all capitalized terms shall, unless otherwise defined herein, have the meanings ascribed thereto in Distribution Tariff.*

APPLICABILITY

This schedule provides charges for Distribution System Access applicable to distribution-connected RtR Customers receiving supply of renewable low-impact electricity from a Licenced Retail Supplier as provided for under the Electricity Act (Nova Scotia).

CHARGES

Rate Class	Customer Charge	Distribution Charge	Demand Charge	Minimum Monthly Charge	Transformer Ownership Credit
	\$/month	¢/kWh	\$/kVA	\$/month	\$/kVA
Domestic Service	10.83	2.383	0.000	10.83	0
Domestic Service Time of Day	10.83	2.383	0.000	10.83	0
Small General	12.65	2.197	0.000	12.65	0
General (1)	0	0.000	5.226	12.65	-0.32
Large General (2)	0	0.000	3.224	12.65	-0.32
Small Industrial	0	0.000	4.303	12.65	-0.32
Medium Industrial	0	0.000	3.347	12.65	-0.32
Large Industrial Firm (2) Rate Code 23	0	0.000	2.327	12.65	-0.32
Outdoor Recreational Light Rate	0	3.400	0.000	0	0
Unmetered Service Rates	0	0.000	12.484	17.51	0
Miscellaneous Small Loads	0	0.000	12.484	17.51	0

Footnotes

(1) Demand Charges and credits are applicable to kilowatt (kW) demand.

(2) Demand Charges and credits are applicable to kilovolt-ampere of maximum (kVA) demand of the current month or the maximum actual demand of the previous December, January or February occurring in the previous eleven months regardless whether service was taken under the bundled or unbundled service.

NOVA SCOTIA POWER INCORPORATED

DISTRIBUTION TARIFF RATES*

MAXIMUM PER KWH CHARGE/MINIMUM BILL

The same maximum per kWh charges and minimum bills will apply as stated in tariffs for NS Power Bundled Service for each Rate Class listed above.

AVAILABILITY

The same Availability conditions will apply as stated in tariffs for NS Power Bundled Service for each Rate Class listed above, saving and excepting the Interruptible Rider to the Large Industrial Tariff (Rate Code 25) which will not apply.

SPECIAL CONDITIONS

The same Special Conditions will apply as stated in tariffs for NS Power Bundled Service for each Rate Class listed above, saving and excepting the Interruptible Rider to the Large Industrial Tariff (Rate Code 25) which will not apply.

NOVA SCOTIA POWER INCORPORATED***DISTRIBUTION TARIFF RATES******(A) STREET AND AREA LIGHTING****RATES****(1) INCANDESCENT**

Rate Code	Watts	kWh/Mo.	\$/Mo.	Other
a)	<u>Operating, Maintenance and Capital (Full Charge)</u>			
001	300 and less	97	\$10.67	
002	Greater than 300	154	12.92	
b)	<u>Operating Only</u>			
003	300 and Less	97	3.63	

(2) MERCURY VAPOUR

Rate Code	Watts	kWh/Mo.	\$/Mo.	Other
a)	<u>Operating, Maintenance and Capital (Full Charge)</u>			
100	100	43	\$9.98	
101	125	52	11.82	
102	175	69	10.69	
103	250	97	12.48	
104	400	154	14.69	
105	700	260	19.85	
106	1000	363	24.74	
107	250	212	17.63	Continuous Operation
b)	<u>Operating and Maintenance Only</u>			
201	125	52	\$8.81	
202	175	69	7.72	
203	250	97	8.79	
204	400	154	10.92	
205	700	260	14.90	
206	1000	363	18.76	
c)	<u>Operating Only</u>			
301	125	52	\$1.94	
302	175	69	2.56	
303	250	97	3.63	
304	400	154	5.76	
305	700	260	9.74	

NOVA SCOTIA POWER INCORPORATED

*DISTRIBUTION TARIFF RATES**

306	1000	363	13.60
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(3) **FLUORESCENT**

Rate Code	Bulb Length	Number of Bulbs/Unit	kWh/Mo.	\$/Mo.	Other
a) <u>Operating, Maintenance and Capital (Full Charge)</u>					
110	24	2	30	13.87	
111	48	2	85	16.18	
112	72	2	116	17.82	
113	72	4	222	22.90	
114	96	1	47	15.03	
115	72	1	60	15.14	
116	48	4	166	19.80	
b) <u>Operating and Maintenance Only</u>					
213	72	4	222	\$18.60	
214	96	1	47	12.06	
215	72	1	60	12.56	
216	48	4	166	16.55	
217	48	1	49	12.13	
218	48	2	85	13.49	
c) <u>Operating Only</u>					
330	35	4	47	1.75	

NOVA SCOTIA POWER INCORPORATED***DISTRIBUTION TARIFF RATES******(4) FLUORESCENT CROSSWALK**a) Continuous Burning - Operating Only

117	72	4	486	\$8.30
118	24	2	66	1.12
119	48	4	364	6.24
120	96	2	254	4.35
150	96	4	613	10.48

NOVA SCOTIA POWER INCORPORATED***DISTRIBUTION TARIFF RATES******(4) FLUORESCENT CROSSWALK (cont.)**

b)	<u>Photocell Operation - Operating Only</u>				
310	24	2	30	\$1.13	
311	48	4	166	6.24	
312	72	2	116	4.36	
313	72	4	222	8.29	
314	96	1	47	1.75	
315	72	1	60	2.25	
350	96	4	280	10.50	

(5) LOW PRESSURE SODIUM

	Rate Code	Watts	kWh/Mo.	\$/Mo.	Other
a)	<u>Operating, Maintenance and Capital (Full Charge)</u>				
	130	135	60	\$23.51	
	131	180	80	26.85	
	132	90	45	22.94	
b)	<u>Operating and Maintenance Only</u>				
	231	180	80	18.47	
c)	<u>Operating Only</u>				
	331	180	80	3.00	

(6) HIGH PRESSURE SODIUM

a)	<u>Operating, Maintenance and Capital (Full Charge)</u>				
	121	250	100	\$12.12	
	122	400	150	14.11	
	123	70	32	9.37	
	124	100	45	9.88	
	125	150	65	10.81	
	126	100	99	15.03	Continuous Operation

NOVA SCOTIA POWER INCORPORATED***DISTRIBUTION TARIFF RATES******(6) HIGH PRESSURE SODIUM (cont'd)**

	Rate Code	Watts	kWh/Mo.	\$/Mo.	Other
b)	<u>Operating and Maintenance Only</u>				
	221	250	100	\$8.91	
	222	70	32	6.35	
	223	100	45	6.84	
	224	150	65	7.59	
c)	<u>Operating Only</u>				
	321	250	100	\$3.75	
	322	70	32	1.19	
	323	100	45	1.68	
	324	150	65	2.43	
	326	400	150	5.62	
	327	500	183	6.86	
	328	1000	363	13.61	
	329	1500	500	18.73	

(7) METALLIC ADDITIVE

a)	<u>Operating, Maintenance and Capital (Full Charge)</u>				
	140	400	150	\$17.68	
	141	1000	360	31.42	
	142	250	100	19.87	
	143	150	67	18.62	
	144	100	50	17.99	
b)	<u>Operating Only</u>				
	341	1000	360	\$13.48	
	342	400	150	5.62	
	343	250	100	3.75	
	344	175	75	2.81	
	345	150	67	2.50	
	346	100	50	1.87	

NOVA SCOTIA POWER INCORPORATED***DISTRIBUTION TARIFF RATES******(8) LIGHT EMITTING DIODE (LED) LESS THAN 30 WATTS FOR TRAFFIC CONTROL SIGNALS ONLY**

Rate Code	\$/Mo.	Other
530	\$0.06	Non – Continuous
531	\$0.09	Continuous

(9) LIGHT EMITTING DIODE (LED) – Operating Only

Rate Code	Watts	kWh/Mo.	\$/Mo.
532	44	15	\$0.56
533	66	22	0.82
534	88	29	1.09
535	92	31	1.16
536	105	35	1.31
537	170	57	2.13
539	110	37	1.39
540	65	22	0.82
541	55	18	0.67
542	83	28	1.05
543	48	16	0.60
544	72	24	0.90

(10) INTERIM LIGHT EMITTING DIODE (LED) – Operating & Capital Only*

Rate Code	Watts	kWh/Mo.	\$/Mo.	Other
615	44	15	\$7.74	
616	55	18	7.85	
623	28	9	7.52	
624	50	17	7.82	
625	72	24	8.08	
626	100	33	8.42	
627	200	67	9.69	

* While fixture maintenance costs associated with LED streetlights may occur, this component is currently not reflected in the rates.

TARIFF VAR REPORT

PROPOSED DISTRIBUTION TARIFF FOR 2016				
RESIDENTIAL TARIFFS				
	units	Current Bundled Rate	Proposed Distribution Rate	% change
Domestic Service Rate				
Customer Charge	\$/mo	10.830	10.830	0.0%
Energy Charge	¢/kWh	14.646	2.383	-83.7%
Domestic Service TOD Rate				
Customer Charge	\$/mo	18.820	10.830	-42.5%
December, January & Feb: energy charge				
on-peak	¢/kWh	19.004	2.383	-87.5%
shoulder	¢/kWh	14.646	2.383	-83.7%
off-peak	¢/kWh	7.719	2.383	-69.1%
Other months: energy charge				
on-peak	¢/kWh	14.646	2.383	-83.7%
off-peak	¢/kWh	7.719	2.383	-69.1%
COMMERCIAL TARIFFS				
	units	Current Bundled Rate	Proposed Distribution Rate	% change
Small General Rate				
Customer Charge	\$/mo	12.650	12.650	0.0%
Energy Charge, block 1 (first 200 kWhs)	¢/kWh	15.426	2.197	-85.8%
Energy Charge, block 2	¢/kWh	13.612	2.197	-83.9%
General Rate				
Demand Charge	\$/kW	10.497	5.226	-50.2%
Energy Charge, block 1 (first 200kWh * demand)	¢/kWh	11.489	-	-100.0%
Energy Charge, block 2	¢/kWh	8.210	-	-100.0%
Transformer Ownership Credit	\$/kVA	(0.320)	(0.320)	0.0%
Large General Rate				
Demand Charge (Ratcheted)	\$/kVA	13.345	3.224	-75.8%
Energy Charge	¢/kWh	8.255	-	-100.0%
Transformer Ownership Credit	\$/kVA	(0.320)	(0.320)	0.0%

TARIFF VAR REPORT

INDUSTRIAL TARIFFS				
		Current Bundled Rate	Proposed Distribution Rate	% change
Small Industrial Rate				
	units			
Demand Charge	\$/kVA	7.714	4.303	-44.2%
Energy Charge, block 1 (first 200 kWhs * demand)	¢/kWh	10.350	-	-100.0%
Energy Charge, block 2	¢/kWh	7.976	-	-100.0%
Transformer Ownership Credit	\$/kVA	(0.320)	(0.320)	0.0%
Medium Industrial Rate				
Demand Charge	\$/kVA	12.501	3.347	-73.2%
Energy Charge	¢/kWh	7.471	-	-100.0%
Transformer Ownership Credit	\$/kVA	(0.320)	(0.320)	0.0%
Large Industrial Rate				
Demand Charge (Ratcheted)	\$/kVA	11.995	2.327	-80.6%
Energy Charge to firm Customers	¢/kWh	7.830	-	-100.0%
Energy Charge to interruptible customers		7.432	-	-100.0%
Transformer Ownership Credit	\$/kVA	(0.320)	(0.320)	0.0%
Interruptible Credit	\$/kVA	(3.430)	(3.430)	0.0%
OTHER TARIFFS				
		Current Bundled Rate	Proposed Distribution Rate	% change
Outdoor Recreational Light Rate				
	units			
Energy Charge	¢/kWh	15.709	3.400	-78.4%
Miscellaneous Small Loads Rate				
Demand Charge	\$/kW	11.777	12.484	6.01%
Energy Charge, block 1 (first 200kWh * demand)	¢/kWh	13.735	-	-100.00%
Energy Charge, block 2	¢/kWh	9.209	-	-100.00%

PROOF OF REVENUE

Proposed Distribution Tariffs	Distribution Usage in KWhs			Demand in kW or kVa			Base Charge			PROPOSED 2014 REVENUE			
	Energy in GWh	Per KWh Charge	Revenue	GWS or GVAS	Charge per KW or KVA	Revenue	Billmonths (in millions)	Base Charge	Revenue	Before Deferral Adj.	Deferral Adj. of -4.255%	After Deferral Adj.	% Change
Above-the-line Classes	-												
Residential Sector													
Non-ETS	3,993.3	\$ 0.02383	\$ 95.2	NA	NA	NA	5.1	\$ 10.83	\$ 55.4	\$ 157.2	\$ (6.7)	\$ 150.5	-4.218%
ETS	223.2	\$ 0.02383	\$ 5.3	NA	NA	NA	0.1	\$ 10.83	\$ 1.6	\$ 7.3	\$ (0.3)	\$ 6.9	-5.069%
Total	4,216.5		\$ 100.5	NA	NA	NA	5.3		\$ 56.99	\$ 164.5	\$ (7.0)	\$ 157.5	-4.255%
Commercial Sector													
Small General	236.7	\$ 0.02197	\$ 5.2	-		\$ -	0.3	\$ 12.65	\$ 3.6	\$ 9.2	\$ (0.4)	\$ 8.8	-4.255%
General Demand	2,448.7	NA	NA	7.0	\$ 5.226	\$ 36.6	-	\$ -	\$ -	\$ 38.2	\$ (1.6)	\$ 36.6	-4.255%
Large General													
Without Trans. Own.	245.8	NA	NA	0.5	\$ 3.224	\$ 1.7				\$ 1.7	\$ (0.1)	\$ 1.7	-4.092%
With Trans. Own.	133.8	NA	NA	0.3	\$ 2.904	\$ 1.0				\$ 1.0	\$ (0.0)	\$ 1.0	-4.522%
Sub-total	379.6	NA	NA	0.9		\$ 2.7				\$ 2.8	\$ (0.1)	\$ 2.7	-4.251%
Total	3,065.0		\$ 5.2	7.9		\$ 39.3	0.3		\$ 3.6	\$ 50.2	\$ (2.1)	\$ 48.1	-4.255%
Industrial Sector													
Small Industrial	255.9	NA	NA	1.0	\$ 4.303	\$ 4.3				\$ 4.5	\$ (0.2)	\$ 4.3	-4.255%
Medium Industrial	495.4	NA	NA	1.4	\$ 3.347	\$ 4.8				\$ 5.0	\$ (0.2)	\$ 4.8	-4.255%
Large Industrial Firm													
Without Trans. Own.	46.3	NA	NA	0.1	\$ 2.327	\$ 0.3				\$ 0.3	\$ (0.0)	\$ 0.3	-4.251%
With Trans. Own.	-	NA	NA	-	\$ 2.007	\$ -				\$ -	\$ -	\$ -	
Sub-total	46.3	NA	NA	0.1		\$ 0.3				\$ 0.3	\$ (0.0)	\$ 0.3	-4.251%
Large Industrial Interr.													
Without Trans. Own.	176.4	NA	NA	0.5	\$ 2.332	\$ 1.1				\$ 1.2	\$ (0.1)	\$ 1.1	-4.046%
With Trans. Own.	52.8	NA	NA	0.3	\$ 2.012	\$ 0.6				\$ 0.6	\$ (0.0)	\$ 0.6	-4.659%
Sub-total	229.1	NA	NA	0.8		\$ 1.7				\$ 1.8	\$ (0.1)	\$ 1.7	-4.251%
Total Large Industrial	275.4	NA	NA	0.89		\$ 2.0				\$ 2.1	\$ (0.1)	\$ 2.0	
Total Industrial	1,026.7	NA	NA	3.3		\$ 11.1	0.0		0.0	\$ 11.6	\$ (0.5)	\$ 11.1	-4.255%
Other													
Unmetered ^{1,2}													
Electric Service Only	98.2	\$ 0.03400	\$ 3.3							\$ 3.5	\$ (0.1)	\$ 3.3	-4.255%
Street light Fixtures										\$ 8.8	\$ (0.4)	\$ 8.4	-4.255%
Total										\$ 12.2	\$ (0.5)	\$ 11.7	-4.255%
Total Above-the-line	8,406.5		\$ 109.0	11.2		\$ 50.4	5.5		\$ 60.6	\$ 238.5	\$ (10.2)	\$ 228.4	-4.255%

(1) Illustrates energy for unmetered customers, as well as LED and Non-LED Streetlights

(2) Per kWh charge is not applicable as the class is made up of a number of rates

DISTRIBUTION TARIFF TABLE

Rate Class	Customer Charge \$/month	Distribution Charge ¢/kWh	Demand Charge \$/kVA	Minimum Monthly Charge \$/month	Transformer Ownership Credit \$/kVa	Interruptible Credit \$/kVa
Domestic Service	10.83	2.383	0.000	10.83	0	0
Domestic Service Time of Day	10.83	2.383	0.000	10.83	0	0
Small General	12.65	2.197	0.000	12.65	0	0
General	0	0.000	5.226	12.65	-0.32	0
Large General	0	0.000	3.224	12.65	-0.32	0
Small Industrial	0	0.000	4.303	12.65	-0.32	0
Medium Industrial	0	0.000	3.347	12.65	-0.32	0
Large Industrial Firm	0	0.000	2.327	12.65	-0.32	0
Outdoor Recreational Light Rate	0	3.400	0.000	0	0	0
Unmetered Service Rates	0	0.000	12.484	17.51	0	0
Miscellaneous Small Loads	0	0.000	12.484	17.51	0	0

STREETLIGHT RATES

STEP 1 - DETERMINATION OF UNIT REVENUES OF POWER AND ENERGY SERVICE

Based on Misc. Small Loads Tariff Rate Components & 1kW lighting load

	Charge		Annual Revenue		% Change
	Before Adj.	After Adj.	Before Adj.	After Adj.	
Photocell Operation (4000 burning hours per year)					
Demand Charge \$/kW (annual)	13.0393	12.4844	\$156.47	\$149.81	-4.255%
Energy Charge :					
1st Block : 1st 200 kW.h (annual)	2,400	0.00000	0.00000	0.00	0.00
2nd Block : All additional (annual)	1,600	0.00000	0.00000	0.00	0.00
			\$156.47	\$149.81	-4.255%
Rate per kW.h	4,000		\$0.0391179	\$0.0374533	-4.255%

	Charge		Annual Revenue		% Change
	Before Adj.	After Adj.	Before Adj.	After Adj.	
Continuous Burning (8760 burning hours per year)					
Demand Charge \$/kW (annual)	13.0393	12.4844	\$156.47	\$149.81	-4.255%
Energy Charge :					
1st Block : 1st 200 kW.h (annual)	2,400	0.00000	0.00000	0.00	0.00
2nd Block : All additional (annual)	6,360	0.00000	0.00000	0.00	0.00
			\$156.47	\$149.81	-4.255%
Rate per kW.h	8,760		\$0.0178621	\$0.0171020	-4.255%

STEP 2 - DETERMINATION OF STREETLIGHT RATES⁽¹⁾

Description	Rate Code	Power kW.h/Mo.	Power & Energy	Maintenance	Capital	Proposed Distribution Streetlight Rates		
						Before Adj. ⁽¹⁾	After Adj.	% Change
Incandescent :								
Incandescent < 300 Watts - Note 1	001	97	\$3.63	5.16	\$1.88	\$10.83	\$10.67	-1.5%
Incandescent > 300 Watts - Note 1	002	154	5.76	5.16	2.00	\$13.17	\$12.92	-1.9%
Incandescent < 300 Watts - Note 1	003	97	3.63	0.00	0.00	\$3.79	\$3.63	-4.2%
Mercury Vapour :								
Mercury Vapour 100 Watts	100	43	1.62	5.16	3.20	\$10.05	\$9.98	-0.7%
Mercury Vapour 125 Watts	101	52	1.94	6.87	3.00	\$11.90	\$11.82	-0.7%
Mercury Vapour 175 Watts	102	69	2.56	5.16	2.97	\$10.81	\$10.69	-1.1%
Mercury Vapour 250 Watts	103	97	3.63	5.16	3.69	\$12.64	\$12.48	-1.3%
Mercury Vapour 400 Watts	104	154	5.76	5.16	3.77	\$14.94	\$14.69	-1.7%
Mercury Vapour 700 Watts	105	260	9.74	5.16	4.96	\$20.28	\$19.85	-2.1%
Mercury Vapour 1000 Watts	106	363	13.60	5.16	5.99	\$25.34	\$24.74	-2.4%
Mercury Vapour 250 Watt Cont. Oper.	107	212	3.63	10.31	3.69	\$17.79	\$17.63	-0.9%
Mercury Vapour 125 Watts	201	52	1.94	6.87	0.00	\$8.89	\$8.81	-0.9%
Mercury Vapour 175 Watts	202	69	2.56	5.16	0.00	\$7.84	\$7.72	-1.5%
Mercury Vapour 250 Watts	203	97	3.63	5.16	0.00	\$8.95	\$8.79	-1.8%
Mercury Vapour 400 Watts	204	154	5.76	5.16	0.00	\$11.17	\$10.92	-2.2%
Mercury Vapour 700 Watts	205	260	9.74	5.16	0.00	\$15.33	\$14.90	-2.8%
Mercury Vapour 1000 Watts	206	363	13.60	5.16	0.00	\$19.36	\$18.76	-3.1%
Mercury Vapour 125 Watts	301	52	1.94	0.00	0.00	\$2.02	\$1.94	-4.0%
Mercury Vapour 175 Watts	302	69	2.56	0.00	0.00	\$2.68	\$2.56	-4.5%
Mercury Vapour 250 Watts	303	97	3.63	0.00	0.00	\$3.79	\$3.63	-4.2%
Mercury Vapour 400 Watts	304	154	5.76	0.00	0.00	\$6.01	\$5.76	-4.2%
Mercury Vapour 700 Watts	305	260	9.74	0.00	0.00	\$10.17	\$9.74	-4.2%
Mercury Vapour 1000 Watts	306	363	13.60	0.00	0.00	\$14.20	\$13.60	-4.2%

STREETLIGHT RATES

STEP 2 - DETERMINATION OF STREETLIGHT RATES⁽¹⁾

Description	Rate		Power		Capital	Proposed Distribution Streetlight Rates		
	Code	kW.h/Mo.	& Energy	Maintenance		Before Adj. ⁽¹⁾	After Adj.	% Change
Fluorescent :								
Fluorescent 2x24" 70 Watts	110	30	1.13	10.31	2.43	\$13.92	\$13.87	-0.4%
Fluorescent 2x48" 220 Watts	111	85	3.18	10.31	2.68	\$16.33	\$16.18	-0.9%
Fluorescent 2x72" 300 Watts	112	116	4.36	10.31	3.15	\$18.02	\$17.82	-1.1%
Fluorescent 4x72" 600 Watts	113	222	8.29	10.31	4.30	\$23.27	\$22.90	-1.6%
Fluorescent 1x96" 110 Watts	114	47	1.75	10.31	2.96	\$15.11	\$15.03	-0.5%
Fluorescent 1x72" 150 Watts	115	60	2.25	10.31	2.58	\$15.24	\$15.14	-0.7%
Fluorescent 4x48" 440 Watts	116	166	6.24	10.31	3.25	\$20.07	\$19.80	-1.3%
Fluorescent 4x72" 600 Watts	213	222	8.29	10.31	0.00	\$18.97	\$18.60	-2.0%
Fluorescent 1x96" 110 Watts	214	47	1.75	10.31	0.00	\$12.14	\$12.06	-0.7%
Fluorescent 1x72" 150 Watts	215	60	2.25	10.31	0.00	\$12.66	\$12.56	-0.8%
Fluorescent 4x48" 440 Watts	216	166	6.24	10.31	0.00	\$16.82	\$16.55	-1.6%
Fluorescent 1x48" 120 Watts	217	49	1.82	10.31	0.00	\$12.21	\$12.13	-0.7%
Fluorescent 2x48" 220 Watts	218	85	3.18	10.31	0.00	\$13.64	\$13.49	-1.1%
Fluorescent 4x35"	330	47	1.75	0.00	0.00	\$1.83	\$1.75	-4.4%
Fluorescent Crosswalk - Continuous Burning - Customer Owned :								
Fluorescent 4x72" 600 Watts	117	486	8.30	0.00	0.00	\$8.67	\$8.30	-4.3%
Fluorescent 2x24" 70 Watts	118	66	1.12	0.00	0.00	\$1.17	\$1.12	-4.3%
Fluorescent 4x48" 440 Watts	119	364	6.24	0.00	0.00	\$6.51	\$6.24	-4.1%
Fluorescent 2x96"	120	254	4.35	0.00	0.00	\$4.55	\$4.35	-4.4%
Fluorescent 4x96"	150	613	10.48	0.00	0.00	\$10.95	\$10.48	-4.3%
Fluorescent Crosswalk - Photocell Burning - Customer Owned :								
Fluorescent 2x24" 70 Watts	310	30	1.13	0.00	0.00	\$1.18	\$1.13	-4.2%
Fluorescent 4x48" 440 Watts	311	166	6.24	0.00	0.00	\$6.51	\$6.24	-4.1%
Fluorescent 2x72" 300 Watts	312	116	4.36	0.00	0.00	\$4.56	\$4.36	-4.4%
Fluorescent 4x72" 600 Watts	313	222	8.29	0.00	0.00	\$8.66	\$8.29	-4.3%
Fluorescent 1x96" 110 Watts	314	47	1.75	0.00	0.00	\$1.83	\$1.75	-4.4%
Fluorescent 1x72" 150 Watts	315	60	2.25	0.00	0.00	\$2.35	\$2.25	-4.3%
Fluorescent 4x96"	350	280	10.50	0.00	0.00	\$10.96	\$10.50	-4.2%
Low Pressure Sodium :								
Low Pressure Sodium 135 Watts	130	60	2.25	15.47	5.79	\$23.61	\$23.51	-0.4%
Low Pressure Sodium 180 Watts	131	80	3.00	15.47	8.39	\$26.98	\$26.85	-0.5%
Low Pressure Sodium 90 Watts	132	45	1.68	15.47	5.79	\$23.01	\$22.94	-0.3%
Low Pressure Sodium 180 Watts E&M	231	80	3.00	15.47	0.00	\$18.60	\$18.47	-0.7%
Low Pressure Sodium 180 Watts E/O	331	80	3.00	0.00	0.00	\$3.13	\$3.00	-4.2%
High Pressure Sodium :								
High Pressure Sodium 250 Watts	121	100	3.75	5.16	3.22	\$12.28	\$12.12	-1.3%
High Pressure Sodium 400 Watts	122	150	5.62	5.16	3.33	\$14.36	\$14.11	-1.7%
High Pressure Sodium 70 Watts	123	32	1.19	5.16	3.02	\$9.42	\$9.37	-0.5%
High Pressure Sodium 100 Watts	124	45	1.68	5.16	3.05	\$9.95	\$9.88	-0.7%
High Pressure Sodium 150 Watts	125	65	2.43	5.16	3.23	\$10.92	\$10.81	-1.0%
HP Sodium 100 Watts - Cont. Oper.	126	99	1.67	10.31	3.05	\$15.11	\$15.03	-0.5%
High Pressure Sodium 250 Watts	221	100	3.75	5.16	0.00	\$9.07	\$8.91	-1.8%
High Pressure Sodium 70 Watts	222	32	1.19	5.16	0.00	\$6.40	\$6.35	-0.8%
High Pressure Sodium 100 Watts	223	45	1.68	5.16	0.00	\$6.91	\$6.84	-1.0%
High Pressure Sodium 150 Watts	224	65	2.43	5.16	0.00	\$7.70	\$7.59	-1.4%

STREETLIGHT RATES

STEP 2 - DETERMINATION OF STREETLIGHT RATES⁽¹⁾

Description	Rate	Power		Maintenance	Capital	Proposed Distribution Streetlight Rates		
	Code	kW.h/Mo.	& Energy			Before Adj. ⁽¹⁾	After Adj.	% Change
High Pressure Sodium 250 Watts	321	100	3.75	0.00	0.00	\$3.91	\$3.75	-4.1%
High Pressure Sodium 70 Watts	322	32	1.19	0.00	0.00	\$1.24	\$1.19	-4.0%
High Pressure Sodium 100 Watts	323	45	1.68	0.00	0.00	\$1.75	\$1.68	-4.0%
High Pressure Sodium 150 Watts	324	65	2.43	0.00	0.00	\$2.54	\$2.43	-4.3%
High Pressure Sodium 400 Watts	326	150	5.62	0.00	0.00	\$5.87	\$5.62	-4.3%
High Pressure Sodium 500 Watts	327	183	6.86	0.00	0.00	\$7.17	\$6.86	-4.3%
High Pressure Sodium 1000 Watts	328	363	13.61	0.00	0.00	\$14.21	\$13.61	-4.2%
High Pressure Sodium 1500 Watts	329	500	18.73	0.00	0.00	\$19.56	\$18.73	-4.2%
Metallic Additive :								
Metallic Arc 400 Watts	140	150	5.62	8.25	3.81	\$17.93	\$17.68	-1.4%
Metallic Arc 1000 Watts	141	360	13.48	12.37	5.57	\$32.02	\$31.42	-1.9%
Metallic Arc 250 Watts	142	100	3.75	12.37	3.75	\$20.03	\$19.87	-0.8%
Metallic Arc 150 Watts	143	67	2.50	12.37	3.75	\$18.73	\$18.62	-0.6%
Metallic Arc 100 Watts	144	50	1.87	12.37	3.75	\$18.08	\$17.99	-0.5%
Metallic Arc 1000 Watts	341	360	13.48	0	0	\$14.08	\$13.48	-4.3%
Metallic Arc 400 Watts	342	150	5.62	0	0	\$5.87	\$5.62	-4.3%
Metallic Arc 250 Watts	343	100	3.75	0	0	\$3.91	\$3.75	-4.1%
Metallic Arc 175 Watts	344	75	2.81	0	0	\$2.93	\$2.81	-4.1%
Metallic Arc 150 Watts	345	67	2.50	0	0	\$2.61	\$2.50	-4.2%
Metallic Arc 100 Watts	346	50	1.87	0	0	\$1.96	\$1.87	-4.6%
Light Emitting Diode - Traffic Lights								
Light Emitting Diode 4.6 Watts	530	3.00	0.06	0	0	\$0.06	\$0.06	0.0%
Light Emitting Diode 7.5 Watts	531	5.00	0.09	0	0	\$0.10	\$0.09	-10.0%
Light Emitting Diode (Energy Only)								
Lighting Emitting Diode 44 Watts	532	15	0.56	0	0	\$0.59	\$0.56	-5.1%
Lighting Emitting Diode 66 Watts	533	22	0.82	0	0	\$0.86	\$0.82	-4.7%
Lighting Emitting Diode 88 Watts	534	29	1.09	0	0	\$1.13	\$1.09	-3.5%
Lighting Emitting Diode 92 Watts	535	31	1.16	0	0	\$1.21	\$1.16	-4.1%
Lighting Emitting Diode 105 Watts	536	35	1.31	0	0	\$1.37	\$1.31	-4.4%
Lighting Emitting Diode 173 Watts	537	57	2.13	0	0	\$2.23	\$2.13	-4.5%
Lighting Emitting Diode 110 Watts	539	37	1.39	0	0	\$1.45	\$1.39	-4.1%
Lighting Emitting Diode 65 Watts	540	22	0.82	0	0	\$0.86	\$0.82	-4.7%
Lighting Emitting Diode 55 Watts	541	18	0.67	0	0	\$0.70	\$0.67	-4.3%
Lighting Emitting Diode 83 Watts	542	28	1.05	0	0	\$1.10	\$1.05	-4.5%
Lighting Emitting Diode 48 Watts	543	16	0.60	0	0	\$0.63	\$0.60	-4.8%
Lighting Emitting Diode 72 Watts	544	24	0.90	0	0	\$0.94	\$0.90	-4.3%
Light Emitting Diode (Energy & Capital)								
Lighting Emitting Diode 44W	615	15	0.56	0	7.18	\$7.86	\$7.74	-1.6%
Lighting Emitting Diode 55W	616	18	0.67	0	7.18	\$7.97	\$7.85	-1.6%
Lighting Emitting Diode 28W	623	9	0.34	0	7.18	\$7.62	\$7.52	-1.4%
Lighting Emitting Diode 50W	624	17	0.64	0	7.18	\$7.94	\$7.82	-1.6%
Lighting Emitting Diode 72W	625	24	0.90	0	7.18	\$8.21	\$8.08	-1.7%
Lighting Emitting Diode 100W	626	33	1.24	0	7.18	\$8.56	\$8.42	-1.7%
Lighting Emitting Diode 200W	627	67	2.51	0	7.18	\$9.89	\$9.69	-2.1%

Footnotes

(1) Source: Attachment 1 to Multeese IR-12

ENERGY BALANCING SERVICE TARIFF
Renewable to Retail

ENERGY BALANCING SERVICE

The Energy Balancing Service is a supplemental generation service provided to Licenced Retail Suppliers (LRS) in respect of the Licenced Retail Supplier's RtR Customers utilizing the production from renewable low-impact generators. The service consists of delivery of complementary energy to RtR Customers and reception of surplus generation from qualifying generators. The service is required to be taken in conjunction with Standby Service under the Standby Service Tariff so that the reliability of service to RtR Customers is equivalent to that provided under Bundled Service. For the purposes of this Energy Balancing Service Tariff, hourly LRS load in excess of generation is defined as top-up energy and hourly generation in excess of LRS load is defined as spill energy.

All capitalized terms herein shall, unless otherwise defined herein, have the meanings ascribed thereto in the LRS Terms and Conditions.

AVAILABILITY

This Energy Balancing Service Tariff is applicable to the LRS in order to facilitate the purchase of renewable low-impact electricity by RtR Customers.

This Energy Balancing Service Tariff is provided under the following terms and conditions:

- (1) The LRS must have a valid LRS Participation Agreement executed with NS Power; and
- (2) The LRS must be providing service to RtR Customers.

APPLICABILITY

- (1) An LRS taking service under this Energy Balancing Service Tariff shall also take service under the OATT, the Standby Service Tariff, and the Renewable to Retail Market Transition Tariff.
- (2) The service under this Energy Balancing Service Tariff is based on metered energy quantities, and is independent of the LRS's forecasts. OATT Schedule 4 is not applicable, but the Generation Forecasting Service under Schedule 4A of the OATT is applicable.
- (3) The hourly top-up and spill quantities are determined at the delivery point from the transmission system. The hourly top-up quantity equals the excess in each hour, if positive, of the LRS's aggregate customer load adjusted by the addition of distribution losses over the aggregate renewable low impact electricity supplied by the LRS or its contracted generation adjusted by the deduction of transmission losses. The hourly spill quantity equals the excess in each hour, if positive, of the aggregate renewable low impact electricity supplied by the LRS or its contracted generation adjusted by the deduction of transmission locational losses, as applicable to the geographic zone in which the

ENERGY BALANCING SERVICE TARIFF
Renewable to Retail

generating facility is interconnected, over its aggregate customer load adjusted by the addition of distribution losses. The locational loss values will be published by the NS Power System Operator. The aggregate hourly load quantities are determined in accordance with the applicable provisions in the LRS Terms and Conditions.

- (4) To qualify for this service, the LRS must ensure that the imbalance between low impact renewable generation and energy consumption over the established compliance period conforms to Section 10 of the Board Electricity Retailers Regulations (Nova Scotia) enacted under the Act.
- (5) Maximum Spill Capacity must be approved by NS Power prior to commencement of service and will be limited to a level agreed as being required to provide the contracted annual amount of participating LRS energy. Spill capacity will be reviewed annually and will include the LRS' proposal to mitigate it on a going forward basis. If NS Power is not satisfied with the LRS' proposal, it may impose a limit on hourly production of the LRS's generation portfolio.

ADMINISTRATION CHARGE

The monthly administration charge is applicable to each LRS and is set annually according to the following formula:

$$\text{Monthly charge} = \frac{\text{forecast annual administration costs}}{\text{forecast number of LRS's subscribed} * 12}$$

This charge will be \$1,053.03 per month.

ENERGY CHARGE

Energy charge for top-up service is made up of the following two components:

- (1) Annually adjusted fuel cost component based on NS Power's incremental cost of serving the LRS's forecasted incremental top-up load.
- (2) Fixed cost adder reflective of fixed cost energy-related generation costs.

Energy Charge Components	Cents per kWh
Fuel Cost	<u>6.6504.239</u>
Fixed Cost Adder	<u>3.3093.168</u>
Total	<u>9.9597.407</u>

The charge is applicable to top-up energy consumed in each hour.

ENERGY BALANCING SERVICE TARIFF
Renewable to Retail

ENERGY CREDIT

4.239 cents per kilowatt hour

The Energy Credit for spill service is set annually and is applicable to spilled energy in each hour.
~~, on a calendar year basis, and is made up of two components:~~

~~Monthly compensation for spill energy delivered to NS Power and applicable in each hour of 5.27 cents per kilowatt hour~~

~~The year end refund to NS Power on monthly compensation in respect of annual excess spill energy above annual consumption of the LRS's RtR Customers recognized without discount as set out in the following table:~~

Annual Excess Spill Quantity in the range	Discount Applied	Cents per kWh
from 0% to 10% of Annual LRS Load	0%	5.270
greater than 10% up to 20% of Annual LRS Load	10%	4.743
greater than 20% up to 30% of Annual LRS Load	25%	3.953
greater than 30% of Annual LRS Load	50%	2.635

MINIMUM MONTHLY CHARGE

The minimum monthly charge will be the administration charge

SPECIAL CONDITIONS

- (1) NS Power reserves the right to have a separate service agreement, if in the opinion of NS Power issues not specifically set out herein, must be addressed for the ongoing benefit of NS Power and its customers.
- (2) The LRS's RtR Customers and generators will make all necessary arrangements to ensure that their generation and load do not unduly deteriorate the integrity of the power supply system, either by its design and/or operation. These specific requirements shall be stipulated by way of a written operating agreement.

ENERGY BALANCING SERVICE TARIFF
Renewable to Retail

- (3) In assessing issues which might unduly affect the integrity of the power supply system the following would be considered: reliability, harmonic voltage and current levels, voltage flicker, unbalance, rate of change in load levels, stability, fault levels and other related conditions.
- (4) Nothing contained in this Energy Balancing Service Tariff or any service agreement shall be construed as affecting or in any way limiting the right of NS Power to make application to the Nova Scotia Utility and Review Board for a change in any rates, terms and conditions, charges, classification of service, service agreement, rule or regulation, including, without limitation, the rates, charge or terms and conditions contained in this Energy Balancing Service Tariff, the Standby Service Tariff or the Renewable to Retail Market Transition Tariff.

ENERGY BALANCING SERVICE TARIFF
Renewable to Retail

ENERGY BALANCING SERVICE

The Energy Balancing Service is a supplemental generation service provided to Licenced Retail Suppliers (LRS) in respect of the Licenced Retail Supplier's RtR Customers utilizing the production from renewable low-impact generators. The service consists of delivery of complementary energy to RtR Customers and reception of surplus generation from qualifying generators. The service is required to be taken in conjunction with Standby Service under the Standby Service Tariff so that the reliability of service to RtR Customers is equivalent to that provided under Bundled Service. For the purposes of this Energy Balancing Service Tariff, hourly LRS load in excess of generation is defined as top-up energy and hourly generation in excess of LRS load is defined as spill energy.

All capitalized terms herein shall, unless otherwise defined herein, have the meanings ascribed thereto in the LRS Terms and Conditions.

AVAILABILITY

This Energy Balancing Service Tariff is applicable to the LRS in order to facilitate the purchase of renewable low-impact electricity by RtR Customers.

This Energy Balancing Service Tariff is provided under the following terms and conditions:

- (1) The LRS must have a valid LRS Participation Agreement executed with NS Power; and
- (2) The LRS must be providing service to RtR Customers.

APPLICABILITY

- (1) An LRS taking service under this Energy Balancing Service Tariff shall also take service under the OATT, the Standby Service Tariff, and the Renewable to Retail Market Transition Tariff.
- (2) The service under this Energy Balancing Service Tariff is based on metered energy quantities, and is independent of the LRS's forecasts. OATT Schedule 4 is not applicable, but the Generation Forecasting Service under Schedule 4A of the OATT is applicable.
- (3) The hourly top-up and spill quantities are determined at the delivery point from the transmission system. The hourly top-up quantity equals the excess in each hour, if positive, of the LRS's aggregate customer load adjusted by the addition of distribution losses over the aggregate renewable low impact electricity supplied by the LRS or its contracted generation adjusted by the deduction of transmission losses. The hourly spill quantity equals the excess in each hour, if positive, of the aggregate renewable low impact electricity supplied by the LRS or its contracted generation adjusted by the deduction of transmission locational losses, as applicable to the geographic zone in which the

ENERGY BALANCING SERVICE TARIFF
Renewable to Retail

generating facility is interconnected, over its aggregate customer load adjusted by the addition of distribution losses. The locational loss values will be published by the NS Power System Operator. The aggregate hourly load quantities are determined in accordance with the applicable provisions in the LRS Terms and Conditions.

- (4) To qualify for this service, the LRS must ensure that the imbalance between low impact renewable generation and energy consumption over the established compliance period conforms to Section 10 of the Board Electricity Retailers Regulations (Nova Scotia) enacted under the Act.
- (5) Maximum Spill Capacity must be approved by NS Power prior to commencement of service and will be limited to a level agreed as being required to provide the contracted annual amount of participating LRS energy. Spill capacity will be reviewed annually and will include the LRS' proposal to mitigate it on a going forward basis. If NS Power is not satisfied with the LRS' proposal, it may impose a limit on hourly production of the LRS's generation portfolio.

ADMINISTRATION CHARGE

The monthly administration charge is applicable to each LRS and is set annually according to the following formula:

$$\text{Monthly charge} = \frac{\text{forecast annual administration costs}}{\text{forecast number of LRS's subscribed} * 12}$$

This charge will be \$1,053.03 per month.

ENERGY CHARGE

Energy charge for top-up service is made up of the following two components:

- (1) Annually adjusted fuel cost component based on NS Power's incremental cost of serving the LRS's forecasted incremental top-up load.
- (2) Fixed cost adder reflective of fixed cost energy-related generation costs.

Energy Charge Components	Cents per kWh
Fuel Cost	4.239
Fixed Cost Adder	3.168
Total	7.407

The charge is applicable to top-up energy consumed in each hour.

ENERGY BALANCING SERVICE TARIFF
Renewable to Retail

ENERGY CREDIT

4.239 cents per kilowatt hour

The Energy Credit for spill service is set annually and is applicable to spilled energy in each hour.

MINIMUM MONTHLY CHARGE

The minimum monthly charge will be the administration charge

SPECIAL CONDITIONS

- (1) NS Power reserves the right to have a separate service agreement, if in the opinion of NS Power issues not specifically set out herein, must be addressed for the ongoing benefit of NS Power and its customers.
- (2) The LRS's RtR Customers and generators will make all necessary arrangements to ensure that their generation and load do not unduly deteriorate the integrity of the power supply system, either by its design and/or operation. These specific requirements shall be stipulated by way of a written operating agreement.
- (3) In assessing issues which might unduly affect the integrity of the power supply system the following would be considered: reliability, harmonic voltage and current levels, voltage flicker, unbalance, rate of change in load levels, stability, fault levels and other related conditions.
- (4) Nothing contained in this Energy Balancing Service Tariff or any service agreement shall be construed as affecting or in any way limiting the right of NS Power to make application to the Nova Scotia Utility and Review Board for a change in any rates, terms and conditions, charges, classification of service, service agreement, rule or regulation, including, without limitation, the rates, charge or terms and conditions contained in this Energy Balancing Service Tariff, the Standby Service Tariff or the Renewable to Retail Market Transition Tariff.

Energy Balancing Service: Administration Charge Calculations

Assumptions

- (1) One Full Time Equivalent is sufficient to provide admin service in the initial market opening
- (2) Assume 4 Licensed Service Providers. Note that this approach aligns with that used under the current Backup/Top-up Tariff.
- (3) Admin costs to be shared equally between Energy Balancing and Standby Services

Full Time Equivalent (FTE) Cost

Salary		58,098
Fringe Benefits	16.0%	<u>\$9,296</u>
Salary (including fringe benefits)		\$67,394
Administrative Overhead	50%	<u>\$33,697</u>
Forecast Cost		<u>\$101,090.88</u>

Administration Charge Under Energy Balancing Service

Customer Charge Under BackUp Rate

Annual Cost (50% of total)	\$50,545
Number of LRS	4
Monthly Administration Charge	\$1,053.03

Standby Service: Customer Charge Calculations

Full Time Equivalent (FTE) Cost

Salary		58,098
Fringe Benefits	16.0%	<u>\$9,296</u>
Salary (including fringe benefits)		\$67,394
Administrative Overhead	50%	<u>\$33,697</u>
Forecast Cost		<u>\$101,091</u>

Administration Charge Under Standby Service

Annual Cost (50% of total)	\$50,545
Number of LRS	4
Monthly Administration Charge	\$1,053.03

Energy Balancing Service

Annual Avoided Fuel Cost Calculations

Source	Annual MWh Load at Transmission Level	Generation non-fuel related costs			Avoided Unit Cost (c/kWh)	Comments/Assumptions
		Before Fixed Cost Deferral Adj.	Fixed Cost Deferral Adj. of -4.255%	After Fixed Cost Deferral Adj.		
Spill Energy Credit rate					4.239	The Company's forecast average annual marginal cost as approved for use with the Load Following rate
Top-up Energy Rate Calculation						The Company's forecast average annual marginal cost as approved for use with the Load Following rate
Fuel Cost charge						
Energy-related fixed cost Component						
Appendix C 2014 COS Costs - Exhibit 5; page 1 Energy - Exhibit 9A, line 11, col 3 divided by a transmission loss factor of 1.032.	Fixed Energy-related Cost in '000's of \$ Charge in cents per kWh	9,507,746	\$314,631,000	(\$13,388,870)	\$301,242,130	Calculated as follows: total of \$753,049 (less fuel of \$367,943, purchased power regular of \$507, purchased biomass power \$11595, purchased wind power of \$59,982, purchased imports of 3.168 \$217; plus export sales of \$1,826
	Total top-up charge in cents per kWh					7.407

Top-up Energy Rate Calculation
Energy-related fixed cost Component
COST

Energy Expenses (Generation Function) from COSS Exh 5, cell E42	\$753,049,000
Fuel	\$367,943,000
Purchased Power regular	\$507,000
Purchased Biomass Power	\$11,595,000
Purchased Wind Power	\$59,982,000
Purchased Imports	\$217,000
Export Sales	\$1,826,000
	\$314,631,000

Annual GWh Load at Transmission Level

Energy Requirement from COSS Exh 9a Annual, cell D24	9,811,994
Transmission Loss Factor from 2013 GRA (2014 COSS)	1.032
	9,507,746

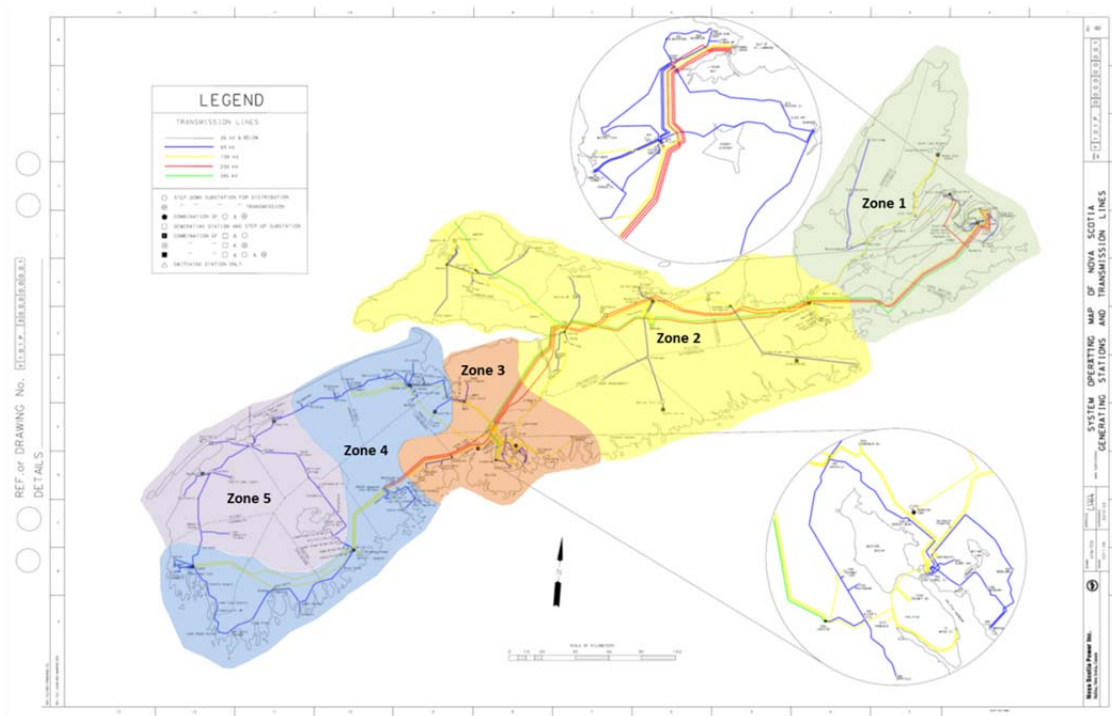
Renewable to Retail Locational Loss Factors

The Locational Loss Factors applicable to the Renewable to Retail Energy Balancing Services Tariff are shown in the table below. The values in this table are to be reviewed and updated annually.

Zonal losses, maps and descriptions are provided for the purpose of this Compliance Filing. On an ongoing basis, the locational loss table and the zonal descriptions/maps will be maintained by the NSPSO and published on the NS Power OASIS website. This will be completed during the requested implementation period.

Zone	Zone Name	Locational Loss Factor Table					
		Average Annual Generation Capacity (N/P x C.F.) ^{1,2}					
		30 MW	25 MW	20 MW	15 MW	10 MW	5 MW
1	East	6.6%	6.5%	6.4%	6.1%	5.9%	5.6%
2	Northeast	3.7%	3.6%	3.5%	3.9%	3.6%	3.3%
3	Metro	0.6%	0.6%	0.5%	0.4%	0.3%	0.2%
4	East Valley / South Shore	0.5%	0.4%	0.2%	-0.1%	-0.6%	-1.1%
5	West Valley ³	-	-	-	4.8%	3.8%	2.8%

Figure 1: Table of Locational Loss Factors



¹ Average Annual Generation Capacity is equal to the generating facility's output nameplate rating multiplied by the annual capacity factor applicable to that renewable generation type. This normalizes the effective generation capacity across renewable technologies.

² The generating facility's average annual capacity must be less than/equal to the value in the table's applicable capacity column.

³ No loss values are shown for 20, 25, 30 MW cases as substantial sections of the 69kV system cannot support these generating capacities without system upgrades.

Figure 2: Locational Loss Zones

Definition of Zones													
69 kV Line	Zone	69 kV Line	Zone	69 kV Line	Zone	138 kV Line	Zone	138 kV Line	Zone	230 kV Line	Zone	345 kV Line	Zone
L-5003	3	L-5044	4	L-5536	4	L-6001	2,3	L-6053	4	L-7001	2,3	L-8001	2
L-5004	3	L-5046	4	L-5537	4	L-6002	3,4	L-6054	4	L-7002	2,3	L-8002	2,3
L-5010	3	L-5047	4	L-5538	5	L-6003	3	L-6503	2	L-7003	2	L-8003	2
L-5011	3	L-5048	4	L-5539	4	L-6004	3,4	L-6507	2	L-7004	2	L-8004	1,2
L-5012	3	L-5049	3	L-5540	4	L-6005	3	L-6508	2	L-7005	2		
L-5014	3	L-5050	5	L-5541	4,5	L-6006	4	L-6510	1	L-7008	3,4		
L-5015	3	L-5053	4	L-5544	5	L-6007	3	L-6511	2	L-7009	3,4		
L-5016	3,4	L-5054	5	L-5545	4	L-6008	3	L-6512	1	L-7011	1,2		
L-5017	4	L-5055	5	L-5546	4	L-6009	3	L-6513	2	L-7012	1,2		
L-5019	4	L-5056	5	L-5547	4	L-6010	3	L-6514	2	L-7014	1		
L-5020	4	L-5057	5	L-5548	2	L-6011	3	L-6515	2	L-7015	1		
L-5021	4	L-5058	2	L-5549	2	L-6012	3,4	L-6516	1,2	L-7018	2,3		
L-5022	4	L-5500	2	L-5550	2	L-6013	4	L-6517	2	L-7019	2		
L-5023	4	L-5501	2	L-5551	4	L-6014	3	L-6518	2				
L-5024	4	L-5502	2	L-5555	1	L-6015	4	L-6521	2				
L-5025	4	L-5505	1	L-5559	1	L-6016	3	L-6523	2				
L-5026	4,5	L-5506	2	L-5560	1	L-6020	4	L-6527	3				
L-5027	4	L-5508	2	L-5561	1	L-6021	4	L-6531	4				
L-5028	2	L-5510	2	L-5563	1	L-6024	4	L-6533	1				
L-5029	2	L-5511	2	L-5564	1	L-6025	4	L-6534	1				
L-5030	2	L-5512	2	L-5565	1	L-6033	3	L-6535	2				
L-5031	3	L-5521	3	L-5569	1	L-6035	3	L-6536	2				
L-5032	3	L-5524	2	L-5571	1	L-6038	3	L-6537	1,2				
L-5033	4	L-5527	2	L-5572	1	L-6040	3	L-6538	1				
L-5035	4	L-5530	4	L-5573	1	L-6042	3	L-6539	1				
L-5036	4	L-5531	5	L-5575	1	L-6043	3	L-6543	2				
L-5037	3	L-5532	5	L-5576	1	L-6047	4	L-6545	1				
L-5039	3	L-5533	5	L-5579	1	L-6048	4	L-6548	2				
L-5040	2	L-5534	4	L-5580	1	L-6050	3	L-6549	1				
L-5041	3	L-5535	4,5	L-5581	5	L-6051	3	L-6551	2				
L-5042	3					L-6052	4	L-6552	2				

Figure 3 – Definition of Zones

Notes:

- The locational loss factor that is applicable to a generating facility’s interconnection location and capacity will be used in the EBS calculations.
- For lines that traverse more than one zone, the zone will be determined by choosing the closest substation bus to the point of interconnection.
- NSPSO will provide clarification as to which Zone is applicable upon request.

STANDBY SERVICE TARIFF
Renewable to Retail

STANDBY SERVICE

Standby Service is a supplemental generation capacity service provided to Licenced Retail Suppliers (LRS). The service is provided in combination with Energy Balancing Service under the Energy Balancing Service Tariff. The service has two components:

Capacity adequacy service – fulfillment of the LRS’s obligation to provide or pay for its share of firm capacity required to meet adequacy standards of the Nova Scotia electricity system arising from forced and unforced generation outages. Energy delivered during generation outages will be billed under the Energy Balancing Service Tariff.

Top-up capacity service – provision of capacity to support energy delivery through the Energy Balancing Service in respect of imbalance between load and generation.

All capitalized terms herein shall, unless otherwise defined herein, have the meanings ascribed thereto in the LRS Terms and Conditions.

AVAILABILITY

This Standby Service Tariff is applicable to the LRS to facilitate the purchase of renewable low-impact electricity by RtR Customers.

This Standby Service Tariff is provided under the following terms and conditions:

- (1) The LRS must have a valid LRS Participation Agreement executed with NS Power; and.
- (2) The LRS must be providing service to RtR Customers.

APPLICABILITY

- (1) An LRS taking service under this Standby Service Tariff shall also take service under Open Access Transmission Tariff (OATT), the Energy Balancing Service Tariff and the Renewable to Retail Market Transition Tariff.
- (2) The service under this Standby Service Tariff is complementary to the generation ancillary services to the Renewable to Retail market under OATT.
- (3) The aggregate hourly load quantities are determined at the delivery point from the transmission system, inclusive of distribution system losses, in accordance with the provisions of the LRS Terms and Conditions.
- (4) This service is applicable to firm load only.

STANDBY SERVICE TARIFF
Renewable to Retail

ADMINISTRATION CHARGE

The monthly administration charge is applicable to each LRS and is set annually according to the following formula:

$$\text{Monthly charge} = \frac{\text{forecast annual administration costs}}{\text{forecast number of LRS's subscribed}} * 12$$

This charge will be \$1,053.03 per month.

DEMAND CHARGE

| ~~\$5.3705.141~~ per month, per kilowatt (kW) of monthly standby contract demand.

MINIMUM MONTHLY CHARGE

The minimum monthly charge will be the administration charge.

DETERMINATION OF MONTHLY STANDBY CONTRACT DEMAND

Monthly Standby Contract Demand (MSCD) in kW is determined using the following formula:

$$\text{MSCD} = \text{LWPF D} - \min(\text{LWPF D}, (\sum_{i=1}^n \text{CCi} * \text{GCi}) / (1 + \text{PR}))$$

Where :

LWPF D is LRS Winter Peak Firm Demand in respect of each billing month calculated as follows:

$$\text{LWPF D} = \sum_{i=1}^k (\text{CMPFD}_i * \text{CMDAF}_i)$$

“k” is the number of otherwise applicable bundled service rate classes to RtR customers of LRS.

“CMPFD_i” is hourly kW Class Monthly Peak Firm Demand of the LRS firm load in each tariff class at the time of system coincident firm load peak in each month at transmission delivery points (i.e. inclusive of distribution system losses). The CMPFD for the unmetered customer class shall be determined by use of research based class load profile data.

STANDBY SERVICE TARIFF
Renewable to Retail

“CMDAFi” is the Class Monthly Demand Adjustment Factor applicable to each class as set out below:

Classes	Jan, Feb, Dec	Mar, Apr	May, June	Jul, Aug, Sep	Oct, Nov
Domestic	1.00	1.27	1.67	2.17	1.47
Small General	1.00	1.21	1.32	1.09	1.28
General	1.00	1.12	1.32	1.05	1.19
Large General	1.00	1.05	1.04	0.78	0.99
Small Industrial	1.00	1.06	1.01	0.94	1.00
Medium Industrial	1.00	1.14	1.08	1.01	1.02
Large Industrial Firm	1.00	1.10	1.03	0.89	1.09
Unmetered	1.00	8.24	7.90	7.68	2.28

“PR” is Planning Reserve (%) (based on Northeast Power Coordinating Council planning criteria, i.e., 20% or as updated)

“CCi” is a capacity contribution factor of LRS’ generator to NS Power’s system peak as determined by NS Power. The capacity contribution factor may be the subject of periodic adjustment if operating conditions of the generator, such as a prolonged deration, depart from those assumed by NS Power.

“GCi” is the generator capacity dedicated to serving LRS load.

“n” is the total number of LRS’ generators including those under contract.

SPECIAL CONDITIONS

- (1) NS Power reserves the right to have a separate service agreement, if in the opinion of NS Power issues not specifically set out herein, must be addressed for the ongoing benefit of NS Power and its customers.
- (2) The LRS’s RtR Customers and generators will make all necessary arrangements to ensure that their generation and load do not unduly deteriorate the integrity of the power supply system, either by its design or operation. These specific requirements shall be stipulated by way of a written operating agreement.
- (3) In assessing issues which might unduly affect the integrity of the power supply system the following would be considered: reliability, harmonic voltage and current levels, voltage flicker, unbalance, rate of change in load levels, stability, fault levels and other related conditions.

STANDBY SERVICE TARIFF
Renewable to Retail

- (4) Nothing contained in this Standby Service Tariff or any service agreement shall be construed as affecting or in any way limiting the right of NS Power to make application to the Nova Scotia Utility and Review Board for a change in any rates, terms and conditions, charges, classification of service, service agreement, rule or regulation, including, without limitation, the rates, charge or terms and conditions contained in this Standby Service Tariff, the Energy Balancing Service Tariff or the Renewable to Retail Market Transition Tariff.

STANDBY SERVICE TARIFF
Renewable to Retail

STANDBY SERVICE

Standby Service is a supplemental generation capacity service provided to Licenced Retail Suppliers (LRS). The service is provided in combination with Energy Balancing Service under the Energy Balancing Service Tariff. The service has two components:

Capacity adequacy service – fulfillment of the LRS’s obligation to provide or pay for its share of firm capacity required to meet adequacy standards of the Nova Scotia electricity system arising from forced and unforced generation outages. Energy delivered during generation outages will be billed under the Energy Balancing Service Tariff.

Top-up capacity service – provision of capacity to support energy delivery through the Energy Balancing Service in respect of imbalance between load and generation.

All capitalized terms herein shall, unless otherwise defined herein, have the meanings ascribed thereto in the LRS Terms and Conditions.

AVAILABILITY

This Standby Service Tariff is applicable to the LRS to facilitate the purchase of renewable low-impact electricity by RtR Customers.

This Standby Service Tariff is provided under the following terms and conditions:

- (1) The LRS must have a valid LRS Participation Agreement executed with NS Power; and.
- (2) The LRS must be providing service to RtR Customers.

APPLICABILITY

- (1) An LRS taking service under this Standby Service Tariff shall also take service under Open Access Transmission Tariff (OATT), the Energy Balancing Service Tariff and the Renewable to Retail Market Transition Tariff.
- (2) The service under this Standby Service Tariff is complementary to the generation ancillary services to the Renewable to Retail market under OATT.
- (3) The aggregate hourly load quantities are determined at the delivery point from the transmission system, inclusive of distribution system losses, in accordance with the provisions of the LRS Terms and Conditions.
- (4) This service is applicable to firm load only.

STANDBY SERVICE TARIFF
Renewable to Retail

ADMINISTRATION CHARGE

The monthly administration charge is applicable to each LRS and is set annually according to the following formula:

$$\text{Monthly charge} = \frac{\text{forecast annual administration costs}}{\text{forecast number of LRS's subscribed}} * 12$$

This charge will be \$1,053.03 per month.

DEMAND CHARGE

\$5.141 per month, per kilowatt (kW) of monthly standby contract demand.

MINIMUM MONTHLY CHARGE

The minimum monthly charge will be the administration charge.

DETERMINATION OF MONTHLY STANDBY CONTRACT DEMAND

Monthly Standby Contract Demand (MSCD) in kW is determined using the following formula:

$$\text{MSCD} = \text{LWPF}D - \min(\text{LWPF}D, (\sum_{i=1}^n \text{CC}_i * \text{GC}_i) / (1 + \text{PR}))$$

Where :

LWPF_D is LRS Winter Peak Firm Demand in respect of each billing month calculated as follows:

$$\text{LWPF}D = \sum_{i=1}^k (\text{CMPFD}_i * \text{CMDAF}_i)$$

“k” is the number of otherwise applicable bundled service rate classes to RtR customers of LRS.

“CMPFD_i” is hourly kW Class Monthly Peak Firm Demand of the LRS firm load in each tariff class at the time of system coincident firm load peak in each month at transmission delivery points (i.e. inclusive of distribution system losses). The CMPFD for the unmetered customer class shall be determined by use of research based class load profile data.

STANDBY SERVICE TARIFF
Renewable to Retail

“CMDAFi” is the Class Monthly Demand Adjustment Factor applicable to each class as set out below:

Classes	Jan, Feb, Dec	Mar, Apr	May, June	Jul, Aug, Sep	Oct, Nov
Domestic	1.00	1.27	1.67	2.17	1.47
Small General	1.00	1.21	1.32	1.09	1.28
General	1.00	1.12	1.32	1.05	1.19
Large General	1.00	1.05	1.04	0.78	0.99
Small Industrial	1.00	1.06	1.01	0.94	1.00
Medium Industrial	1.00	1.14	1.08	1.01	1.02
Large Industrial Firm	1.00	1.10	1.03	0.89	1.09
Unmetered	1.00	8.24	7.90	7.68	2.28

“PR” is Planning Reserve (%) (based on Northeast Power Coordinating Council planning criteria, i.e., 20% or as updated)

“CCi” is a capacity contribution factor of LRS’ generator to NS Power’s system peak as determined by NS Power. The capacity contribution factor may be the subject of periodic adjustment if operating conditions of the generator, such as a prolonged deration, depart from those assumed by NS Power.

“GCi” is the generator capacity dedicated to serving LRS load.

“n” is the total number of LRS’ generators including those under contract.

SPECIAL CONDITIONS

- (1) NS Power reserves the right to have a separate service agreement, if in the opinion of NS Power issues not specifically set out herein, must be addressed for the ongoing benefit of NS Power and its customers.
- (2) The LRS’s RtR Customers and generators will make all necessary arrangements to ensure that their generation and load do not unduly deteriorate the integrity of the power supply system, either by its design or operation. These specific requirements shall be stipulated by way of a written operating agreement.
- (3) In assessing issues which might unduly affect the integrity of the power supply system the following would be considered: reliability, harmonic voltage and current levels, voltage flicker, unbalance, rate of change in load levels, stability, fault levels and other related conditions.

STANDBY SERVICE TARIFF
Renewable to Retail

- (4) Nothing contained in this Standby Service Tariff or any service agreement shall be construed as affecting or in any way limiting the right of NS Power to make application to the Nova Scotia Utility and Review Board for a change in any rates, terms and conditions, charges, classification of service, service agreement, rule or regulation, including, without limitation, the rates, charge or terms and conditions contained in this Standby Service Tariff, the Energy Balancing Service Tariff or the Renewable to Retail Market Transition Tariff.

STANDBY SERVICE TARIFF

Source	Category	Cost in thousands of \$'s	Comments/ Assumptions
Demand-related Costs			
Appendix C 2014 COS Costs - Exhibit 5, page 1, column 2.	Demand-related fixed gen costs net of fuel costs	\$167,212	Calculated as follows: total of \$176,854 k less purchased power regular of \$390 k, purchased biomass power \$2,205 k, purchased wind power of \$7,048 k
GRA 2013 DE-03 - DE-04	Less: Ancillary generation-related costs recovered under OATT		
Appendix L Attachment 3 pages 7 and 8, Figures 3-7 and 3-8	Reactive Supply & Voltage Control	\$4,329	
	Regulation & Frequency	\$5,092	
	Load Following	\$18,225	
	Operating Reserve - Spinning (10 min)	\$3,908	
	Operating Reserve - Supplemental (10 min)	\$7,785	
	Operating Reserve - Supplemental (30 min)	<u>\$6,598</u>	
		\$45,937	
	Demand-related fixed Gen. Costs net of Ancillary Service Costs³		
	Before Adjustment for Fixed Cost Deferral	\$121,275	
	Fixed Cost Deferral Adjustment of -4.255%	<u>-\$5,161</u>	
	After Adjustment for Fixed Cost Deferral	\$116,115	

Capacity Usage in kW		Transmission Loss Factor from 3.2% 2013 GRA (2014 COSS)		
Transmission Loss at 69 kV		Sum of 3 Coincident Winter Peaks	3CP Monthly Ave At 69 kV	
		At Generator's Gate	Transmission	
	(1) DOMESTIC	3,327,702	1,109,234	1,074,881
	(2) SMALL GENERAL	123,720	41,240	39,963
	(3) GENERAL	1,361,828	453,943	439,884
	(4) GENERAL LARGE	161,337	53,779	52,114
	(5) SMALL INDUSTRIAL	116,650	38,883	37,679
Appendix C	(6) MEDIUM INDUSTRIAL	225,735	75,245	72,915
2014 COS	(7) LARGE INDUSTRIAL	318,264	106,088	102,802
Costs - page 65	(8) ELI 2P-RTP	0	0	0
of 80, Exhibit	(9) MUNICIPAL	122,088	40,696	39,436
9A, col 10.	(10) UNMETERED	<u>69,089</u>	<u>23,030</u>	<u>22,316</u>
		5,826,414	1,942,138	1,881,990

Standby Demand Charge Calculation			
	Cost	Usage	Unit Cost per kW
Annual Rate per kW demand at 69 kV Voltage	\$116,114.67	1,881,990	\$61.698
Monthly Rate per kW demand at 69 kV Voltage			\$5.141

RENEWABLE TO RETAIL MARKET TRANSITION TARIFF***Renewable to Retail***

PURPOSE

Pursuant to Section 3G(2) of the Electricity Act (Nova Scotia), this Renewable to Retail Market Transition Tariff (RTT) is designed to recover from Licenced Retail Suppliers (LRS) NS Power's embedded fixed costs and deferred costs, recovered through Bundled Service, which are not otherwise recovered through other tariffs applicable to the LRS or its RtR Customers. For certainty, for the purposes of this RTT, NS Power's embedded fixed costs include, but are not limited to, generation related fixed costs (e.g. depreciation, cost of financing including return on common equity, income tax and OM&G). Deferred costs of NS Power are those costs approved by the Nova Scotia Utility and Review Board (Board) for recovery by NS Power from customers at a future date.

All capitalized terms herein shall, unless otherwise defined herein, have the meanings ascribed thereto in the LRS Terms and Conditions.

APPLICABILITY

1. The RTT is applicable to the LRS, and is in addition to (and not in substitution of) any charges owing by the LRS to NS Power under the Open Access Transmission Tariff (OATT), the Standby Service Tariff or the Energy Balancing Service Tariff.
2. The RTT employs certain usage determinants and rate components applicable under both the Standby Service Tariff and the Energy Balancing Service Tariff.
3. Energy Charges and Demand Charges (both as set out below) under this RTT include provision for mitigation in respect of forecasted NS Power savings enabled by the LRS's supply of electricity to its RtR Customers. The savings credits will be determined annually on the basis of experience and will be applied on a prospective basis.
4. The Energy Charge under this RTT includes provision for annual adjustment on a prospective basis to account for the forecasted difference between NS Power's average avoided cost by the LRS's supply of electricity and its average system fuel cost. If the average avoided cost exceeds the average system fuel cost, this adjustment will be a reduction in the Energy Charge; if the average avoided cost is less than the average system fuel cost, this adjustment will be an addition to the Energy Charge.
5. An LRS taking service under this RTT shall also take service under the OATT, the Standby Service Tariff, and the Energy Balancing Service Tariff.

RENEWABLE TO RETAIL MARKET TRANSITION TARIFF**Renewable to Retail****ENERGY CHARGE**

Energy charge is made up of the following components:

Energy Charge Components	Cents per kWh
Fixed Cost Adder from Energy Balancing Service Tariff	3.309 3.168
<u>2014 Cost of Service Earnings Adjustment</u>	<u>(0.780)</u>
<u>Prior Period Actual Earnings Adjustment</u>	<u>(0.133)</u>
Annually Adjusted Energy Savings Credit	-0.000
Annual Energy Cost Adjustment	1.543
Total	-3.309 3.798

The Energy Charge is applicable to the LRS's monthly displaced energy on NS Power's generation system, defined as the total monthly LRS load, including distribution losses, minus the total monthly LRS top-up quantity as determined under the Energy Balancing Service Tariff for that LRS.

DEMAND CHARGE

Demand Charge is made up of two components:

Demand Charge Components	Dollars per kW
Demand Charge from Standby Service Tariff	\$5.3705.141
Annually Adjusted Demand Savings Credit	\$0.000
Total	\$5.3705.141

The Demand Charge is applicable to the LRS's monthly displaced demand on NS Power's system determined as the difference between Winter Peak Firm Demand, in respect of the monthly bill of the LRS, and Monthly Standby Contract Demand, both as determined under the Standby Service Tariff for that LRS. For greater certainty, Winter Peak Firm Demand and Monthly Standby Contract Demand are as set out in the Standby Service Tariff.

SPECIAL CONDITIONS

- (1) Nothing contained in this RTT or any service agreement shall be construed as affecting or in any way limiting the right of NS Power to make application to the Board for a change in any rates, terms and conditions, charges, classification of service, service agreement, rule or regulation, including, without limitation, the rates, charge or terms and conditions contained in this RTT, the Standby Service Tariff or the Energy Balancing Service Tariff.

RENEWABLE TO RETAIL MARKET TRANSITION TARIFF***Renewable to Retail***

PURPOSE

Pursuant to Section 3G(2) of the Electricity Act (Nova Scotia), this Renewable to Retail Market Transition Tariff (RTT) is designed to recover from Licenced Retail Suppliers (LRS) NS Power's embedded fixed costs and deferred costs, recovered through Bundled Service, which are not otherwise recovered through other tariffs applicable to the LRS or its RtR Customers. For certainty, for the purposes of this RTT, NS Power's embedded fixed costs include, but are not limited to, generation related fixed costs (e.g. depreciation, cost of financing including return on common equity, income tax and OM&G). Deferred costs of NS Power are those costs approved by the Nova Scotia Utility and Review Board (Board) for recovery by NS Power from customers at a future date.

All capitalized terms herein shall, unless otherwise defined herein, have the meanings ascribed thereto in the LRS Terms and Conditions.

APPLICABILITY

1. The RTT is applicable to the LRS, and is in addition to (and not in substitution of) any charges owing by the LRS to NS Power under the Open Access Transmission Tariff (OATT), the Standby Service Tariff or the Energy Balancing Service Tariff.
2. The RTT employs certain usage determinants and rate components applicable under both the Standby Service Tariff and the Energy Balancing Service Tariff.
3. Energy Charges and Demand Charges (both as set out below) under this RTT include provision for mitigation in respect of forecasted NS Power savings enabled by the LRS's supply of electricity to its RtR Customers. The savings credits will be determined annually on the basis of experience and will be applied on a prospective basis.
4. The Energy Charge under this RTT includes provision for annual adjustment on a prospective basis to account for the forecasted difference between NS Power's average avoided cost by the LRS's supply of electricity and its average system fuel cost. If the average avoided cost exceeds the average system fuel cost, this adjustment will be a reduction in the Energy Charge; if the average avoided cost is less than the average system fuel cost, this adjustment will be an addition to the Energy Charge.
5. An LRS taking service under this RTT shall also take service under the OATT, the Standby Service Tariff, and the Energy Balancing Service Tariff.

RENEWABLE TO RETAIL MARKET TRANSITION TARIFF**Renewable to Retail**

ENERGY CHARGE

Energy charge is made up of the following components:

Energy Charge Components	Cents per kWh
Fixed Cost Adder from Energy Balancing Service Tariff	3.168
2014 Cost of Service Earnings Adjustment	(0.780)
Prior Period Actual Earnings Adjustment	(0.133)
Annually Adjusted Energy Savings Credit	0.000
Annual Energy Cost Adjustment	1.543
Total	3.798

The Energy Charge is applicable to the LRS's monthly displaced energy on NS Power's generation system, defined as the total monthly LRS load, including distribution losses, minus the total monthly LRS top-up quantity as determined under the Energy Balancing Service Tariff for that LRS.

DEMAND CHARGE

Demand Charge is made up of two components:

Demand Charge Components	Dollars per kW
Demand Charge from Standby Service Tariff	\$5.141
Annually Adjusted Demand Savings Credit	\$0.000
Total	\$5.141

The Demand Charge is applicable to the LRS's monthly displaced demand on NS Power's system determined as the difference between Winter Peak Firm Demand, in respect of the monthly bill of the LRS, and Monthly Standby Contract Demand, both as determined under the Standby Service Tariff for that LRS. For greater certainty, Winter Peak Firm Demand and Monthly Standby Contract Demand are as set out in the Standby Service Tariff.

SPECIAL CONDITIONS

- (1) Nothing contained in this RTT or any service agreement shall be construed as affecting or in any way limiting the right of NS Power to make application to the Board for a change in any rates, terms and conditions, charges, classification of service, service agreement, rule or regulation, including, without limitation, the rates, charge or terms and conditions contained in this RTT, the Standby Service Tariff or the Energy Balancing Service Tariff.

Renewable to Retail Market Transition Tariff

Energy Charge Components	Cents per kWh
Fixed Cost Adder from Energy Balancing Service Tariff	3.168
2014 Cost of Service Earnings Adjustment	(0.780)
Prior Period Actual Earnings Adjustment	(0.133)
Annually Adjusted Energy Savings Credit	-
Annual Energy Cost Adjustment	1.543
Total	3.798

Demand Charge Components	Cents per kWh
Demand Charge from Standby Service Tariff	5.141
Annually Adjusted Energy Savings Credit	-
Total	5.141

Renewable to Retail Market Transition Tariff - Calculation of Annual Adjustments for 2016**MWh Load at Transmission Level**

Total FAM Class Energy Requirement (MWh)	10,089,394	Source: 2016 BCF FAM AA/BA (M06962), Compliance Filing, Appendix G - Cost Allocation of Fuel Expenses, BCF Allocation tab.
2016 Transmission Losses	3.0%	Source: 2016 BCF (Load Forecast)
Energy Requirement at Transmission Level (MWh)	9,795,528	

2014 Cost of Service Earnings Adjustment

2014 Excess Earnings Credit	\$38,206,078	Source: 2016 BCF FAM AA/BA (M06962), Compliance Filing, Appendix H - Part 2 FAM BA COS, Fixed Cost Deferral Credit tab.
Unit Savings per kWh of System Load at Transmission Level	0.390	
Savings Credit applicable to displaced energy on NS Power's generation system	0.780	Assume 50% of RtR Market energy will represent displaced energy on NS Power's system as a result of direct deliveries. This is consistent with the displaced load assumption used in Multeese DR-25 for top-up energy.

Prior Period Actual Earnings Adjustment (2015 Excess Earnings)

2015 Excess Earnings Credit	\$44,700,000	Source: 2016 BCF FAM AA/BA (M06962), Compliance Filing, Appendix H - Part 2 FAM BA COS, Fixed Cost Deferral Credit tab.
Variance from 2014 Excess Earnings Credit	\$6,493,922	
Unit Adjustment per kWh of System Load at Transmission Level	0.066	
Adjustment applicable to displaced energy on NS Power's generation system	0.133	Assume 50% of RtR Market energy will represent displaced energy on NS Power's system as a result of direct deliveries. This is consistent with the displaced load assumption used in Multeese DR-25 for top-up energy.

Annually Adjusted Energy Savings Credit (Applicability Condition #3 of the RtR Market Transition Tariff)

2014 Excess Earnings Credit applied to 2016 FAM AA/BA Riders	\$0	Source: 2016 BCF FAM AA/BA (M06962), Compliance Filing, Appendix H - Part 2 FAM BA COS, Fixed Cost Deferral Credit tab.
Unit Savings per kWh of System Load at Transmission Level	-	
Savings Credit applicable to displaced energy on NS Power's generation system	-	Assume 50% of RtR Market energy will represent displaced energy on NS Power's system as a result of direct deliveries. This is consistent with the displaced load assumption used in Multeese DR-25 for top-up energy.

Annual Energy Cost Adjustment (Applicability Condition #4 of the RtR Market Transition Tariff)

Total Fuel Cost of FAM Rate Classes	\$490,811,695	Source: 2016 BCF FAM AA/BA (M06962), Compliance Filing, Appendix G - Cost Allocation of Fuel Expenses, BCF Allocation tab.
MWh Load at Transmission Level	9,795,528	
Average Unit Cost at Transmission Level (cents/kWh)	5.011	
Avoided Fuel Cost from 2016 LF Rate (Cents/kWh)	4.239	
Differential (Cents/kWh)	0.772	
Applicable Charge or Credit to displaced energy on NS Power's generation system (Cents/kWh)	1.543	Assume 50% of RtR Market energy will represent displaced energy on NS Power's system as a result of direct deliveries. This is consistent with the displaced load assumption used in Multeese DR-25 for top-up energy.

Nova Scotia Power Incorporated
Open Access Transmission Tariff – Amended 2014 Schedule

SCHEDULE 4: ENERGY IMBALANCE SERVICE

This Schedule 4 is not applicable to Licenced Retail Suppliers.

The Generation Forecasting Service set out in Schedule 4A of the OATT will apply to Licenced Retail Suppliers only and is not applicable to any other Eligible Customer.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within an Operating Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Operating Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation. To the extent the Operating Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Operating Area operator.

For a bilateral schedule of a single load and its single generator, this ancillary service will be applied to the net of the generation and load imbalance. Otherwise, this Ancillary Service will be applied separately to deviations from load schedules and deviations from generation schedules. This ancillary service does not apply to power exported from the Operating Area, which is covered by the Generation Balancing Service of the Standard Generator Interconnection and Operation Agreement.

Energy Imbalance Service does not apply to inadvertent energy imbalances that occur as a result of actions directed by the Operating Area operator to:

- Balance total load and generation for the Operating Area through the use of Automatic Generation Control;
- Maintain interconnected system reliability, through actions such as re-dispatch or curtailment;

EFFECTIVE:

Nova Scotia Power Incorporated
Open Access Transmission Tariff – Amended 2014 Schedule

- Support interconnected system frequency; or to
- Respond to transmission, generation or load contingencies.

For the purposes of Energy Imbalance Service, peak hours are between 07:00 and 23:00 Atlantic Time, Monday to Friday. All other hours are considered non-peak hours.

Load Energy Imbalance Associated with Point-to-Point or Network Integration Transmission Service:

For each Transmission Customer taking service under Part II or Part III of this Tariff, Energy Imbalance Service will be provided by the Transmission Provider under the following terms and conditions:

A deviation band of +/- 1.5 percent of the scheduled transaction (with a minimum deviation band of +/- 2 MW) will be applied hourly to any net load energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s).

Parties should attempt to eliminate energy imbalances within the limits of the deviation band within the billing month in accordance to the following:

- For hourly imbalances that arise during peak hours, such imbalances should be eliminated via deliveries or withdrawals during peak hours; and
- For hourly imbalances that arise during non-peak hours, such imbalances should be eliminated via deliveries or withdrawals during non-peak hours.

Net load energy imbalances within the deviation band that have not been eliminated at the end of the billing month will be subject to the charges set below:

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Nova Scotia Power Incorporated
Open Access Transmission Tariff – Amended 2014 Schedule

- Energy supplied by the Transmission Provider during peak hours to compensate for a net shortfall in peak hours delivery over the billing month will be charged at the average on-peak system marginal cost for the billing month. Energy supplied by the Transmission Provider during non-peak hours to compensate for a net shortfall in non-peak hours delivery over the billing month will be charged at the average non-peak system marginal cost for the billing month.
- Energy supplied to the Transmission Provider during peak hours as a net excess of the peak hours delivery over the billing month will be purchased by the Transmission Provider at the average on-peak system marginal cost for the billing month. Energy supplied to the Transmission Provider during non-peak hours as a net excess of the non-peak hours delivery over the billing month will be purchased by the Transmission Provider at the average non-peak system marginal cost for the billing month.

Energy imbalances outside of the deviation band are not eligible for elimination and are subject to charges as set forth below:

- Energy supplied by the Transmission Provider to compensate for a net hourly shortfall in delivery will be charged at 110 percent of the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at 90 percent of the hourly system marginal cost in the hour of the deviation.

Generation Energy Imbalance - Dispatchable Generators:

For Dispatchable Generators in the Transmission Provider's Operating Area supplying load in the Transmission Provider's Operating Area, Energy Imbalance Service will be provided by the Transmission Provider under the following terms and conditions:

EFFECTIVE:

Nova Scotia Power Incorporated
Open Access Transmission Tariff – Amended 2014 Schedule

- Energy supplied by the Transmission Provider to compensate for a net shortfall in the hourly delivery will be charged at 110 percent of the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at 90 percent of the hourly system marginal cost in the hour of the deviation.

Generation Energy Imbalance - Non-Dispatchable Generators

For Non-dispatchable Generators in the Transmission Provider's Operating Area supplying load in the Transmission Provider's Operating Area, Energy Imbalance Service will be provided by the Transmission Provider under the following terms and conditions:

Energy Imbalances inside a deviation band of +/- 10 percent of the scheduled transaction (with a minimum deviation band of +/- 2 MW) will be subject to charges as set forth below:

- Energy supplied by the Transmission Provider to compensate for a net shortfall in the hourly delivery will be charged at the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at the hourly system marginal cost in the hour of the deviation.

All deviations from schedule outside of the +/- 10 percent deviation band will be subject to charges as set forth below:

EFFECTIVE:

Nova Scotia Power Incorporated
Open Access Transmission Tariff – Amended 2014 Schedule

- Energy supplied by the Transmission Provider to compensate for a net shortfall in the hourly delivery will be charged at 110 percent of the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at 90 percent of the hourly system marginal cost in the hour of the deviation.

EFFECTIVE:

SCHEDULE 4A: GENERATION FORECASTING SERVICE

This Generation Forecasting Service set out in Schedule 4A of the OATT applies to Licenced Retail Suppliers only and is not applicable to any other Eligible Customer. Generation Forecasting Service addresses the accuracy of generation scheduling by Licenced Retail Suppliers.

This Schedule does not apply to forecasting discrepancies that occur as a result of actions directed by the Operating Area operator to:

- Balance total load and generation for the Operating Area through the use of Automatic Generation Control;
- Maintain interconnected system reliability, through actions such as re-dispatch or curtailment;
- Support interconnected system frequency; or to
- Respond to transmission, generation or load contingencies.

For the purposes of Forecast Deviation Service, peak hours are between 07:00 and 23:00 Atlantic Time, Monday to Friday. All other hours are considered non-peak hours.

Each Licenced Retail Supplier shall use commercially reasonable efforts to provide accurate schedules and forecasts of production from renewable low-impact generators that are not dispatchable.

To the extent that such schedules or forecasts of hourly production of the aggregate of a Licenced Retail Supplier's RtR generation resources deviate from the actual production for reasons other than those that occur as a result of actions directed by the Operating Area operator the following charges shall apply:

EFFECTIVE:

**Nova Scotia Power Incorporated
Open Access Transmission Tariff**

An hourly deviation band of +/- 10 percent of the aggregate hourly scheduled or forecast quantity (with a minimum deviation band of +/- 2 MW) will be applied hourly to any forecast discrepancy that occurs as a result of the Transmission Customer's scheduled transaction(s).

- Hourly forecast discrepancies falling outside the hourly deviation band during peak hours will be charged at 10% of the average on-peak system marginal cost for the billing month.
- Hourly forecast discrepancies falling outside the hourly deviation band during non-peak hours will be charged at 10% of the average non-peak system marginal cost for the billing month.

EFFECTIVE:

Open Access Transmission Tariff

ATTACHMENT G1

Transmission RtR Customer Operating Agreement

Applicability

The Transmission RtR Customer Operating Agreement applies to RtR Customers whose facilities are physically connected with the Transmission System.

TRANSMISSION RTR CUSTOMER OPERATING AGREEMENT
Between
NOVA SCOTIA POWER INCORPORATED
And

(Insert Transmission RtR Customer Name)

(Date)

TRANSMISSION RTR CUSTOMER OPERATING AGREEMENT

THIS AGREEMENT MADE THIS _____ day of _____, 20_____.

BETWEEN: NOVA SCOTIA POWER INCORPORATED, a body corporate, with head office at Halifax, Province of Nova Scotia, hereinafter referred to as "NSPI";

- and -

_____, a RtR Customer, whose Transmission RtR Customer Facilities are physically connected with the Transmission System, having its head office in _____, hereinafter referred to as "the Transmission RtR Customer",

Both of which may hereinafter be referred to as "the Parties hereto".

WHEREAS the Transmission RtR Customer is receiving renewable low-impact electricity from a Licensed Retail Supplier (LRS) and such Transmission RtR Customer is the owner and operator of facilities located in _____, the County of _____ in the Province of Nova Scotia (the "Transmission RtR Customer's premises"), and requires a supply of power and energy from the LRS for its operation;

AND WHEREAS NSPI has agreed to deliver and the LRS has agreed to purchase from NSPI, transmission services for the purpose of the LRS' supply of power and energy to the aforesaid Transmission RtR Customer;

AND WHEREAS NSPI is providing to the Transmission RtR Customer, connection of the Transmission RtR Customer Facilities to the Transmission System pursuant to the terms and conditions of this Agreement and the NSPI Regulations, to enable receipt of power and energy from the LRS.

NOW THEREFORE this Agreement witnesseth that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties hereto mutually covenant and agree as follows:

1.0 DEFINITIONS

- A) All capitalized terms utilized in this Agreement shall, unless otherwise defined herein, have the meanings ascribed thereto in NSPI’s Open Access Transmission Tariff.

- B) In this Agreement, unless the context otherwise requires, the following definitions shall apply:

Delivery Point

The Delivery Point is the place at which the Transmission RtR Customer Facilities and NSPI Facilities are connected together, specifically

_____ as shown on NSPI Substation Diagram No. _____ dated _____ attached hereto and marked Appendix A.

Metering Equipment

The Metering Equipment is the meters and associated equipment approved by Measurement Canada or such other authority as may from time to time be charged with such responsibility, required for measuring the Transmission RtR Customer’s load.

Metering Point

The Metering Point is the point at which all power and energy supplied to the Transmission RtR Customer is measured. The Metering Point is at or near the Delivery Point.

NSPI Facilities

NSPI Facilities are the Transmission System and the necessary _____ kV extension thereof constructed to the Delivery Point, together with the Metering Equipment, all of which are provided, owned and maintained by NSPI.

NSPI Regulations

The NSPI Regulations approved by the Board pursuant to the *Public Utilities Act* (Nova Scotia) as such regulations may be amended from time to time with the approval of the Board.

Rental Facilities

The Rental Facilities are those facilities provided, owned and maintained by NSPI for which the Transmission RtR Customer pays a Rental Charge.

Without limiting the generality of the foregoing, these facilities include:

Transmission RtR Customer Facilities

The Transmission RtR Customer Facilities are the facilities beyond the Delivery Point, which are provided, owned and maintained by the Transmission RtR Customer and, in addition, shall be deemed to also include any Rental Facilities.

Without limiting the generality of the foregoing, these facilities include:

2.0 CHARACTERISTICS OF SUPPLY

2.1 Characteristics of Supply

Subject to Article 3.1 hereof the power and energy supplied to the Transmission RtR Customer at the Delivery Point shall be three-phase alternating current at the nominal frequency of 60-hertz and at a nominal voltage of _____ volts between phases.

2.2 Metering

Metering shall be in accordance with NSPI's "Metering Standards" and Section 4 "Metering" of the NSPI Regulations.

NSPI shall provide, own and maintain the Metering Equipment. If requested by NSPI, the Transmission RtR Customer shall provide at the Transmission RtR Customer's expense, adequate space and facilities on the Transmission RtR Customer's premises satisfactory to NSPI for the installation and maintenance of the Metering Equipment.

NSPI may modify or replace the Metering Equipment from time to time.

3.0 GENERAL OBLIGATIONS OF THE CUSTOMER

3.1 Transmission RtR Customer's Equipment

The Transmission RtR Customer shall be responsible for installing and maintaining protective equipment to protect the Transmission RtR Customer Facilities from variations in frequency and voltage or from temporary delivery of other than three-phase power.

The Transmission RtR Customer agrees that all motors, transformers and other equipment utilized in its installation shall conform with Canadian Standards Association requirements, and shall be wired, connected and operated so as not to produce

detrimental effects on NSPI Facilities which could adversely affect the adequacy of service to the Transmission RtR Customer and other customers.

3.2 Electrical Harmonics

Electrical harmonics shall be considered as components of current or voltage whose frequency is some multiple of the 60-hertz fundamental frequency. The Transmission RtR Customer shall assume the responsibility of direct loss by reason of damages to NSPI Facilities caused by electrical harmonics produced in the Transmission RtR Customer Facilities provided that such liability shall be restricted to the repair or, if necessary, the replacement or modification of such NSPI Facilities which have been damaged or made necessary by reason of electrical harmonics produced in the Transmission RtR Customer Facilities. The Transmission RtR Customer agrees to take all reasonable steps to limit the effects of any electrical harmonics that may be produced in the Transmission RtR Customer Facilities to a level tolerable to NSPI. NSPI shall cooperate with the Transmission RtR Customer in the investigation of any harmonic problems and the analysis of corrective measures. NSPI reserves the right to discontinue the supply of power and energy where in its opinion the reliability of NSPI Facilities is threatened by the presence of electrical harmonics.

3.3 Load Balance

The Transmission RtR Customer agrees to take and use the three-phase current supplied through the NSPI Transmission System in such manner that in no case shall the difference between any two phases be greater than 5%. The Transmission RtR Customer, upon written instructions from NSPI, shall so adjust its load as to comply with this requirement.

3.4 Right-of-Way

The Transmission RtR Customer agrees to provide and arrange for the necessary right-of-way on the Transmission RtR Customer's premises for the appropriate NSPI Facilities and Rental Facilities free of cost to NSPI during the continuance of this Agreement, renewal or renewals thereof, and for six months thereafter, so that NSPI, its subcontractors, their respective employees and agents may enter upon the same and build, install and erect, construct, operate, repair and remove any or all of the appropriate NSPI Facilities or Rental Facilities, all of which shall not unduly interfere with the Transmission RtR Customer's operations and which in the opinion of NSPI are necessary for the continuance of connection to the NSPI Transmission System under this Agreement. Any changes, which the Transmission RtR Customer may request NSPI to make in the location of NSPI Facilities or Rental Facilities, shall be made at the expense of the Transmission RtR Customer.

3.5 Right of Access

One or more representatives of NSPI appointed for this purpose may, at any reasonable time during the continuance of this Agreement, have access to the Transmission RtR Customer's premises for the purposes of but not limited to meter reading, inspection, operation, testing, adjustment, repair, alteration, reconstruction, and removal of NSPI Facilities, or for the purpose of inspecting the Transmission RtR Customer Facilities and taking records there from as required for compliance with this Agreement.

3.6 Preparation for the Connection of the RtR Customer Facilities

The Transmission RtR Customer agrees to prepare for the connection of the Transmission RtR Customer Facilities with the Transmission System hereunder and to supply, erect and maintain at its own risk, cost and charge, all transformers, switchgear, protective equipment, as well as poles, wires, hardware, cables, fittings, insulators and materials used in distribution on the Transmission RtR Customer's premises beyond the Delivery Point.

In addition to the foregoing, the Transmission RtR Customer agrees to provide, own and maintain beyond the Delivery Point any equipment that NSPI deems necessary from time to time during the continuance of this Agreement for the safety and security of operation of NSPI Facilities in accordance with Good Utility Practice. All the said equipment of the Transmission RtR Customer shall be subject to the approval of NSPI and shall be installed, maintained and operated in a manner satisfactory to NSPI.

3.7 Transmission RtR Customer's Responsibility for NSPI Facilities on its Premises

All NSPI Facilities and Rental Facilities furnished and installed on the Transmission RtR Customer's premises shall remain the property of NSPI and should such NSPI Facilities or Rental Facilities be destroyed or damaged from any cause due to the Transmission RtR Customer, or from any peril originating on the Transmission RtR Customer's premises, the Transmission RtR Customer shall reimburse NSPI for the full cost of repair or replacement.

3.8 Insulation Contamination

Contaminants shall be considered as foreign matter or substance deposited on insulation components which reduce the value and effectiveness of the insulation and may consist of dust, particles or chemicals either dry or in solution.

The Transmission RtR Customer shall be responsible for the correction of contamination problems occurring on the Transmission RtR Customer Facilities. If contaminants caused by activities on the Transmission RtR Customer's premises accumulate on NSPI Facilities, which, in the opinion of NSPI affect the insulating characteristics, the Transmission RtR Customer shall bear the cost of removal of contamination or replacement of insulation components as deemed necessary by NSPI. Interruptions of service occasioned to correct contamination problems shall be, where possible, arranged at a time mutually agreeable to the Transmission RtR Customer and NSPI. Notwithstanding the above NSPI reserves the right to discontinue the supply of power and energy at its discretion where the reliability of its system is threatened by the

presence of contaminants on insulation components.

4.0 GENERAL RIGHTS AND OBLIGATIONS OF NSPI

4.1 Applicability of NS Power Regulations to the Transmission RtR Customer

The NSPI Regulations apply to a Transmission RtR Customer.

4.2 Interruption of Connection to Transmission System

NSPI shall have the right to interrupt connection of the Transmission RtR Customer Facilities to the Transmission System for the purpose of safeguarding life or property, for making repairs, changes, renewals, improvements or replacements to NSPI Facilities or Rental Facilities but all such interruptions shall be of a minimum duration consistent with the exigencies of the case, provided, however, any such interruptions shall not release the Transmission RtR Customer from its obligation to pay all charges pursuant to this Agreement during the period of any such suspensions and to resume the use of power and energy when the connection to the Transmission System is restored.

5.0 ENVIRONMENTAL CONTAMINATION

5.1 Environmental Contamination

The Transmission RtR Customer shall comply with all environmental laws and regulations with respect to Transmission RtR Customer Facilities.

The Transmission RtR Customer shall indemnify and save harmless NSPI from all loss, expense, damage or injury to persons or property inclusive of NSPI property arising as a result of environmental damage, contamination and/or injury due to or caused by the Transmission RtR Customer.

NSPI shall comply with all environmental laws and regulations with respect to NSPI

Facilities.

NSPI shall indemnify and save harmless the Transmission RtR Customer from all loss, expense, damage or injury to persons or property inclusive of Transmission RtR Customer property arising as a result of environmental damage, contamination and/or injury due to or caused by NSPI.

Both parties agree to immediately notify the other of any environmental incident that occurs relative to the terms of this Agreement.

6.0 FORCE MAJEURE

6.1 Force Majeure

Force Majeure is any cause beyond the reasonable control of NSPI including, without limiting the generality of the foregoing, failure of facilities, flood, earthquake, storm, nuclear disaster, lightning, fire, epidemic, war, riot, civil disturbance, labour trouble, strike, sabotage and restraint by court or public authority which by exercise of Good Utility Practice NSPI could not be expected to avoid. If NSPI is rendered unable to fulfill any obligations by reason of Force Majeure, it shall be excused from performing to the extent it is prevented from so doing but it shall exercise Good Utility Practice to correct such inability with all reasonable dispatch, and it shall not be liable for injury, damage or loss resulting from such inability. However, settlement of strikes and labour disturbances shall be wholly within the discretion of NSPI.

7.0 INDEMNITY

7.1 Indemnity by the Transmission RtR Customer

The Transmission RtR Customer shall indemnify and save harmless NSPI from all loss, damage or injury to persons or property sustained by any third person or persons, including employees of NSPI and the Transmission RtR Customer, arising from the

operation and maintenance of the Transmission RtR Customer Facilities, unless such loss, damage or injury results from negligence or willful misconduct of NSPI, its agents, servants or employees, provided that the Transmission RtR Customer shall be given prompt notice of any such claim and shall have the exclusive right to defend and settle any such claim with the full cooperation of NSPI in such defense.

7.2 Indemnity by NSPI

NSPI shall indemnify and save harmless the Transmission RtR Customer from all loss, damage or injury to persons or property sustained by any third person, or persons, including employees of the Transmission RtR Customer and NSPI, arising from the operation and maintenance of NSPI Facilities, unless such loss, damage or injury results from negligence or willful misconduct of the Transmission RtR Customer, its agents, servants or employees, provided that NSPI shall be given prompt notice of any such claim and shall have the exclusive right to defend and settle any such claim with the full cooperation of the Transmission RtR Customer in such defense.

7.3 Limitation of Liability

Notwithstanding any other provision in this contract, NSPI shall not be liable to the Transmission RtR Customer for special or consequential damages, or damages for loss of use, arising directly or indirectly from any breach of this contract, fundamental or otherwise, and in particular but not limited to interruption of supply or from any acts or omissions of its employees.

8.0 TERM OF AGREEMENT

8.1 Term of Agreement

The Initial Term of this Agreement shall commence on the day and year first above written and continue in force for a period of five years. This Agreement shall terminate on the expiration of the Initial Term provided one of the Parties hereto has given at least

12 months written notice to the other Party. Should neither of the Parties hereto give notice to terminate this Agreement at the expiration of the Initial Term, this Agreement shall continue in full force and effect provided however that it may be terminated at any time after the expiration of the Initial Term by either Party having first given at least 12 months written notice of termination to the other Party. Notwithstanding the above, in the event the Transmission RtR Customer ceases to be a Transmission RtR Customer, this Agreement shall automatically terminate.

9.0. FORMER AGREEMENTS

9.1 Former Agreements

This Agreement and all attached schedules constitute the entire agreement between the parties to this Agreement pertaining to the subject matter hereof, being the connection of the Transmission RtR Customer Facilities to the Transmission System, and supercedes all prior and contemporaneous agreements, understandings, negotiations and discussions whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement except as specifically set forth herein.

10.0 HEIRS AND SUCCESSORS OF PARTIES

10.1 Heirs, Successors and Assigns

This Agreement shall extend to and be binding upon and endure to the benefit of the Parties hereto and their respective heirs, successors and permitted assigns. The obligations under and the benefit of this Agreement shall not be assignable by either party without the consent in writing of the other party. Such consent shall not be unreasonably withheld.

11.0 MODE OF DELIVERY

11.1 Mode of Delivery

Except as provided by this Agreement or otherwise agreed from time to time, any notice or other communication which is required by this Agreement to be given in writing, shall be sufficiently given if delivered personally to a senior official of the Party for whom it is intended or faxed or e-mailed or sent by registered mail, addressed as follows:

- (a) In the case of the Company, to:

Attention:

- (b) In the case of NSPI, to:

Nova Scotia Power Incorporated

P.O. Box 910

Halifax, NS B3J 2W5

Attention: Secretary and General Counsel

or delivered to such other person or faxed or e-mailed or sent by registered mail to such other address as either Party may designate for itself by notice given in accordance with this Section.

Any notice or other communication so mailed shall be deemed to have been received on the fifth business day following the day of mailing or if faxed or e-mailed shall be deemed to have been received on the same business day as the date of the fax or e-mail or if delivered personally shall be deemed to have been received on the date of delivery.

12.0 AMENDMENT

12.1 Amendment

If at any time during the continuance of this Agreement the parties shall deem it

necessary or expedient to make any alteration or addition to this Agreement it shall be done by way of a written agreement which shall be supplemental and form part of this Agreement.

13.0 SEVERANCE

13.1 Severance

It is intended that all provisions of this Agreement shall be fully binding and effective between the parties, but in the event that any particular provision or provisions or a part of one is found void, voidable or unenforceable for any reason whatsoever, then the particular provision or provisions or part of the provision shall be deemed severed from the remainder of this Agreement and all other provisions shall remain in full force.

14.0 GOVERNING LAW

14.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Nova Scotia and any applicable Federal laws.

15.0 PARAMOUNTCY

15.1 Paramountcy

In the event of any inconsistency between the terms of this Agreement and the NS Power Regulations, the NS Power Regulations shall prevail to the extent of the inconsistency.

16.0 SURVIVAL

16.1 Survival

This Agreement shall continue in effect after termination to the extent necessary to provide for including billings and payments pursuant to this Agreement; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this Agreement or other applicable Agreements, to disconnect, remove or salvage its own facilities and equipment.

IN WITNESS WHEREOF the Parties hereto have caused their corporate seals to be hereto affixed and these presents to be executed by their duly authorized officers respectively.

NOVA SCOTIA POWER INCORPORATED TRANSMISSION RTR CUSTOMER

Date: _____

Date: _____



NOVA SCOTIA POWER INC.
OPEN ACCESS TRANSMISSION TARIFF

As approved by the UARB May 31, 2005
As Amended •

NSPI

Open Access Transmission Tariff

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Open Access Transmission Tariff**I COMMON SERVICE PROVISIONS****1.0 Definitions**

- 1.0 Act:** The *Electricity Act*, S.N.S. 2004, c. 25, as amended from time to time.
- 1.1 Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.
- 1.2 Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.3 Board:** The Nova Scotia Utility and Review Board.
- 1.4 Bundled Service:** Electrical service taken from NSPI under Rates and Regulations approved by the Board. This takes the form of having generation, transmission, distribution, ancillary services and all other items associated with the provision of such service blended or bundled within the rate. For certainty, Bundled Service does not include services taken from NSPI under the Distribution Tariff, the Energy Balancing Service Tariff, the Standby Service Tariff or the Renewable to Retail Market Transition Tariff.
- 1.5 Business Day:** A Business Day is Monday to Friday, inclusive, excluding holidays. The regular business hours on a Business Day are from 08:30 to 16:30 Atlantic Time.
- 1.6 Calendar Day:** Any day including Saturday, Sunday or a holiday.

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- 1.7 Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- 1.8 Control Area:** An electric system or group of systems that meet(s) the requirements of the NPCC Control Area Certification Process.
- 1.9 Curtailment:** A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.
- 1.10 Delivering Party:** The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.
- 1.11 Designated Agent:** Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.
- 1.12 Direct Assignment Facilities:** Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Board approval.
- 1.13 Dispatchable Generation:** Any generation that does not meet the definition of Non-dispatchable Generation.
- 1.14 Eligible Customer:**
- (i) Any electric utility (including the Transmission Provider and any power marketer), power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy

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sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico; and

- (ii) Any retail customer taking unbundled transmission service pursuant to a provincial or regulatory requirement that the Transmission Provider offer the transmission service is an Eligible Customer of the Tariff.
- (iii) Any Licenced Retail Supplier taking unbundled transmission service pursuant to the Act for the purpose of selling renewable low-impact electricity to RtR Customers is an Eligible Customer of the Tariff.

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

1.16 FERC: The U.S. Federal Energy Regulatory Commission.

1.17 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.

1.18 Good Utility Practice: Those practices, methods or acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in North America) that at a particular time, in the exercise of reasonable judgment, would have been expected to accomplish the desired result in a manner consistent with regulations, reliability, safety, environmental protection, economy and expedition as applied and practiced in the utility industry with respect to power generation, delivery, purchase and sale.

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- 1.19 Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.
- 1.19.1 Licenced Retail Supplier (LRS):** A Retail Supplier who:
- (a) holds a valid Retail Supplier Licence; and
 - (b) has a valid LRS Participation Agreement executed with NSPI.
- For certainty, a Wholesale Customer is not a Licenced Retail Supplier.
- 1.20 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.
- 1.21 Long-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.
- 1.21.1 LRS Participation Agreement:** The agreement (and any amendments or supplements thereto) between a Licenced Retail Supplier and NSPI with respect to the sale of renewable low-impact electricity by the LRS in the form approved by the Board.
- 1.22 Native Load Customers:** The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.
- 1.23 NERC:** North American Electric Reliability Council.
- 1.24 Network Customer:** An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part

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III of the Tariff. For clarity, the LRS is the Network Customer for the receipt of Network Integration Transmission Service in respect of the LRS's aggregate Renewable to Retail customer load.

- 1.25 Network Integration Transmission Service (Network Transmission Service, Network Service):** The transmission service provided under Part III of the Tariff. Network Integration Transmission Service is applicable to the LRS's Renewable to Retail transactions on the Transmission System.
- 1.26 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, who is also a Wholesale Customer as defined herein, may elect to designate less than its total load as Network Load, with the remaining load at the discrete Point of Delivery treated as bundled service under the appropriate Rate Class. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.
- 1.27 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.
- 1.28 Network Operating Committee:** A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

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- 1.29 Network Resource:** Any designated generating resource or dedicated transmission equipment owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.
- 1.30 Network Upgrades:** Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System. Network upgrades shall be subject to Board approval.
- 1.31 Non-dispatchable Generation:** Generators delivering energy from sources which, by their nature, cannot be controlled on demand by the operator. These generators deliver energy directly to the grid as produced, without the use of energy storage technology. Examples include wind energy conversion systems, photovoltaic systems, tidal or wave power, and run-of-river hydro systems. The Transmission Provider will determine if the generation meets this designation, and evidence of market manipulation will result in disqualification.
- 1.32 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.
- 1.33 NPCC:** The Northeast Power Coordinating Council.
- 1.33.1 NSPI:** Nova Scotia Power Inc.

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- 1.34 Open Access Same-Time Information System (OASIS):** An electronic medium information system, which provides Open Access Transmission Customers with relevant information regarding available transmission capacity, prices, and other matters to enable them to obtain open access non-discriminatory transmission services from the Transmission Provider.
- 1.35 Operating Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
 - (2) maintain scheduled interchange with other Operating Areas, within the limits of Good Utility Practice;
 - (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
 - (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.
- 1.36 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.
- 1.37 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.

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- 1.38 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.
- 1.39 Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 1.40 Peak Load/Peak Demand:** The electric load that corresponds to a maximum level of electricity demand in a specified time period.
- 1.41 Point(s) of Delivery:** Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.
- 1.42 Point(s) of Receipt:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.
- 1.43 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.
- 1.44 Power Pool:** Two or more interconnected electric systems planned and operated to supply power for their combined demand requirements.

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- 1.45 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.
- 1.46 Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.
- 1.47 Regional Transmission Group (RTG):** A voluntary organization of transmission owners, transmission users and other entities formed to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.
- 1.47.1 Renewable low-impact electricity:** This term has the same meaning as in the Renewable Electricity Regulations (Nova Scotia).
- 1.47.2 Renewable to Retail:** Describes the market in which renewable low-impact electricity generated in Nova Scotia may be sold by Licenced Retail Suppliers to Retail Customers in Nova Scotia in accordance with the Act.
- 1.47.3 RtR Customer:** A Retail Customer who is acquiring renewable low-impact electricity from an LRS and is not receiving Bundled Service from NSPI.
- 1.47.4 Retail Customer:** This term has the same meaning as under the Act. For certainty, a customer of a municipal utility (as defined under the Act) is not a Retail Customer.
- 1.47.5 Retail Supplier:** This term has the same meaning as under the Act.
- 1.48 Reserved Capacity:** The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be

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expressed in terms of whole megawatts on a 60 minute interval (commencing on the clock hour) basis.

- 1.49 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.
- 1.50 Service Commencement Date:** The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.
- 1.51 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.
- 1.52 System Impact Study:** An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.
- 1.53 Third-Party Sale:** Any sale for resale of generation capacity or energy to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.
- 1.54 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that executes a Service Agreement, or requests in writing that the Transmission Provider file with the Board, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I

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Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.55 Transmission Provider: Nova Scotia Power Inc.

1.55.1 Transmission RtR Customer Operating Agreement: An executed agreement that contains the terms and conditions under which the RtR Customer whose facilities are physically connected to the Transmission System shall operate its facilities and the technical and operational matters associated with the connection of such facilities to the Transmission System.

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

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

1.58 Wholesale Customer: This term has the same meaning as under the Act.

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Open Access Transmission Tariff**2.0 Initial Allocation and Renewal Procedures**

2.1 Initial Allocation of Available Transmission Capability: For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial 60 day period commencing with the effective date of the Tariff will be deemed to have been received simultaneously. Such Transmission Service requests will be evaluated and ranked in a decreasing order according to the net present value of their stream of revenues. Reservation priorities shall be assigned to such Transmission Service requests in accordance with the ranking order so established, beginning with the Transmission Service request(s) with the highest net present value. If there is not enough remaining transmission capability to accommodate all of the requests equally ranked, a lottery system conducted by an independent party shall be used to assign priorities for such requests. Subsequent to this initial 60 day period, when new total transfer capability is identified the above noted process will be repeated. Otherwise, all completed Applications for firm transmission service received after the initial 60 day period shall be assigned a priority pursuant to Section 13.2. Extensions for commencement of service shall be in accordance with Section 17.7.

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

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Customer and to pay the current Tariff for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one year or longer.

2.3 Reliability Compliance: All rights and obligations of the Transmission Provider and Transmission Customers receiving Transmission Service under the Tariff shall be subject to the reliability guidelines of NPCC, or its successors, and any amendments thereto.

3.0 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Operating Areas affected by the transmission service. The Transmission Provider is required to provide and the Transmission Customer is required to purchase, the following Ancillary Services:

- (i) Scheduling, System Control and Dispatch, and
- (ii) Reactive Supply and Voltage Control from Generation Sources.
- (iii) Generation Forecasting Service.

Provided, however, Generation Forecasting Service is only applicable to Eligible Customers who are Licenced Retail Suppliers. The Transmission Provider is only required to provide to Licenced Retail Suppliers, and only Licenced Retail Suppliers are required to purchase from the Transmission Provider, Generation Forecasting Service.

The Transmission Provider is required to offer to provide the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Operating Area, with the exception that the Transmission Provider is not required to offer to provide Energy Imbalance Service to Licenced Retail Suppliers and Licenced Retail Suppliers are not required to purchase Energy Imbalance Service from the Transmission

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Provider as Energy Imbalance Service is not applicable to Eligible Customers who are Licenced Retail Suppliers:

- (i) Regulation and Frequency Response,
- (ii) Energy Imbalance,
- (iii) Operating Reserve - Spinning, and
- (iv) Operating Reserve - Supplemental.

The Transmission Customer serving load within the Transmission Provider's Operating Area is required to acquire these Ancillary Services whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services, unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider.

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

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

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period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.6 below list the seven Ancillary Services.

- 3.1 Scheduling, System Control and Dispatch Service:** The rates and/or methodology are described in Schedule 1.
- 3.2 Reactive Supply and Voltage Control from Generation Sources Service:** The rates and/or methodology are described in Schedule 2.
- 3.3 Regulation and Frequency Response Service:** Where applicable the rates and/or methodology are described in Schedule 3.
- 3.4 Energy Imbalance Service:** Where applicable the rates and/or methodology are described in Schedule 4 (Not applicable to Licenced Retail Suppliers).
- 3.4.1 Generation Forecasting Service:** Where applicable the rates and/or methodology are described in Schedule 4A (Applicable to Licenced Retail Suppliers only).
- 3.5 Operating Reserve - Spinning Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 5.
- 3.6 Operating Reserve - Supplemental Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 6.

4.0 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are based on 18 CFR § 37 of the FERC regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities). The Transmission Provider's Standards of Conduct are attached to this Tariff as Attachment E. In the event

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available transmission capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

5.0 [Section not used at this time]

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Open Access Transmission Tariff**6.0 Reciprocity**

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

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

7.0 Billing and Payment

7.1 Billing Procedure: Within a reasonable time after the first day of each month, the Transmission Provider or its Designated Agent shall submit an invoice to the

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Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within 20 Calendar Days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider.

- 7.2 Interest on Unpaid Balances:** Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified in Regulation 5.4 of NSPI's Rates, Regulations and Procedures as issued by the Board. When payments are made by mail, bills shall be considered as paid on time if the envelope is post marked on or before the last date for net payment.
- 7.3 Customer Default:** In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within 30 Calendar Days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may terminate service. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in 60 days.

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Open Access Transmission Tariff**8.0 Accounting for the Transmission Provider's Use of the Tariff**

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

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

9.0 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Board for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation.

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

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Open Access Transmission Tariff**10.0 Force Majeure and Indemnification**

10.1 Force Majeure: An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing by any party. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification: The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

10.3 Limitation of Liability: The Transmission Provider shall not be responsible for any claim, action, loss, injury, damage or proceeding whatsoever as a result of any interruptions, diversions, curtailments, or other procedures necessary to maintain the efficient and effective operation of the Transmission System. This would include all Transmission Service as permitted by this Tariff, except if such claim, action, proceeding or loss is due to the Transmission Provider's negligence, undue discrimination or willful misconduct.

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Open Access Transmission Tariff**11.0 Creditworthiness**

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

12.0 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures: Any dispute between a Transmission Customer or Eligible Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Board for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer or Eligible Customer, as the case may be, for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within 30 days by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures: Any arbitration initiated under the Tariff shall be conducted before a single arbitrator appointed by the Parties. If the Parties fail to

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agree upon a single arbitrator within ten days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within 20 days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall conduct the arbitration in Halifax, N.S. and shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the *Commercial Arbitration Act* S.N.S 1999, c.5.

12.3 Arbitration Decisions: Unless otherwise agreed, the arbitrator(s) shall render a decision within 90 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 the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the *Commercial Arbitration Act* S.N.S 1999, c.5. The final decision of the arbitrator must also be filed with the Board if it affects jurisdictional rates, terms and conditions of service or facilities.

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

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

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

12.5 Rights Under the Public Utilities Act: Nothing in this section shall restrict the rights of any party to file a Complaint with the Board.

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Open Access Transmission Tariff**II. POINT-TO-POINT TRANSMISSION SERVICE****Preamble**

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

13.0 Nature of Firm Point-To-Point Transmission Service

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

13.2 Reservation Priority: Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has reserved service. Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transmission capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from

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being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff. Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

- 13.3 Use of Firm Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales.

The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

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

- 13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:** In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (i) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point

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Transmission Service, or (ii) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint more economically by redispatching the Transmission Provider's resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

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

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when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

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

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

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

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Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The Transmission Customer's Reserved Capacity shall be greater of either:

- (1) the sum of the capacity reservations at the Point(s) of Receipt, or
- (2) the sum of the capacity reservations at the Point(s) of Delivery.

The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. A Transmission Customer may not exceed its Firm capacity reservation at the Point of Receipt or the Point of Delivery. In the event that the reserved capacity at the Point of Receipt or the Point of Delivery is exceeded, the Transmission Customer shall pay 150% of the charge for the service under contract, regardless of whether the service was offered at a discount at the time of such violation, which is otherwise applicable to each MW of the excess.

- 13.8 Scheduling of Firm Point-To-Point Transmission Service:** Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 11.00 a.m. Atlantic Time (or a revised time as posted on the OASIS) of the day prior to commencement of such service. Schedules submitted after 11:00 a.m. Atlantic Time (or a revised time as posted on the OASIS) will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's

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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 30 minutes (or a revised time as posted on the OASIS) before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

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

14.2 Reservation Priority: Non-Firm Point-To-Point Transmission Service shall be available from transmission capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned to reservations with a longer duration of service. In the event the Transmission System is constrained, competing requests of equal

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

- 14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales.
- 14.4 Service Agreements:** The Transmission Provider shall offer a standard form for Short-Term Firm and Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm (or Short-Term Firm) Point-To-Point Transmission Service pursuant to the Tariff.
- 14.5 Classification of Non-Firm Point-To-Point Transmission Service:** Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient

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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.

A Transmission Customer may not exceed its Non-Firm capacity reservation at the Point of Receipt and the Point of Delivery. In the event that the reserved capacity at the Point of Receipt or the Point of Delivery is exceeded, the Transmission Customer shall pay 150% of the charge for the service under contract, regardless of whether the service was offered at a discount at the time of such violation, which is otherwise applicable to each MW of the excess.

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, other than hourly Non-Firm Point-to-Point Transmission Service, must be submitted to the Transmission Provider no later than 11:00 a.m. Atlantic Time (or a revised time as posted on the OASIS) of the day prior to commencement of such service. Schedules submitted after 11:00 a.m. Atlantic Time (or a revised time as posted on the OASIS) will be accommodated, if practicable. Schedules of energy that are to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to 30 minutes (or a revised time as posted on the OASIS) before the start of the next clock hour provided that the Delivering Party and Receiving

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

14.7 Curtailment or Interruption of Service: The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when, an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly or indirectly interconnected with the Transmission Provider's Transmission System. The Transmission Provider reserves the right to interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate:

- (1) a request for Firm Transmission Service,
- (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration,
- (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or
- (4) transmission service for Network Customers from non-designated resources.

The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall

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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 (by way of example, hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment.

15.0 Service Availability

15.1 General Conditions: The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transmission Capability: A description of the Transmission Provider's specific methodology for assessing available transmission capability posted on the OASIS used by Transmission Provider (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transmission capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study subject to the provisions of Section 19.

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15.3 Initiating Service in the Absence of an Executed Service Agreement: If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Board, within 30 days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to:

- (i) compensate the Transmission Provider at the rate that the Board ultimately determines to be just and reasonable, and
- (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System: If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, and subject to receiving all necessary approvals from the Board, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

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

15.6 [Section not used at this time]

15.7 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are set forth in Schedule 9 of this Tariff.

16.0 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers: Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- a) The Transmission Customer has pending a Completed Application for service;
- b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating

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source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

- d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation; and
- e) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

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

17.0 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 (Attachment A: Form for Long-Term Firm Point-To-Point Transmission Service Agreement) to the address posted on the OASIS used by the Transmission Provider.

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Applications must be postmarked at least 60 days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. Submission of an enabling agreement (Attachment B: Form for Short-Term Firm and Non-Firm Point-To-Point Transmission Service Agreement) must precede or accompany a Transmission Customer's first request for Short-Term Firm (or Non-Firm) Transmission Service. All Firm Point-To-Point Transmission Service requests for periods of less than one year shall be submitted by entering the information listed in Section 17.2 on the OASIS used by the Transmission Provider. Prior to implementation of the OASIS, or if the OASIS used by the Transmission Provider is not functioning, a Completed Application may be submitted by transmitting the required information to the Transmission Provider by fax. This will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application: A Completed Application shall provide all of the information including but not limited to the following:

- (i) The identity, address, e-mail address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy

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transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, or by law for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements.

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

The Transmission Provider shall treat this information consistent with its Standards of Conduct.

- 17.3 Deposit:** A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission

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Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be calculated in accordance with Regulation 7.1(i) in NSPI's Rates, Regulations & Procedures as issued by the Board.

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

17.5 Response to a Completed Application: Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission

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Provider shall make a determination of available transmission capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than 30 days after the date of receipt of a Completed Application either

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

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

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

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

18.0 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 (Attachment B: Form For Short-Term Firm and Non-Firm Point-To-Point Transmission Service Agreement) to the Transmission Provider prior to or accompanying the first request for Non-Firm (or Short-Term Firm) Transmission Service. Specific requests for Non-Firm Transmission Service should be submitted by entering the information listed in Section 18.2 on the OASIS used by the Transmission Provider. Prior to implementation of the OASIS, or if the OASIS used by the Transmission Provider is not functioning, a Completed Application may be submitted by transmitting the required information to the Transmission Provider by fax. This will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application: A Completed Application shall provide all of the information including but not limited to the following:

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

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

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

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

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order or by law, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with its Standards of Conduct.

- 18.3 Reservation of Non-Firm Point-To-Point Transmission Service:** Requests for monthly service shall be submitted no earlier than 60 days before service is to commence; requests for weekly service shall be submitted no earlier than 14 days

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before service is to commence, requests for daily service shall be submitted no earlier than two Business Days before service is to commence, and requests for hourly service shall be submitted no earlier than 12:00 (noon) Atlantic Time of the Business Day before service is to commence. Requests for service received later than 12:00 p.m. (noon) Atlantic Time of the Business Day prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transmission Capability: Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transmission capability pursuant to Section 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 minutes for hourly service,
- (ii) one hour for daily service,
- (iii) four hours for weekly service, and
- (iv) two days for monthly service.

19.0 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

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

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

19.2 System Impact Study Agreement and Cost Reimbursement:

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

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

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required System Impact Study within a 60 day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within 15 days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

- 19.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within 30 days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within 15 days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3,

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shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a 60 day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of:

- (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer,
- (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and
- (iii) the time required to complete such construction and initiate the requested service.

The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the Transmission Customer's share of the costs of new facilities or upgrades. The Transmission Customer shall have 30 days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications: Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new

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statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

- 19.6 Due Diligence in Completing New Facilities:** Subject to receiving all necessary approvals from the Board, the Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.
- 19.7 Partial Interim Service:** If the Transmission Provider determines that it will not have adequate transmission capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.
- 19.8 Expedited Procedures for New Facilities:** In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall

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request in writing an expedited Service Agreement covering all of the above-specified items within 30 days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within 15 days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

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

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

20.2 Alternatives to the Original Facility Additions: When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the

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Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Long-Term Firm Point-To-Point Transmission Service. If the alternative approach solely involves Short-Term Firm or Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Short-Term Firm or Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12.

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

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

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

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Utility Practice. The Transmission Customer shall reimburse the Transmission Provider for all reasonably incurred costs arising from the Transmission Provider's obligation to undertake such efforts.

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

22.0 Changes in Service Specifications

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

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

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

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23.1 Procedures for Assignment or Transfer of Service: A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. A Reseller should notify the Transmission Provider as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

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

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the performance of all obligations under the Service Agreement, except as specifically agreed to by the Parties through an amendment to the Service Agreement.

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

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

24.1 Transmission Customer Obligations: Unless otherwise agreed, the Transmission Provider 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 as required. Such equipment shall remain the property of the Transmission Provider. At the Point of Receipt, the Transmission Customer will pay the associated costs. At the Point of Delivery, the Transmission Provider will pay the metering costs in accordance with NSPI's Rates, Regulations and Procedures, Section 4.

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

24.3 Power Factor: Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable. In lieu of any specific power factor requirements in the relevant Service Agreement, the penalty for a power factor less than 90% shall be based on Excess kVA.

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Excess kVA is defined as:

$$\text{Excess kVA} = \text{Max. kVA} - \text{Max. kW} / 0.9$$

Where

Max. kVA = Maximum hourly kVA consumed during the month

Max. kW = Maximum hourly kW consumed during the month

The charge per Excess kVA will be the demand charge of the NSPI Large Industrial Rate as set by the Board from time to time.

25.0 Compensation for Transmission Service

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

26.0 Stranded Cost Recovery

The Transmission Provider reserves the right to seek recovery of stranded costs from the Transmission Customer pursuant to this Tariff. However, the Transmission Provider must separately file any proposal to recover stranded costs with the Board.

27.0 Compensation for New Facilities and Redispatch Costs

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

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Provider identifies capacity constraints that may be relieved more economically by redispatching the Transmission Provider's resources than by building new facilities or upgrading existing facilities to eliminate such constraints, the Transmission Customer shall be responsible for such redispatch costs.

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

Network Integration Transmission Service is applicable to the LRS's Renewable to Retail transactions on the Transmission System.

28.0 Nature of Network Integration Transmission Service

28.1 Scope of Service: Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Operating 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: The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice in order to provide the Network Customer with Network Integration

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

- 28.3 Network Integration Transmission Service:** The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.
- 28.4 Secondary Service:** The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.
- 28.5 Real Power Losses:** Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to replace Real Power Losses. The Network Customer is responsible for replacing losses associated with all

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transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are set forth in Schedule 9 of this Tariff.

28.6 Restrictions on Use of Service: The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System.

29.0 Initiating Service

29.1 Condition Precedent for Receiving Service: Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that:

- (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff,
- (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4,
- (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Board,
- (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G-, and

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(v) in the case where an LRS is the Eligible Customer, any RtR Customer whose facilities are physically connected to the Transmission System executes a Transmission RtR Customer Operating Agreement with the Transmission Provider pursuant to Attachment G1.

29.2 Application Procedures: An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications shall be submitted by entering the information listed below on the OASIS used by the Transmission Provider. Prior to implementation of the OASIS, or if the OASIS used by the Transmission Provider is not functioning, a Completed Application may be submitted by transmitting the required information to the Transmission Provider by fax. This will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall include, but not be limited to, all of the following information:

- (i) The identity, address, e-mail address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the

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loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten 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 ten year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and ten year projections), which shall include, for each Network Resource:
 1. Unit size and amount of capacity from that unit to be designated as Network Resource
 2. Seasonal capacity rating as required by the NPCC
 3. VAR capability (both leading and lagging) of all generators
 4. Operating restrictions
 - a. Any periods of restricted operations throughout the year
 - b. Maintenance schedules
 - c. Minimum loading level of unit
 - d. Normal operating level of unit
 - e. Any must-run unit designations required for system reliability or contract reasons
 5. Load and frequency control capability
 6. Dispatchability and maneuverability

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7. Approximate variable generating cost (\$/MWH) for redispatch computations
 8. Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Operating Area, where only a portion of unit output is designated as a Network Resource
 9. Description of purchased power designated as a Network Resource including source of supply, Operating Area location, transmission arrangements and delivery point(s) to the Transmission Provider's Transmission System;
- (vi) Description of Eligible Customer's transmission system:
1. Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a format compatible with that used by the Transmission Provider
 2. Operating restrictions needed for reliability
 3. Operating guides employed by system operators
 4. Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
 5. Location of Network Resources described in subsection (v) above
 6. Ten year projection of system expansions or upgrades
 7. Transmission System maps that include any proposed expansions or upgrades
 8. Thermal ratings of Eligible Customer's Operating Area ties with other Operating Areas; and

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

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

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

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

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

30.0 Network Resources

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

30.2 Designation of New Network Resources: The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made by a request for modification of service by submitting a new Application under Section 29.

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 at any time

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but should provide notification to the Transmission Provider as soon as reasonably practicable.

- 30.4 Operation of Network Resources:** Unless otherwise agreed in writing, or provided under the terms and conditions of a Board approved tariff, the Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Operating Area such that the output of those facilities exceeds its designated Network Load, plus non-firm sales delivered pursuant to Part II of the Tariff, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System.
- 30.5 Network Customer Redispatch Obligation:** As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.
- 30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:** The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

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- 30.7 Limitation on Designation of Network Resources:** The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.
- 30.8 Use of Interface Capacity by the Network Customer:** There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.
- 30.9 Network Customer Owned Transmission Facilities:** The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under Part III of the Tariff, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with the Transmission Provider. Calculation of the credit shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31.0 Designation of Network Load

- 31.1 Network Load:** The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration

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Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider: The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer.

31.3 Network Load Not Physically Interconnected with the Transmission Provider: This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of:

- (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or
- (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

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

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

31.6 Annual Load and Resource Information Updates: The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32.0 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study: After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's

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methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within 30 days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within 15 days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

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

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

32.3 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a 60 day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within 15 days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within 30 days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study

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Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within 15 days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a 60 day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of:

- (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer,
- (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and
- (iii) the time required to complete such construction and initiate the requested service.

The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades. The Eligible Customer shall have 30 days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

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Open Access Transmission Tariff**33.0 Load Shedding and Curtailments**

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

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

33.3 Cost Responsibility for Relieving Transmission Constraints: Whenever the Transmission Provider implements least-cost redispatch procedures in response to a

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transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost.

- 33.4 Curtailments of Scheduled Deliveries:** If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to curtail scheduled deliveries, the Parties shall curtail such schedules in accordance with the Network Operating Agreement.
- 33.5 Allocation of Curtailments:** The Transmission Provider shall, on a non-discriminatory basis, curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective loads. The Transmission Provider shall not direct the Network Customer to curtail schedules to an extent greater than the Transmission Provider would curtail the Transmission Provider's schedules under similar circumstances.
- 33.6 Load Shedding:** To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.
- 33.7 System Reliability:** Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission

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Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may curtail Network Integration Transmission Service in order to:

- (i) limit the extent or damage of the adverse condition(s) or disturbance(s),
- (ii) prevent damage to generating or transmission facilities, or
- (iii) expedite restoration of service.

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

34.0 Rates and Charges

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

34.1 Monthly Demand Charge: The Network Customer shall pay a Demand Charge based on the Network Customer's net non-coincident monthly peak demand as specified in Schedule 10.

34.2 [Section not used at this time]:

34.3 [Section not used at this time]:

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- 34.4 Redispatch Charge:** The Network Customer shall pay redispatch charges pursuant to Section 33 as specified in Schedule 10. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.
- 34.5 Stranded Cost Recovery:** The Transmission Provider reserves the right to seek recovery of stranded costs from the Network Customer pursuant to this Tariff. However, the Transmission Provider must separately file any proposal to recover stranded costs with the Board.
- 34.6 Power Factor:** Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable. In lieu of any specific power factor requirements in the relevant Service Agreement, the penalty for a power factor less than 90% shall be based on Excess kVA. Excess kVA is defined as:

$$\text{Excess kVA} = \text{Max. kVA} - \text{Max. kW} / 0.9$$

Where

Max. kVA = Maximum hourly kVA consumed during the month

Max. kW = Maximum hourly kW consumed during the month

The charge per Excess kVA will be the demand charge of the NSPI Large Industrial Rate as set by the Board from time to time.

35.0 Operating Arrangements

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- 35.1 Operation under The Network Operating Agreement:** The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.
- 35.2 Network Operating Agreement:** The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to:
- (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment),
 - (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data),
 - (iii) use software programs required for data links and constraint dispatching,
 - (iv) exchange data on forecasted loads and resources necessary for long-term planning, and
 - (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols.

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The Network Operating Agreement will recognize that the Network Customer shall either:

- (i) operate as a Control Area under applicable guidelines of NERC and NPCC, or their successors;
- (ii) satisfy its Operating Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or
- (iii) satisfy its Operating Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC and NPCC, or their successors;

The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

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

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Open Access Transmission Tariff**SCHEDULE 1****Scheduling, System Control and Dispatch Service**

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

Point-to-Point Transmission Service:

Delivery Period	Charge (\$)
Yearly	One twelfth of \$2,794.12/MW of Reserved Capacity per year
Monthly	\$232.84/MW of Reserved Capacity per month
Weekly	\$53.73/MW of Reserved Capacity per week
On-Peak Daily	\$10.75/MW of Reserved Capacity per day
Off-Peak Daily	\$7.66/MW of Reserved Capacity per day
On-Peak Hourly	\$0.67/MW of Reserved Capacity per hour
Off-Peak Hourly	\$0.32/MW of Reserved Capacity per hour

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On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are defined as time between hour ending 09:00 and hour ending 24:00 Atlantic Time, Monday to Friday.

Network Integration Transmission Service:

\$181.18/MW of Network Integration Transmission Service per month.

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Open Access Transmission Tariff**SCHEDULE 2****Reactive Supply and Voltage Control from
Generation Sources Service**

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

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

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Open Access Transmission Tariff**Point-to-Point Transmission Service:**

Delivery Period	Charge (\$)
Yearly	One twelfth of \$3,522.47/MW of Reserved Capacity per year
Monthly	\$293.54/MW of Reserved Capacity per month
Weekly	\$67.74/MW of Reserved Capacity per week
On-Peak Daily	\$13.55/MW of Reserved Capacity per day
Off-Peak Daily	\$9.65/MW of Reserved Capacity per day
On-Peak Hourly	\$0.85/MW of Reserved Capacity per hour
Off-Peak Hourly	\$0.40/MW of Reserved Capacity per hour

(On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are defined as time between hour ending 09:00 and hour ending 24:00 Atlantic Time, Monday to Friday.)

Network Integration Transmission Service:

\$227.99/MW of Network Integration Transmission Service per month.

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Open Access Transmission Tariff**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) as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Operating Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Operating Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The charges, payable monthly, for Regulation and Frequency Response Service are set forth below. To the extent the Operating Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Operating Area operator.

Regulation (Point-to-Point Transmission Service):

The minimum period for which this service is available from the Transmission Provider is one day.

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Delivery Period	Charge (\$)
Yearly	One twelfth of \$943.21/MW of Reserved Capacity per year
Monthly	\$78.60/MW of Reserved Capacity per month
Weekly	\$18.14/MW of Reserved Capacity per week
Daily	\$2.58/MW of Reserved Capacity per day

Regulation (Network Integration Transmission Service):

\$78.60/MW of Network Integration Transmission Service per month.

Load Following (Point-to-Point Transmission Service):

The minimum period for which this service is available from the Transmission Provider is one day.

Delivery Period	Charge (\$)
Yearly	One twelfth of \$5,397.63/MW of Reserved Capacity per year
Monthly	\$449.80/MW of Reserved Capacity per month
Weekly	\$103.80/MW of Reserved Capacity per week
Daily	\$14.79/MW of Reserved Capacity per day

Load Following (Network Integration Transmission Service):

\$449.80/MW of Network Integration Transmission Service per month.

Customer Obligations for Self-Supply and Third-Party Supply:

The customer obligation for self-supply or third-party supply of Regulation is equal to 1.4% of Reserved Capacity for Point-to-Point Transmission Service and 1.4% of the Network Load for

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Network Integration Transmission Service.

The customer obligation for self-supply or third-party supply of Load Following is equal to 8.0% of Reserved Capacity for Point-to-Point Transmission Service and 8.0% of Network Load for Network Integration Transmission Service.

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Open Access Transmission Tariff**SCHEDULE 4****Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within an Operating Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Operating Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation. To the extent the Operating Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Operating Area operator.

For a bilateral schedule of a single load and its single generator, this ancillary service will be applied to the net of the generation and load imbalance. Otherwise, this Ancillary Service will be applied separately to deviations from load schedules and deviations from generation schedules. This ancillary service does not apply to power exported from the Operating Area, which is covered by the Generation Balancing Service of the Standard Generator Interconnection and Operation Agreement.

Energy Imbalance Service does not apply to inadvertent energy imbalances that occur as a result of actions directed by the Operating Area operator to:

- Balance total load and generation for the Operating Area through the use of Automatic Generation Control;
- Maintain interconnected system reliability, through actions such as re-dispatch or curtailment;
- Support interconnected system frequency; or to
- Respond to transmission, generation or load contingencies.

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For the purposes of Energy Imbalance Service, peak hours are between 07:00 and 23:00 Atlantic Time, Monday to Friday. All other hours are considered non-peak hours.

Load Energy Imbalance Associated with Point-to-Point or Network Integration Transmission**Service:**

For each Transmission Customer taking service under Part II or Part III of this Tariff, Energy Imbalance Service will be provided by the Transmission Provider under the following terms and conditions:

A deviation band of +/- 1.5 percent of the scheduled transaction (with a minimum deviation band of +/- 2 MW) will be applied hourly to any net load energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s).

Parties should attempt to eliminate energy imbalances within the limits of the deviation band within the billing month in accordance to the following:

- For hourly imbalances that arise during peak hours, such imbalances should be eliminated via deliveries or withdrawals during peak hours; and
- For hourly imbalances that arise during non-peak hours, such imbalances should be eliminated via deliveries or withdrawals during non-peak hours.

Net load energy imbalances within the deviation band that have not been eliminated at the end of the billing month will be subject to the charges set below:

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- Energy supplied by the Transmission Provider during peak hours to compensate for a net shortfall in peak hours delivery over the billing month will be charged at the average on-peak system marginal cost for the billing month. Energy supplied by the Transmission Provider during non-peak hours to compensate for a net shortfall in non-peak hours delivery over the billing month will be charged at the average non-peak system marginal cost for the billing month.
- Energy supplied to the Transmission Provider during peak hours as a net excess of the peak hours delivery over the billing month will be purchased by the Transmission Provider at the average on-peak system marginal cost for the billing month. Energy supplied to the Transmission Provider during non-peak hours as a net excess of the non-peak hours delivery over the billing month will be purchased by the Transmission Provider at the average non-peak system marginal cost for the billing month.

Energy imbalances outside of the deviation band are not eligible for elimination and are subject to charges as set forth below:

- Energy supplied by the Transmission Provider to compensate for a net hourly shortfall in delivery will be charged at 110% of the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at 90% of the hourly system marginal cost in the hour of the deviation.

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Open Access Transmission Tariff**Generation Energy Imbalance - Dispatchable Generators:**

For Dispatchable Generators in the Transmission Provider's Operating Area supplying load in the Transmission Provider's Operating Area, Energy Imbalance Service will be provided by the Transmission Provider under the following terms and conditions:

- Energy supplied by the Transmission Provider to compensate for a net shortfall in the hourly delivery will be charged at 110% of the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at 90% of the hourly system marginal cost in the hour of the deviation.

Generation Energy Imbalance - Non-Dispatchable Generators:

For Non-dispatchable Generators in the Transmission Provider's Operating Area supplying load in the Transmission Provider's Operating Area, Energy Imbalance Service will be provided by the Transmission Provider under the following terms and conditions:

Energy Imbalances inside a deviation band of +/- 10% of the scheduled transaction (with a minimum deviation band of +/- 2 MW) will be subject to charges as set forth below:

- Energy supplied by the Transmission Provider to compensate for a net shortfall in the hourly delivery will be charged at the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at the hourly system marginal cost in the hour of the deviation.

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All deviations from schedule outside of the +/- 10% deviation band will be subject to charges as set forth below:

- Energy supplied by the Transmission Provider to compensate for a net shortfall in the hourly delivery will be charged at 110% of the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at 90% of the hourly system marginal cost in the hour of the deviation.

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Open Access Transmission Tariff**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. The Transmission Provider must offer this service when the transmission service is used to serve load within its Operating Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The charges, payable monthly, for Spinning Reserve Service are set forth below. To the extent the Operating Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Operating Area operator.

Point-to-Point Transmission Service:

The minimum period for which this service is available from the Transmission Provider is one day.

Delivery Period	Charge (\$)
Yearly	One twelfth of \$1,102.97/MW of Reserved Capacity per year
Monthly	\$91.91/MW of Reserved Capacity per month
Weekly	\$21.21/MW of Reserved Capacity per week
Daily	\$3.02/MW of Reserved Capacity per day

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Open Access Transmission Tariff**Network Integration Transmission Service:**

\$91.91/MW of the Network Integration Transmission Service per month.

Customer Obligations for Self-supply and Third-party Supply

The customer obligation for self-supply or third-party supply of Operating Reserve – Spinning Reserve is equal to 1.40% of the Transmission Customer’s reserved capacity for Point-to-Point Transmission Service and 1.40% of the Network Load for Network Integration Transmission Service.

Supplier Obligations

Transmission Customers that self-supply this service, and third-party suppliers, shall provide between 100 and 110% of the stated MW amount within eight minutes of notification by the Transmission Provider to activate these reserves. The reserves shall be sustainable for an additional 50 minutes.

Suppliers who offer Operating Reserve have an obligation to supply these reserves when notified by the Transmission Provider. Due to the infrequent occurrence of this and the importance of reserves to overall system reliability, a penalty will be applied to any supplier who is unable to meet its obligations. The penalty will be equal to one month’s charge for the amount of deficient reserves for each failure to supply.

Activation of Reserves

When a contingency occurs, the Transmission Provider will activate, at its sole discretion, sufficient reserves from (i) those under contract with the Transmission Provider, (ii) those provided by Transmission Customers, (iii) those contracted from third parties by Transmission Customers. This includes, but is not restricted to, NSPI resources. Typically the activation will be done to minimize

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the overall cost of supplying reserves and to return the system to pre-contingency conditions within the time required by NPCC and NERC.

Operating Reserve service will only be available for the hour in which the contingency occurs and the following two hours. The quality of service will be firm for this time period. The Transmission Customer is responsible to address any deficiency of its supply by the end of that time period. Any unscheduled energy withdrawal will be treated as Energy Imbalance as per Schedule 4.

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Open Access Transmission Tariff**SCHEDULE 6****Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service (also referred to as Contingency Reserve – Supplemental) 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. The Transmission Provider must offer this service when the transmission service is used to serve load within its Operating Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The charges, payable monthly, for Supplemental Reserve Service are set forth below. To the extent the Operating Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Operating Area operator.

Operating Reserve – Supplemental (10 minute):**Point-to-Point Transmission Service:**

The minimum period for which this service is available from the Transmission Provider is one day.

Delivery Period	Charge (\$)
Yearly	One twelfth of \$2,447.29/MW of Reserved Capacity per year
Monthly	\$203.94/MW of Reserved Capacity per month
Weekly	\$47.06/MW of Reserved Capacity per week
Daily	\$6.70/MW of Reserved Capacity per day

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Open Access Transmission Tariff**Network Integration Transmission Service:**

\$203.94/MW of the Network Integration Transmission Service per month.

Customer Obligations for Self-supply and Third-Party Supply

The customer obligation for self-supply or third-party supply of Operating Reserve – Supplemental Reserve will be equal to 5.6% of Reserved Capacity for Point-to-Point Transmission Service and 5.6% of Network Load for Network Integration Transmission Service.

Supplier Obligations

Transmission Customers that self-supply this service, and third-party suppliers, shall provide between 100 and 110% of the stated MW amount within eight minutes of notification by the Transmission Provider to activate these reserves. The reserves shall be sustainable for an additional 50 minutes.

Suppliers who offer Operating Reserve have an obligation to supply these reserves when notified by the Transmission Provider. Due to the infrequent occurrence of this and the importance of reserves to overall system reliability, a penalty will be applied to any supplier who is unable to meet its obligations. The penalty will be equal to one month's charge for the amount of deficient reserves for each failure to supply.

Activation of Reserves

When a contingency occurs, the Transmission Provider will activate, at its sole discretion, sufficient reserves from (i) those under contract with the Transmission Provider, (ii) those provided by Transmission Customers, (iii) those contracted from third parties by Transmission Customers.

This includes, but is not restricted to, NSPI resources. Typically the activation will be done to

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minimize the overall cost of supplying reserves and to return the system to pre-contingency conditions within the time required by NPCC and NERC.

Reserve services will only be available for the hour in which the contingency occurs and the following two hours. The quality of service will be firm for this time period. The Transmission Customer is responsible to address any deficiency of its supply by the end of that time period. Any unscheduled energy withdrawal will be treated as Energy Imbalance as per Schedule 4.

Operating Reserve – Supplemental (30 minute):**Point-to-Point Transmission Service:**

The minimum period for which this service is available from the Transmission Provider is one day.

Delivery Period	Charge (\$)
Yearly	One twelfth of \$2,346.46/MW of Reserved Capacity per year
Monthly	\$195.54/MW of Reserved Capacity per month
Weekly	\$45.12/MW of Reserved Capacity per week
Daily	\$6.43/MW of Reserved Capacity per day

Network Integration Transmission Service:

\$195.54/MW of the Network Integration Transmission Service per month.

Customer Obligations

The customer obligation for reserves is equal to 2.8% of Reserved Capacity for Point-to-Point Transmission Service and 2.8% of Network Load for Network Integration Transmission Service.

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Open Access Transmission Tariff**Supplier Obligations**

Transmission Customers that self-supply this service, and third-party suppliers, shall provide between 100 and 110% of the stated MW amount within 30 minutes of notification by the Transmission Provider to activate these reserves. The reserves shall be sustainable for at least 60 minutes from the time of activation.

Suppliers who offer Operating Reserve have an obligation to supply these reserves when notified by the Transmission Provider. Due to the infrequent occurrence of this and the importance of reserves to overall system reliability, a penalty will be applied to any supplier who is unable to meet its obligations. The penalty will be equal to one month's charge for the amount of deficient reserves for each failure to supply.

Activation of Reserves

When a contingency occurs, the Transmission Provider will activate, at its sole discretion, sufficient reserves from (i) those under contract with the Transmission Provider, (ii) those provided by Transmission Customers, (iii) those contracted from third parties by Transmission Customers.

This includes, but is not restricted to, NSPI resources. Typically the activation will be done to minimize the overall cost of supplying reserves and to return the system to pre-contingency conditions within the time required by NPCC and NERC.

Reserve services will only be available for the hour in which the contingency occurs and the following two hours. The quality of service will be firm for this time period. The Transmission Customer is responsible to address any deficiency of its supply by the end of that time period. Any unscheduled energy withdrawal will be treated as Energy Imbalance as per Schedule 4.

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Open Access Transmission Tariff**SCHEDULE 7****Long-Term Firm and Short-Term Firm Point-To-Point
Transmission Service**

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

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$42,970.59/MW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$3,580.88/MW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$826.36/MW of Reserved Capacity per week.
- 4) **On-Peak Daily delivery:** \$165.27/MW of Reserved Capacity per day.
- 5) **Off-Peak Daily Delivery:** \$117.73/MW of Reserved Capacity per day

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

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

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- (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, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- 7) On-Peak days for this service are defined as Monday to Friday.

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Open Access Transmission Tariff**SCHEDULE 8****Non-Firm Point-To-Point Transmission Service**

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

- 1) **Monthly delivery:** \$3,580.88/MW of Reserved Capacity per month.
- 2) **Weekly delivery:** \$826.36/MW of Reserved Capacity per week.
- 3) **On-Peak Daily delivery:** \$165.27/MW of Reserved Capacity per day.
- 4) **Off-Peak Daily Delivery:** \$117.73/MW of Reserved Capacity per day.

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

- 5) **On-Peak Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$10.33/MWh.
- 6) **Off-Peak Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$4.91/MWh.

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

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Open Access Transmission Tariff

in any hour during such week.

- 7) **Discounts:** Three principal requirements apply to discounts for transmission service as follows:
- (i) any offer of a discount made by the 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, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- 8) On-Peak days for this service are defined as Monday to Friday.
- 9) On-Peak hours for this service are defined as time between hour ending 09:00 and hour ending 24:00 Atlantic Time, Monday to Friday.

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Open Access Transmission Tariff**SCHEDULE 9****Real Power Loss Factors**

For Point-to-Point service, the Transmission Provider will seasonally calculate loss factors to be used on a path-by-path basis. For each season, winter and summer, the power flow models used to calculate the losses will include peak and off-peak hours to derive an average loss factor for each path. For long-term Point-to-Point service, the annual loss factor to be used for a particular path is the average of the seasonal values. The loss factors will be posted on the Transmission Provider's OASIS site.

For Network Service, the Transmission Provider will apply the system average loss factor of 3.15%. This factor will be reviewed annually and is subject to change annually. It will be posted on the OASIS.

Transmission Customers are required to provide the losses associated with their service. All Transmission Customers are required to include an amount of additional capacity in their service requests sufficient to carry the losses associated with their service.

Locational Loss Factors for new generation will be determined during the System Impact Study and be applied to generation dispatch merit order if such generation is to be economically dispatched by the Transmission Provider. If the generator is self-dispatched, loss factors will be applied to determine the unit net output.

Locational Loss Factors for each generator will be determined on an annual basis and will be posted on the OASIS.

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Open Access Transmission Tariff**SCHEDULE 10****Network Integration Transmission Service Rate**

Energy Imbalance Service does not apply to deviations in scheduled delivery of energy from Non-dispatchable Generation sources to Network Load inside the Transmission Provider's Operating Area.

1. The rate charged for Network Integration Transmission Service is \$2,782.20/MW-m, based on the Transmission Customer's Net Non-coincident Monthly Peak Demand.
2. Net Non-coincident Monthly Peak Demand is the maximum hourly demand at each Point of Delivery designated as Network Load (including its designated Network Load not physically interconnected to the Transmission Provider's Transmission System).
3. Transmission congestion charges will be applied as follows:

$$A = B \times (C/D)$$

Where

A = the Network Customer's congestion charge for all hours of the month that congestion redispatch costs occurred.

B = Total redispatch costs during the month.

C = The Network Customer's load during the hours for which redispatch costs were incurred.

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D = The sum of all Network Integration Transmission Service load (including load served by the Transmission Provider) and Point-to-Point Transmission Service scheduled serving load in the Operating area during the hours of the month for which redispatch costs were incurred.

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Open Access Transmission Tariff**ATTACHMENT A****Form For****Long-Term Firm Point-To-Point Transmission Service Agreement**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Nova Scotia Power Incorporated (the Transmission Provider), and _____ (the "Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Long-Term Firm Point-To-Point Transmission Service under Section 17.2 of the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as set forth in the attached specifications for Long-Term Firm Point-to-Point Transmission Service incorporated herein.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Long-Term Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Open Access Transmission Tariff

Transmission Provider:

Mailing Address as posted on OASIS

Transmission Customer:

Company Name: _____

Billing Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

TSIN Code _____

TSIN DUNS _____

Administrative Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

7.0 No failure by the Transmission Provider or the Transmission Customer at any time or from time to time to enforce or require a strict observance of any of the provisions of this Service Agreement shall constitute a waiver of the provision or affect or impair such provisions or the right of the Transmission Provider or the Transmission Customer at any time to enforce such provisions or to avail itself of any remedy it may have.

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Open Access Transmission Tariff

8.0 This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and any Assignees of the Transmission Customer authorized pursuant to Section 23.1 of the Tariff.

9.0 The Tariff and the attached Specifications for Long-Term Firm Point-to-Point Transmission Service are incorporated herein and made a part hereof.

10.0 Applicable taxes shall be added to all charges set forth in the Tariff.

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

Transmission Provider:

By: _____	_____	_____
Name	Title	Date

Transmission Customer:

By: _____	_____	_____
Name	Title	Date

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Open Access Transmission Tariff

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

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

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

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

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Open Access Transmission Tariff

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

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

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Redispatch Charge:

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Open Access Transmission Tariff

8.6 Network Upgrade Charge:

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Open Access Transmission Tariff**ATTACHMENT B****Form For****Short-Term Firm and Non-Firm Point-To-Point Service Agreement**

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

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Open Access Transmission Tariff

Transmission Provider:

Mailing Address as posted on OASIS

Transmission Customer:

Company Name: _____

Billing Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

TSIN Code _____

TSIN DUNS _____

Administrative Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

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

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Open Access Transmission Tariff

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

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

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Open Access Transmission Tariff**ATTACHMENT C****Methodology To Assess Available Transmission Capability****1. Objective**

The purpose of this document is to describe the methodology used by the Transmission Provider to determine the Total Transfer Capability (TTC) and the Available Transmission Capability (ATC) between the Transmission Provider and its neighboring utilities. The Transmission Provider is Nova Scotia Power, Inc. (NSPI), which owns, controls, and operates facilities used for the generation and transmission of electric power and energy and provides transmission services under the OATT. NSPI is also the System Operator for the electric system in Nova Scotia.

The following documents were used as references:

- i. *Revised NPCC Methodology and Procedure for the Determination and Posting of Available Transfer Capability*; NPCC Ad Hoc ATC Working Group Report, Northeast Power Coordinating Council, June 2, 1998
- ii. *Available Transfer Capability Definitions and Determination*; North American Electric Reliability Council, June 1996.
- iii. *Basic Criteria for Design and Operation of Interconnected Power Systems*; NPCC Document A-2, Northeast Power Coordinating Council, Revised August 9, 1995.
- iv. *Special Protection Systems Criteria*, NPCC Document A-11; Northeast Power Coordinating Council, November 14, 2002.

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Open Access Transmission Tariff**2. Transmission Interfaces**

Given Nova Scotia's geographic location, interconnection with other transmission systems is provided by a single interface with New Brunswick, although there are three transmission lines crossing the NS-NB border (one 345kV and two 138kV lines). From the perspective of NS-NB transfer capability, there is a single 345kV line in parallel with a single 138kV line, since the two 138kV lines merge into a single 138kV line at Springhill Nova Scotia.

It may be necessary to calculate ATC/TTC on internal interfaces as a means of managing congestion.

3. General Outline for Evaluation of the ATC

As defined by NERC, ATC is a measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses. Mathematically, ATC is defined as the Total Transfer Capability (TTC) less the Transmission Reliability Margin (TRM), less the sum of Existing Transmission Commitments (ETC) (which includes retail customer service), less the Capacity Benefit Margin (CBM).

Since the Maritimes Area is radially connected to the Eastern Interconnection, and Nova Scotia is radially connected to the New Brunswick system, the calculation of ATC does not involve "parallel path flows". However, the NS-NB interconnection capability is dependent on a number of operational considerations that introduce uncertainty into the value of ATC for long-term reservation requests.

The determination of ATC and TTC requires the cooperation of the transmission providers on each side of the interconnection. NSPI and NB Power must agree on the limiting factor to establish the capacity of the interconnection in each direction. The NS-NB interconnection is limited by thermal equipment ratings and system stability for the export limit, and thermal,

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voltage, and stability ratings for the import limit. The interconnection capability relies heavily on the design and operation of Special Protection Systems, as defined by NPCC. Import capability is a function of the power that can be reliably delivered to the interface via the NB Power Transmission System, and the power that can be reliably received into Nova Scotia. The NB Power Transmission Tariff highlights the methodology used to determine the former quantity. It should be noted that the NB Power transmission system has “simultaneous transfer limits”, which means that they cannot support simultaneous transfers on multiple interfaces. The simultaneous transfers on the following interfaces impact the NS-NB transfer limits:

- New Brunswick – New England interface
- New Brunswick – Prince Edward Island interface

Load flow base cases for winter peak and summer conditions are used in the determination of seasonal and long-term TTC and ATC values. For the winter case, an in-province forecasted peak load is modeled. In the summer case, in-province forecasted load is modeled on the basis of residential/commercial load at 60% of winter peak and large industrial at 100% of winter peak. All transmission facilities are assumed to be in-service and “normal” generation dispatch patterns are modeled.

Studies are then conducted to determine the TTC values under all possible combinations of transactions as explained in Section 4. The interface TRM and the CBM are determined using the principles given in Sections 5 and 6 respectively. Firm ATC and non-firm ATC values are calculated using the set of equations given in Sections 7 and 8 respectively.

4. Procedure for Calculating TTC

Based on load flow and stability studies, normal and first contingency scenarios are analyzed to determine the TTC of each interface independent of transactions on the other interfaces.

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Open Access Transmission Tariff

The non-simultaneous TTC value for a given interface is defined as the lowest of the transfer limits defined by:

Thermal Limit: This is based on the most restrictive element in the transfer path (including internal Nova Scotia transmission) under normal or first contingency scenarios. Normal summer and winter thermal ratings are used under non-contingency scenarios. Emergency ratings are used for single contingency scenarios.

Voltage Limit: Network voltage will be kept in the range from 0.95 to 1.05 per unit for pre-contingency conditions, and between 0.90 and 1.07 per unit following single contingencies (10 minutes following the contingency for automatic tap changer operation).

Stability Limit: This limit is reached when further increase of a particular TTC results in system instability during normal conditions or single contingency scenarios.

Frequency Limits: If the Nova Scotia transmission system becomes isolated while importing power, frequency will decline until the load and generation balance is restored. This may require the activation of underfrequency load shedding (UFLS) in conjunction with generator governor response. The converse is true when exporting power, but limits on overfrequency are based on adverse impacts on generation. Frequency excursions for a single contingency must be maintained between 59.3 Hz and 61 Hz to avoid disruption to firm load or generating units.

NSPI uses a number of Special Protection Systems (SPS's), designed according to NPCC guidelines, to enhance the transfer limits between NSPI and NB Power. Whenever applicable, the SPS's are identified and reviewed as a part of the TTC calculations.

5. Procedure for Calculating Transmission Reliability Margin (TRM)

TRM for the NS-NB interface are determined on the basis of maintaining adequate

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Open Access Transmission Tariff

Operating Margin, including Reserve Pickup Margin (such as reserve sharing), and to cover uncertainties within Nova Scotia and neighboring systems. Therefore, coordination with the concerned utilities is carried out in order to arrive at TRM values that produce a set of commercially viable and reliable ATC values. The TRM values are posted on OASIS, and are used in the calculations to arrive at the ATC values. In some cases no TRM is applied because the interface is protected by SPS action.

6. Procedure for Evaluation of the Capacity Benefit Margin (CBM)

Adequacy planning for Nova Scotia is conducted in accordance with the NPCC A-2 Criteria (Basic Criteria for Design and Operation of Interconnected Power Systems). The NSPI system is designed under the assumption that CBM is applied to the NS-NB interconnection capability. Long-term reservations must respect this margin. CBM is applicable to import capacity only.

7. Procedure for Calculating the Firm ATC Values

The firm ATC value for a given interface, in a specific direction, is evaluated as follows:

- 1) Determine the TTC value for this interface (taking into consideration any firm simultaneous transactions on other interfaces that impact the limit of this interface).
- 2) List all firm transmission reservations on the given interface, and calculate the total firm transmission reservation.
- 3) Determine the TRM and CBM values for this interface.
- 4) Firm ATC = $TTC - TRM - CBM - \text{Total Firm Transmission Reservations}$ (all terms of the ATC equation are directional).

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Open Access Transmission Tariff**8. Procedure for Calculating the Non-Firm ATC**

The non-firm ATC value for a given interface, in a given direction, is evaluated using different equations in the operating and planning horizons, as follows:

Operating Horizon: Takes into consideration transmission schedules.

- 1) List all Firm Scheduled Services on the given interface, and calculate the net schedule.
- 2) List all Non-firm Scheduled Services on the given interface, and calculate the net schedule.
- 3) Determine the TTC value for this interface (taking into consideration the firm and non-firm transmission schedules on other interfaces which impact the simultaneous limit of this interface).
- 4) Determine the TRM and CBM values and the portion (α) of the TRM that will not be available for any transactions, because of reliability concerns, where $0 \leq \alpha \leq 1$.
- 5) Non-firm ATC = TTC – α (TRM) – Non-firm Transmission Schedules – Firm Transmission Schedules (all terms of the ATC equation are directional with the exception of the "net" schedule).

Planning Horizon: Beyond the operating horizon and takes into consideration the transmission reservations.

- 1) List all Firm Transmission Reservations on the given interface, and calculate the total Firm Reservations.

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- 2) List all Non-firm Transmission Reservations on the given interface, and calculate the total Non-firm Reservations.
- 3) Determine the TTC value for this interface (taking into consideration the firm and non-firm transmission reservations on other interfaces that impact the simultaneous TTC value for this interface).
- 4) Determine the TRM and CBM values and the portion of (β) of the TRM, that will not be available for any transactions, because of reliability concerns, where $0 \leq \beta \leq 1$.
- 5) Non-firm ATC = $TTC - \beta (TRM) - \text{Non-firm Transmission Reservations} - \text{Firm Transmission Reservations}$ (all terms of the ATC equation are directional).
- 6) Long term ATC results do not include short-term equipment outages for maintenance and emergency repairs.

9. Updating Periods for the TTC and ATC

Because the TTC and ATC values depend on system conditions, actual schedules and planned transmission reservations, it is necessary to conduct periodic reviews to ensure that the posted values take into consideration the most recent information available to the Transmission Provider. Therefore updating of the TTC and ATC values will be done according to the following guidelines:

9.1 Updating the TTC Values:

The posted seasonal (summer and winter) TTC values for the NS-NB interface (and any future posted interface), under normal conditions, will be considered constant and valid for the entire season. These will be reviewed annually to ensure their

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validity for future years. Actual or forecast changes in system conditions will require a review and, if necessary, revision of the impacted TTC value(s).

9.2 Updating the TRM and CBM Values:

The TRM and CBM values will be reviewed, and updated as necessary, to account for any changes in system conditions that may require new margins. As previously indicated these values will not be posted on the OASIS, but will be used in the calculation of the ATC values.

9.3 Updating the ATC Values:

The Firm and Non-Firm ATC values for the operating and planning horizons are automatically calculated for the appropriate time frame, based on the following:

- Firm Scheduled Transmission Service,
- Non-Firm Scheduled Transmission Service,
- Firm Transmission Reservations,
- Non-Firm Transmission Reservations,
- TRM and CBM values,
- The magnitudes of α & β factors that may influence the amount of TRM and CBM that is available for non-firm transactions, and
- Individual and Simultaneous TTC values.

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Open Access Transmission Tariff**ATTACHMENT D****Methodology for Completing a System Impact Study****1. Scope**

A System Impact Study may be performed by the Transmission Provider to determine whether the Transmission Service requested by an Eligible Customer can be accommodated using the existing Transmission System. The study will identify any system constraints or impairments that would likely occur on the Transmission System and any redispatch options, within Nova Scotia, which may be available to accommodate the requested service. The study may examine potential constraints in other Operating Areas. The System Impact Study would be performed at the Eligible Customer's expense. A System Impact Study does not evaluate options associated with facilities expansion or network upgrades. System Impact Studies related to generation interconnection are conducted pursuant to the NSPI Standard Generator Interconnection Procedures.

2. Assessment of the Need

The Transmission Provider will make an assessment whether a System Impact Study is required to determine if the requested service can be accommodated. In making this assessment, the Transmission Provider will rely on operating experience and available technical information. The Eligible Customer will be advised of the result of this assessment as follows:

1. A System Impact Study is not required because the available information is sufficient to make a decision whether to approve or reject the requested service; or
2. A System Impact Study is required before making a decision on the requested service.

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Open Access Transmission Tariff**3. Guidelines and Principles**

In order to perform a System Impact Study, the Transmission Provider will develop system models for the known transmission system, including appropriate representation of load and generation for the time frame during which the Transmission Service is requested. These models will include existing agreements and other pending Transmission Service Requests. These models may include the representation of neighboring systems using the NPCC library of base cases as required.

The study may include load flow, short circuit, stability, loss evaluation, economic and other analyses as appropriate and will be conducted according to the following:

1. The Transmission Provider criteria and guidelines for operation and planning.
2. NPCC criteria and guidelines for design and operation of interconnected power systems.
3. NERC planning and operating standards.
4. Good Utility Practice.

4. Action Following the Completion

Based on the outcome of the System Impact Study, the Transmission Provider will notify the Eligible Customer of one of the followings findings:

1. The requested service can be accommodated without additional operating measures or new facilities.

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2. There are system constraints or impairments that may be avoided by system re-dispatch within Nova Scotia. The Eligible Customer is responsible for any additional cost incurred as a result of implementing such re-dispatch options.
3. The requested service can be accommodated by changing the operating procedures and/or securing Transmission Service in another Operating Area. The Eligible Customer shall be responsible for contacting the other Operating Area to determine the general availability of such operating procedures or services.
4. The requested service cannot be accommodated because of equipment limitations or it can cause unacceptable system performance or reliability risks. The Eligible Customer can decide whether to modify or cancel the request.

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Open Access Transmission Tariff**ATTACHMENT E****Standards of Conduct*****Nova Scotia Power Inc.*****STANDARDS OF CONDUCT****For the Provision of Wholesale and Renewable to Retail
Electric Transmission Service**

These Standards of Conduct are applicable to Nova Scotia Power and its employees and the employees of its Affiliates. These Standards of Conduct govern Nova Scotia Power's relationships with its transmission customers and potential customers, including employees of Nova Scotia Power and its Affiliates.

These Standards of Conduct are based on FERC Order 2004 and its subsequent re-hearings and clarifications. Order 889 was issued in conjunction with FERC Order 888 regarding non-discriminatory transmission open access; Order 2004 further clarifies Order 889.

DEFINITIONS:

Affiliate: For the purposes of these Standards of Conduct, the term "affiliate" shall be interpreted in accordance with Sections 2(2), 2(3), and 2(4) of the Nova Scotia Companies Act 1.

1 Deemed affiliate

2(2) A company shall be deemed to be an affiliate of another company if one of them is the subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same person.

Deemed control

2(3) A company shall be deemed to be controlled by another person or by two or more companies if

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Energy Control Centre: means the facilities located in Halifax, Nova Scotia, which are used by the transmission services scheduling agent, the Operating Area operator, the bulk transmission system operator and the real time generation dispatch group for the Nova Scotia Power integrated system.

Marketing, Sales or Brokering: means a sale for resale of electric energy. Sales and Marketing employee or unit includes Nova Scotia Power's energy sales unit, unless such unit engages solely in bundled retail sales.

Open Access Same-time Information System (OASIS): An electronic medium information system, which provides Open Access Transmission customers with relevant information regarding available transmission capacity, prices, and other matters to enable them to obtain open access non-discriminatory transmission services from the Transmission Provider.

Operating Area: means the Nova Scotia transmission system, bounded by the Nova Scotia – New Brunswick border, under the control of the Nova Scotia Power Energy Control Centre. The Nova Scotia Operating Area is a part of the Maritimes Control Area as defined by the Northeast Power Coordinating Council.

Transmission: means electric transmission, network or point-to-point service, reliability service, ancillary services or other methods of transportation or the interconnection with jurisdictional transmission facilities.

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- (a) voting securities of the first-mentioned company carrying more than fifty per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or by or for the benefit of the other companies; and
 - (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned company.

Deemed subsidiary

2(4) A company shall be deemed to be a subsidiary of another company if

- (a) it is controlled by
 - (i) that other, or
 - (ii) that other and one or more companies each of which is controlled by that other, or
 - (iii) two or more companies each of which is controlled by that other; or

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Transmission Customer: means any eligible customer, or designated agent that can or does execute a transmission service agreement or can or does receive transmission service, including all persons who have pending requests for transmission service or for information regarding transmission.

Transmission Function Employee: means an employee, contractor, consultant or agent of Nova Scotia Power who conducts transmission system operations or reliability functions, including, but not limited to, those who are engaged in day-to-day duties and responsibilities for planning, directing, organizing or carrying out transmission-related operations.

Transmission System Operations or Reliability Functions: means the direct act of operating the Nova Scotia transmission system to provide transmission services according to an approved transmission tariff and the reliability rules of the Northeast Power Coordinating Council.

Transmission System: The facilities owned, controlled or operated by Nova Scotia Power that are used to provide transmission service under the Tariff.

A. GENERAL RULES:

1. Transmission Function employees must function independently of Nova Scotia Power's Marketing and Sales employees, and from any employees of its Affiliates.
2. Transmission Function employees must treat all transmission customers, affiliated and non-affiliated, on a non-discriminatory basis, and must not operate its transmission system to preferentially benefit an Affiliate.

(b) it is a subsidiary of a company that is that others subsidiary. R.S., c. 81, s. 2; 1990, c.15, s. 2.

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Open Access Transmission Tariff**B. INDEPENDENT FUNCTIONING:****1. Separation of Functions**

- a) Except in emergency circumstances affecting system reliability, Transmission Function Employees must function independently of Nova Scotia Power's Marketing and Sales or Affiliates' employees.
- b) Notwithstanding any other provisions in this section, in emergency circumstances affecting system reliability, Transmission Function Employees must post on the OASIS each emergency that resulted in any deviation from the standards of conduct, within 24 hours of such deviation.
- c) Employees of Nova Scotia Power's Affiliates or Marketing and Sales function are prohibited from:
 - i) conducting Transmission System Operations or Reliability Functions; and
 - ii) having access to the Energy Control Centre, or similar facilities used for Transmission System Operations or Reliability Functions, that differs in any way from the access available to other Transmission Customers.
- d) Nova Scotia Power is permitted to share support employees and field and maintenance employees with their Marketing and Affiliates.

2. Identifying Affiliates on the Public Internet

- a) Nova Scotia Power must post the names and addresses of its Marketing and Sale

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units and Affiliates on its OASIS.

- b) Nova Scotia Power must post on its OASIS a complete list of the facilities shared by Transmission Function Employees and employees of its Marketing and Sales units or Affiliates, including the types of facilities shared and their addresses.
- c) Nova Scotia Power must post comprehensive organizational charts showing:
 - i) The organizational structure of the parent corporation with the relative position in the corporate structure of the Transmission Function, Marketing and Sales units and any Affiliates;
 - ii) For Nova Scotia Power's Transmission Function, the business units, job titles and descriptions, and chain of command for all positions, including officers and directors, with the exception of clerical, maintenance, and field positions. The job titles and descriptions must include the employee's title, the employee's duties, whether the employee is involved in transmission or sales, and the name of the supervisory employees who manage non-clerical employees involved in transmission or sales.
 - iii) For all employees who are engaged in Transmission Functions for Nova Scotia Power and Marketing and Sales functions, or who are engaged in Transmission Functions for Nova Scotia Power and are employed by any of the Affiliates, Nova Scotia Power must post the name of the business unit within the Marketing and Sales unit or the Affiliate, the organizational structure in which the employee is located, the employee's name, job title and job description in the Marketing and Sales unit or Affiliate, and the employee's position within the chain of

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command of the Marketing and Sales unit or Affiliate.

- iv) Nova Scotia Power must update the information on its OASIS, required by Section B (2), (a), (b) and (c) within seven business days of any change, and post the date on which the information was updated.
- v) Nova Scotia Power must post information concerning potential merger partners as Affiliates within seven days after the merger is announced.

d) **Transfers**

Transmission Function Employees and employees of Nova Scotia Power's Marketing and Sales units or Affiliates are not precluded from transferring among such functions as long as such transfer is not used as a means to circumvent these Standards of Conduct. Notices of any employee transfers must be posted on the OASIS. The information to be posted must include: the name of the transferring employee, the respective titles held while performing each function (i.e. on behalf of the Transmission Function, Marketing and Sales function or Affiliate), and the effective date of the transfer. The information posted under this section must remain on the OASIS for 90 days.

e) **Written Procedures**

- i) Nova Scotia Power must post on the OASIS current written procedures for implementing the Standards of Conduct in sufficient detail to enable customers to determine that Nova Scotia Power is in compliance with the Standards of Conduct.
- ii) Nova Scotia Power will distribute the written procedures to all its

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employees and employees of its Affiliates.

- iii) Nova Scotia Power shall require all applicable employees, covered by the Standards of Conduct, to attend training and sign a document certifying that they have been trained regarding the requirements of the Standards of Conduct.
- iv) Nova Scotia Power shall designate a Chief Compliance Officer who will be responsible for Standards of Conduct compliance.

3. Non-discrimination requirements**a) Information Access**

- i) Employees of Nova Scotia Power engaged in Marketing and Sales or any employee of an Affiliate may have access only to information which is available to Nova Scotia Power's transmission customers (i.e., the information posted on the OASIS), and must not have access to any information about Nova Scotia Power's transmission system that is not available to all users of the OASIS.
- ii) Nova Scotia Power must ensure that any employee who is engaged in Marketing and Sales or any employee of an Affiliate is prohibited from obtaining information about Nova Scotia Power's transmission system (including, but not limited to, information about available transmission capability, price, curtailments, ancillary services, balancing, maintenance activity, capacity expansion plans or similar information) through access to information not posted on the OASIS or that is not otherwise also available to the general public without restriction.

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Open Access Transmission Tariff**b) Prohibited Disclosure**

- i) Transmission Function Employees may not disclose to Nova Scotia Power's Marketing and Sales employees, or to employees of Affiliates any information concerning the transmission system of Nova Scotia Power or the transmission system of another (including, but not limited to, information received from non-affiliates or information about available transmission capability, price, curtailments, storage, ancillary services, balancing, maintenance activity, capacity expansion plans, or similar information) through non-public communications conducted off the OASIS that are not contemporaneously available to the public, or through information on the OASIS that is not at the same time publicly available.
- ii) Transmission Function Employees may not share any information, acquired from nonaffiliated transmission customers or potential nonaffiliated transmission customers, or developed in the course of responding to requests for transmission or ancillary service on the OASIS, with employees of its Marketing and Sales unit or Affiliates, except to the limited extent information is required to be posted on the OASIS in response to a request for transmission service or ancillary services.
- iii) If a Transmission Function Employee discloses information in a manner contrary to the requirements of s. B, 3(b), (i) or (ii) Nova Scotia Power must immediately post such information on the OASIS.
- iv) A non-affiliate transmission customer may voluntarily consent, in writing, to allow Nova Scotia Power's Transmission Function to

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share the non-affiliated customer's information with Marketing and Sales or an Affiliate.

- v) Nova Scotia Power is not required to contemporaneously disclose to all transmission customers or potential transmission customers information covered by s. B, 3(b), (i) if it relates solely to a Marketing and Sales or an Affiliate's specific request for transmission service.
- vi) Nova Scotia Power's Transmission Function may share generation information necessary to perform generation dispatch with its Marketing and Sales units and Affiliates that does not include specific information about individual third party transmission transactions or potential transmission arrangements.
- vii) Transmission Function Employees are not permitted to use anyone as a conduit for sharing information covered by the prohibitions of s. B, 3(b), (i) or (ii) with Marketing and Sales or an Affiliate.
- viii) Nova Scotia Power is permitted to share crucial operating information with its Affiliate to maintain the reliability of the transmission system.

c) **Implementing Tariffs.**

- i) Transmission Function Employees must strictly enforce all tariff provisions relating to open access transmission service if these tariff provisions do not permit the use of discretion.
- ii) Transmission Function Employees must apply all tariff provisions relating to open access transmission service in a fair and impartial

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manner that treats all transmission customers in a non-discriminatory manner if these tariff provisions permit the use of discretion.

- iii) Transmission Function Employees must process all similar requests for transmission in the same manner and within the same period of time.
- iv) Nova Scotia Power must maintain a written log detailing the circumstances and manner in which it exercised its discretion under any terms of the tariff. The information contained in this log is to be posted on the OASIS within 24 hours of when Nova Scotia Power's Transmission Function exercises its discretion under any terms of the tariff.
- v) Nova Scotia Power may not, through its tariffs or otherwise, give preference to its own Marketing and Sales function or to any Affiliate, over any other wholesale customer in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, ancillary services, or balancing).

d) **Discounts**

Any offer of a discount for any transmission service made by Nova Scotia Power must be posted on the OASIS contemporaneously with the time that the offer is contractually binding. The posting must include: the name of the customer involved in the discount and whether it is an affiliate or whether an affiliate is involved in the transaction, the rate offered; the maximum rate, the time period for which the discount would apply; the quantity of power or gas scheduled to be moved; the delivery points under the transaction; and any

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conditions or requirements applicable to the discount. The posting must remain on the OASIS for 60 days from the date of posting.

ACKNOWLEDGEMENT

I acknowledge that I have read the Standards of Conduct that functionally separate the Transmission System Operations and Reliability Functions from the Marketing, Sales and Affiliates Functions and I agree to comply fully with them.

Name

Signature

NSPI

Open Access Transmission Tariff**ATTACHMENT F****Service Agreement For
Network Integration Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Nova Scotia Power Incorporated (the Transmission Provider), and _____ (the Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service in accordance with the provisions of Section 29.2 the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in the amount of \$ _____, in accordance with the provisions of Section 29.2 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of
- (1) _____, or
 - (2) the date on which construction of all Interconnection Equipment, any Direct Assignment Facilities and/or Network Upgrades are completed, or
 - (3) the date on which a Network Operating Agreement is executed and all requirements of said Agreement have been completed or
 - (4) the date the Board approves providing the service, if applicable
- Service under this agreement shall terminate on _____.

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5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Service in accordance with the provisions of Part III of the Tariff and this Service Agreement.

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

Transmission Provider:

Mailing Address as posted on OASIS

Transmission Customer:

Company Name: _____

Billing Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

TSIN Code _____

TSIN DUNS _____

Administrative Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

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7.0 Term of Transaction:

Start Date:

Termination Date:

8.0 A detailed description of power and energy to be transmitted by Transmission Provider.

9.0 Detailed description of each Network Resource, including any operating restrictions:

10.0 Detailed description of the Transmission Customer's anticipated use of NSPI's interfaces:

11.0 Description of any transmission system owned or controlled by the Transmission Customer:

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12.0 Name (s) of any Intervening Transmission providers:

13.0 The Network Integration Service Customer’s obligation for the following services will be provided as follows:

Ancillary Service	Source
1. Scheduling, System Control and Dispatch	<u>NSPI</u>
2. Reactive Supply and Voltage Control	<u>NSPI</u>
3. Regulation and Frequency Response:	
3a. Regulation	_____
3b. Load Following	_____
4. Energy Imbalance	_____
5. Operating Reserve - Spinning Reserve	_____
6. Operating Reserve	
6a. Supplemental (10-minute) Reserve	_____
6b. Supplemental (30 Minute) Reserve	_____

The Transmission Provider will confirm the acceptability of each source of supply proposed by the Transmission Customer.

14.0 Description of required Direct Assignment Facilities:

NSPI

Open Access Transmission Tariff

15.0 In addition to the charge for Transmission Service and charges for Ancillary Services as set forth in the Tariff, the customer will be subject to the following charges:

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

15.2 Direct Assignment Facilities Charges:

15.3 Redispatch Charges:

15.4 Network Upgrade Charges:

16.0 Credit for Network Customer Owned Transmission Facilities will apply in accordance with Section 30.9 of the Tariff.

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

NSPI

Open Access Transmission Tariff

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

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

NSPI

Open Access Transmission Tariff

ATTACHMENT G

Network Operating Agreement

Applicability

The Network Operating Agreement applies to Network (and Point-to-Point) Loads that are physically connected to the NSPI transmission system.

Network Customers that are not physically connected to the NSPI transmission system will be governed by the interconnection agreement between NSPI and the transmission owner to which the Network Customer is physically connected.

NSPI

Open Access Transmission Tariff

NETWORK OPERATING AGREEMENT

Between

NOVA SCOTIA POWER INCORPORATED

And

(Insert Customer Name)

(Date)

NSPI

Open Access Transmission Tariff

NETWORK OPERATING AGREEMENT

THIS AGREEMENT MADE THIS _____ day of _____, 20_____.

BETWEEN: NOVA SCOTIA POWER INCORPORATED

a body corporate, with head office at Halifax, Province of Nova Scotia, hereinafter referred to as "NSPI";

- and -

_____,

and Eligible Customer, in accordance with Section 1.14 of NSPI's Open Access Transmission Tariff, having its head office in _____, hereinafter referred to as "the Customer",

Both of which may hereinafter be referred to as "the Parties hereto".

WHEREAS the Customer is the owner and operator of facilities located in _____, the County of _____ in the Province of Nova Scotia (the "Customer's premises"), and requires a supply of power and energy for its operation;

AND WHEREAS NSPI has agreed to deliver and the Customer has agreed to purchase from NSPI transmission services for aforesaid Customer premises pursuant to the terms and conditions of this Agreement.

NOW THEREFORE this Agreement witnesseth that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties hereto mutually covenant and agree as follows:

NSPI

Open Access Transmission Tariff

1.0 DEFINITIONS

In this Agreement, unless the context otherwise requires, the following definitions shall apply:

NSPI Facilities

NSPI Facilities are the transmission system of NSPI and the necessary _____ kV extension thereof constructed to the Delivery Point, together with the Metering Equipment, all of which are provided, owned and maintained by NSPI.

Customer Facilities

The Customer Facilities are the facilities beyond the Delivery Point, which are provided, owned and maintained by the Customer and, in addition, shall be deemed to also include any Rental Facilities.

Without limiting the generality of the foregoing, these facilities include

Delivery Point

The Delivery Point is the place at which the Customer Facilities and NSPI Facilities are connected together, specifically _____ as shown on NSPI Substation Diagram No. _____ dated _____ attached hereto and marked Appendix A.

NSPI

Open Access Transmission Tariff**Good Utility Practice**

Good Utility Practice is a practice consistent with the reasonable and practicable operation of electric utilities in Canada.

Metering Equipment

The Metering Equipment is the meters and associated equipment approved by Measurement Canada or such other authority as may from time to time be charged with such responsibility, required for measuring power and energy supplied to the Customer under this Agreement.

Metering Point

The Metering Point is the point at which all power and energy supplied to the Customer is measured. The Metering Point is at or near the Delivery Point.

Rental Facilities

The Rental Facilities are those facilities provided, owned and maintained by NSPI for which the Customer pays a Rental Charge.

Without limiting the generality of the foregoing, these facilities include

2.0 CHARACTERISTICS OF SUPPLY**2.1 Characteristics of Supply**

Subject to Article 3.1 hereof the power and energy supplied to the Customer at the Delivery

NSPI

Open Access Transmission Tariff

Point shall be three-phase alternating current at the nominal frequency of 60-hertz and at a nominal voltage of _____ volts between phases.

2.2 Metering

Metering shall be in accordance with NSPI's "Metering Standards" and Section 4 "Metering" of NSPI's "Rates / Regulations and Procedures". Meter reading and billing shall be in accordance with Section 5 "Meter Reading and Billing" of NSPI's "Rates / Regulations and Procedures".

NSPI shall provide, own and maintain the Metering Equipment. If requested by NSPI, the Customer shall provide at the Customer's expense adequate space and facilities on the Customer's premises satisfactory to NSPI for the installation and maintenance of the Metering Equipment.

In this section where reference is made to Measurement Canada it shall also be deemed to include any other authority as may from time to time be charged with the responsibility for metering.

If, for any period, the Metering Equipment or any part thereof is not in service, the power and energy supplied during such period shall be determined by NSPI, after consultation with the Customer, from the best information available. In the event that the Parties are unable to reach agreement on the determination of the power and energy supplied to the Customer, the decision of NSPI shall be deemed to be conclusive.

The Customer may request NSPI to verify the accuracy of the Metering Equipment more often than once a year. If the Customer is not satisfied with NSPI's results the Customer may request that further verification be made by Measurement Canada. In either case, if the Metering Equipment is accurate within the limits specified by Measurement Canada, the Customer shall pay the cost of performing such verification. If the Metering Equipment is

NSPI

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inaccurate by more than the limits specified by Measurement Canada, an adjustment based on the full error of the Metering Equipment shall be made in the Customer's bills for any known or agreed period of inaccuracy.

If, at any time, the Metering Equipment is found to be inaccurate by more than the limits specified by Measurement Canada, the Metering Equipment or any faulty components thereof shall be promptly replaced, repaired or readjusted by NSPI at NSPI's expense.

NSPI may modify or replace the Metering Equipment from time to time.

3.0 GENERAL OBLIGATIONS OF THE CUSTOMER**3.1 Customer's Equipment**

The Customer shall be responsible for installing and maintaining protective equipment to protect the Customer Facilities from variations in frequency and voltage or from temporary delivery of other than three-phase power.

The Customer agrees that all motors, transformers and other equipment utilized in its installation shall conform with Canadian Standards Association requirements, and shall be wired, connected and operated so as not to produce detrimental effects on NSPI Facilities which could adversely affect the adequacy of service to the Customer and other customers.

3.2 Electrical Harmonics

Electrical harmonics shall be considered as components of current or voltage whose frequency is some multiple of the 60-hertz fundamental frequency. The Customer shall assume the responsibility of direct loss by reason of damages to NSPI Facilities caused by electrical harmonics produced in the Customer Facilities provided that such liability shall be restricted to the repair or, if necessary, the replacement or modification of such NSPI

NSPI**Open Access Transmission Tariff**

Facilities which have been damaged or made necessary by reason of electrical harmonics produced in the Customer Facilities. The Customer agrees to take all reasonable steps to limit the effects of any electrical harmonics that may be produced in the Customer Facilities to a level tolerable to NSPI. NSPI shall cooperate with the Customer in the investigation of any harmonic problems and the analysis of corrective measures. NSPI reserves the right to discontinue the supply of power and energy where in its opinion the reliability of NSPI Facilities is threatened by the presence of electrical harmonics.

3.3 Load Balance

The Customer agrees to take and use the three-phase current supplied through the NSPI transmission system in such manner that in no case shall the difference between any two phases be greater than 5%. The Customer, upon written instructions from NSPI, shall so adjust its load as to comply with this requirement.

3.4 Right-of-Way

The Customer agrees to provide and arrange for the necessary right-of-way on the Customer's premises for the appropriate NSPI Facilities and Rental Facilities free of cost to NSPI during the continuance of this Agreement, renewal or renewals thereof, and for six months thereafter, so that NSPI, its subcontractors, their respective employees and agents may enter upon the same and build, install and erect, construct, operate, repair and remove any or all of the appropriate NSPI Facilities or Rental Facilities, all of which shall not unduly interfere with the Customer's operations and which in the opinion of NSPI are necessary for the delivery of transmission service under this Agreement. Any changes, which the Customer may request NSPI to make in the location of NSPI Facilities or Rental Facilities, shall be made at the expense of the Customer.

NSPI**Open Access Transmission Tariff****3.5 Right of Access**

One or more representatives of NSPI appointed for this purpose may, at any reasonable time during the continuance of this Agreement, have access to the Customer's premises for the purposes of but not limited to meter reading, inspection, operation, testing, adjustment, repair, alteration, reconstruction, and removal of NSPI Facilities, or for the purpose of inspecting the Customer Facilities and taking records there from as required for compliance with this Agreement.

3.6 Preparation for the Receipt of Transmission Service

The Customer agrees to prepare for the receipt and use of transmission services hereunder and to supply, erect and maintain at its own risk, cost and charge, all transformers, switchgear, protective equipment, as well as poles, wires, hardware, cables, fittings, insulators and materials used in distribution on the Customer's premises beyond the Delivery Point.

In addition to the foregoing, the Customer agrees to provide, own and maintain beyond the Delivery Point any equipment that NSPI deems necessary from time to time during the continuance of this Agreement for the safety and security of operation of NSPI Facilities in accordance with Good Utility Practice. All the said equipment of the Customer shall be subject to the approval of NSPI and shall be installed, maintained and operated in a manner satisfactory to NSPI.

3.7 Customer's Responsibility for NSPI Facilities on its Premises

All NSPI Facilities and Rental Facilities furnished and installed on the Customer's premises shall remain the property of NSPI and should such NSPI Facilities or Rental Facilities be destroyed or damaged from any cause due to the Customer, or from any peril originating on

NSPI**Open Access Transmission Tariff**

the Customer's premises, the Customer shall reimburse NSPI for the full cost of repair or replacement.

3.8 Insulation Contamination

Contaminants shall be considered as foreign matter or substance deposited on insulation components which reduce the value and effectiveness of the insulation and may consist of dust, particles or chemicals either dry or in solution.

The Customer shall be responsible for the correction of contamination problems occurring on the Customer Facilities. If contaminants caused by activities on the Customer's premises accumulate on NSPI Facilities, which, in the opinion of NSPI affect the insulating characteristics, the Customer shall bear the cost of removal of contamination or replacement of insulation components as deemed necessary by NSPI. Interruptions of service occasioned to correct contamination problems shall be, where possible, arranged at a time mutually agreeable to the Customer and NSPI. Notwithstanding the above NSPI reserves the right to discontinue the supply of power and energy at its discretion where the reliability of its system is threatened by the presence of contaminants on insulation components.

4.0 GENERAL RIGHTS AND OBLIGATIONS OF NSPI

4.1 Interruption of Supply

NSPI shall provide a regular and uninterrupted delivery of transmission services under the terms of this Agreement but shall have no liability to the Customer for loss or damage from any failure of delivery in respect of any abnormality, delay, interruption or other partial or complete failure in the said delivery when such loss or damages are caused by something that is beyond the ability of NSPI to control by reasonable and practicable effort, said effort to be measured by Good Utility Practice as defined herein.

NSPI**Open Access Transmission Tariff**

NSPI shall have the right to suspend the delivery of transmission services for the purpose of safeguarding life or property, for making repairs, changes, renewals, improvements or replacements to NSPI Facilities or Rental Facilities but all such interruptions shall be of a minimum duration consistent with the exigencies of the case, and when possible, arranged for a time least objectionable to the Customer, and such interruptions shall not release the Customer from its obligation to pay all charges pursuant to this Agreement during the period of any such suspensions and to resume the use of power and energy when the supply is restored. When such repairs, changes, renewals, improvements or replacements are of a non-emergency routine nature that can be scheduled in advance by NSPI, NSPI shall advise the Customer in writing at least two weeks in advance of such work. The Customer shall be responsible for any additional costs incurred by NSPI resulting from performing, at the Customer's request, such repairs, changes, renewals, improvements or replacements outside of normal working hours.

4.2 Special or Consequential Damages

Notwithstanding any other provision in this contract, NSPI shall not be liable to the Customer for special or consequential damages, or damages for loss of use, arising directly or indirectly from any breach of this contract, fundamental or otherwise, and in particular but not limited to interruption of supply or from any acts or omissions of its employees.

4.3 Removal of Equipment at Termination

NSPI shall, at the termination of this Agreement, or within six months thereafter, remove from the Customer's premises the appropriate NSPI Facilities and Rental Facilities which may have been installed by NSPI for the supply of power and energy under this Agreement. Notwithstanding the termination of this Agreement, until such time as the NSPI Facilities and Rental Facilities are removed, they remain the risk of the Customer, but after the expiration of said six months period all such NSPI Facilities and Rental Facilities shall be at the risk of NSPI.

NSPI

Open Access Transmission Tariff**5.0 ENVIRONMENTAL CONTAMINATION**

5.1 Environmental Contamination

The Customer shall comply with all environmental laws and regulations with respect to Customer Facilities.

The Customer shall indemnify and save harmless NSPI from all loss, expense, damage or injury to persons or property inclusive of NSPI property arising as a result of environmental damage, contamination and/or injury due to or caused by the Customer.

NSPI shall comply with all environmental laws and regulations with respect to NSPI Facilities.

NSPI shall indemnify and save harmless the Customer from all loss, expense, damage or injury to persons or property inclusive of Customer property arising as a result of environmental damage, contamination and/or injury due to or caused by NSPI.

Both parties agree to immediately notify the other of any environmental incident that occurs relative to the terms of this Agreement.

6.0 FORCE MAJEURE

6.1 Force Majeure

Force Majeure is any cause beyond the reasonable control of NSPI including, without limiting the generality of the foregoing, failure of facilities, flood, earthquake, storm, nuclear disaster, lightning, fire, epidemic, war, riot, civil disturbance, labour trouble, strike, sabotage and restraint by court or public authority which by exercise of Good Utility Practice NSPI could not be expected to avoid. If NSPI is rendered unable to fulfill any obligations by

NSPI**Open Access Transmission Tariff**

reason of Force Majeure, it shall be excused from performing to the extent it is prevented from so doing but it shall exercise Good Utility Practice to correct such inability with all reasonable dispatch, and it shall not be liable for injury, damage or loss resulting from such inability. However, settlement of strikes and labour disturbances shall be wholly within the discretion of NSPI.

7.0 INDEMNITY**7.1 Indemnity by the Customer**

The Customer shall indemnify and save harmless NSPI from all loss, damage or injury to persons or property sustained by any third person or persons, including employees of NSPI and the Customer, arising from the operation and maintenance of the Customer Facilities, unless such loss, damage or injury results from negligence or willful misconduct of NSPI, its agents, servants or employees, provided that the Customer shall be given prompt notice of any such claim and shall have the exclusive right to defend and settle any such claim with the full cooperation of NSPI in such defense.

7.2 Indemnity by NSPI

NSPI shall indemnify and save harmless the Customer from all loss, damage or injury to persons or property sustained by any third person, or persons, including employees of the Customer and NSPI, arising from the operation and maintenance of NSPI Facilities, unless such loss, damage or injury results from negligence or willful misconduct of the Customer, its agents, servants or employees, provided that NSPI shall be given prompt notice of any such claim and shall have the exclusive right to defend and settle any such claim with the full cooperation of the Customer in such defense.

NSPI

Open Access Transmission Tariff**8.0 TERM OF AGREEMENT**

8.1 Term of Agreement

The Initial Term of this Agreement shall commence on the day and year first above written and continue in force for a period of five years. This Agreement shall terminate on the expiration of the Initial Term provided one of the Parties hereto has given at least 12 months written notice to the other Party. Should neither of the Parties hereto give notice to terminate this Agreement at the expiration of the Initial Term, this Agreement shall continue in full force and effect provided however that it may be terminated at any time after the expiration of the Initial Term by either Party having first given at least 12 months written notice of termination to the other Party.

9.0. FORMER AGREEMENTS

9.1 Former Agreements

This Agreement and all attached schedules constitute the entire agreement between the parties to this Agreement pertaining to the subject matter hereof and supercedes all prior and contemporaneous agreements, understandings, negotiations and discussions whether oral or written, of the parties and there are not warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement except as specifically set forth herein.

10.0 SUCCESSORS OF PARTIES

10.1 Successors and Assigns

This Agreement shall extend to and be binding upon and endure to the benefit of the Parties hereto and their respective successors and permitted assigns. The obligations under and the

NSPI

Open Access Transmission Tariff

benefit of this Agreement shall not be assignable by either party without the consent in writing of the other party. Such consent shall not be unreasonably withheld.

11.0 MODE OF DELIVERY

11.1 Mode of Delivery

Except as provided by this Agreement or otherwise agreed from time to time, any notice or other communication which is required by this Agreement to be given in writing, shall be sufficiently given if delivered personally to a senior official of the Party for whom it is intended or faxed or e-mailed or sent by registered mail, addressed as follows:

- a) In the case of the Company, to:

Attention:

- b) In the case of NSPI, to:

Nova Scotia Power Incorporated

P.O. Box 910

Halifax, NS B3J 2W5

Attention: Secretary and General Counsel

or delivered to such other person or faxed or e-mailed or sent by registered mail to such other address as either Party may designate for itself by notice given in accordance with this Section.

Any notice or other communication so mailed shall be deemed to have been received on the fifth business day following the day of mailing or if faxed or e- mailed shall be deemed to have been received on the same business day as the date of the fax or e-mail or if delivered personally shall be deemed to have been received on the date of delivery.

NSPI

Open Access Transmission Tariff**12.0 ADMENDMENT**

12.1 Amendment

If at any time during the continuance of this Agreement the parties shall deem it necessary or expedient to make any alteration or addition to this Agreement it shall be done by way of a written agreement which shall be supplemental and form part of this Agreement.

13.0 SEVERANCE

13.1 Severance

It is intended that all provisions of this Agreement shall be fully binding and effective between the parties, but in the event that any particular provision or provisions or a part of one is found void, voidable or unenforceable for any reason whatsoever, then the particular provision or provisions or part of the provision shall be deemed severed from the remainder of this Agreement and all other provisions shall remain in full force.

14.0 GOVERNING LAW

14.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Nova Scotia and any applicable Federal laws.

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IN WITNESS WHEREOF the Parties hereto have caused their corporate seals to be hereto affixed and these presents to be executed by their duly authorized officers respectively.

NOVA SCOTIA POWER INCORPORATED

(CUSTOMER)

Date: _____

Date: _____



NOVA SCOTIA POWER INC.
OPEN ACCESS TRANSMISSION TARIFF

As approved by the UARB May 31, 2005
As Amended •

NSPI

Open Access Transmission Tariff

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Open Access Transmission Tariff**I COMMON SERVICE PROVISIONS****1.0 Definitions**

- 1.0 Act:** The *Electricity Act*, S.N.S. 2004, c. 25, as amended from time to time.
- 1.1 Ancillary Services:** Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.
- 1.2 Application:** A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.
- 1.3 Board:** The Nova Scotia Utility and Review Board.
- 1.4 Bundled Service:** Electrical service taken from NSPI under Rates and Regulations approved by the Board. This takes the form of having generation, transmission, distribution, ancillary services and all other items associated with the provision of such service blended or bundled within the rate. For certainty, Bundled Service does not include services taken from NSPI under the Distribution Tariff, the Energy Balancing Service Tariff, the Standby Service Tariff or the Renewable to Retail Market Transition Tariff.
- 1.5 Business Day:** A Business Day is Monday to Friday, inclusive, excluding holidays. The regular business hours on a Business Day are from 08:30 to 16:30 Atlantic Time.
- 1.6 Calendar Day:** Any day including Saturday, Sunday or a holiday.

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- 1.7 Completed Application:** An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.
- 1.8 Control Area:** An electric system or group of systems that meet(s) the requirements of the NPCC Control Area Certification Process.
- 1.9 Curtailment:** A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.
- 1.10 Delivering Party:** The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.
- 1.11 Designated Agent:** Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.
- 1.12 Direct Assignment Facilities:** Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Board approval.
- 1.13 Dispatchable Generation:** Any generation that does not meet the definition of Non-dispatchable Generation.
- 1.14 Eligible Customer:**
- (i) Any electric utility (including the Transmission Provider and any power marketer), power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy

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sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico; and

- (ii) Any retail customer taking unbundled transmission service pursuant to a provincial or regulatory requirement that the Transmission Provider offer the transmission service is an Eligible Customer of the Tariff.
- (iii) Any Licenced Retail Supplier taking unbundled transmission service pursuant to the Act for the purpose of selling renewable low-impact electricity to RtR Customers is an Eligible Customer of the Tariff.

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

1.16 FERC: The U.S. Federal Energy Regulatory Commission.

1.17 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.

1.18 Good Utility Practice: Those practices, methods or acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in North America) that at a particular time, in the exercise of reasonable judgment, would have been expected to accomplish the desired result in a manner consistent with regulations, reliability, safety, environmental protection, economy and expedition as applied and practiced in the utility industry with respect to power generation, delivery, purchase and sale.

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- 1.19 Interruption:** A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.
- 1.19.1 Licenced Retail Supplier (LRS):** A Retail Supplier who:
- (a) holds a valid Retail Supplier Licence; and
 - (b) has a valid LRS Participation Agreement executed with NSPI.
- For certainty, a Wholesale Customer is not a Licenced Retail Supplier.
- 1.20 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.
- 1.21 Long-Term Firm Point-To-Point Transmission Service:** Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.
- 1.21.1 LRS Participation Agreement:** The agreement (and any amendments or supplements thereto) between a Licenced Retail Supplier and NSPI with respect to the sale of renewable low-impact electricity by the LRS in the form approved by the Board.
- 1.22 Native Load Customers:** The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.
- 1.23 NERC:** North American Electric Reliability Council.
- 1.24 Network Customer:** An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part

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III of the Tariff. For clarity, the LRS is the Network Customer for the receipt of Network Integration Transmission Service in respect of the LRS's aggregate Renewable to Retail customer load.

- 1.25 Network Integration Transmission Service (Network Transmission Service, Network Service):** The transmission service provided under Part III of the Tariff. Network Integration Transmission Service is applicable to the LRS's Renewable to Retail transactions on the Transmission System.
- 1.26 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, who is also a Wholesale Customer as defined herein, may elect to designate less than its total load as Network Load, with the remaining load at the discrete Point of Delivery treated as bundled service under the appropriate Rate Class. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.
- 1.27 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.
- 1.28 Network Operating Committee:** A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

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- 1.29 Network Resource:** Any designated generating resource or dedicated transmission equipment owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.
- 1.30 Network Upgrades:** Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System. Network upgrades shall be subject to Board approval.
- 1.31 Non-dispatchable Generation:** Generators delivering energy from sources which, by their nature, cannot be controlled on demand by the operator. These generators deliver energy directly to the grid as produced, without the use of energy storage technology. Examples include wind energy conversion systems, photovoltaic systems, tidal or wave power, and run-of-river hydro systems. The Transmission Provider will determine if the generation meets this designation, and evidence of market manipulation will result in disqualification.
- 1.32 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.
- 1.33 NPCC:** The Northeast Power Coordinating Council.
- 1.33.1 NSPI:** Nova Scotia Power Inc.

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- 1.34 Open Access Same-Time Information System (OASIS):** An electronic medium information system, which provides Open Access Transmission Customers with relevant information regarding available transmission capacity, prices, and other matters to enable them to obtain open access non-discriminatory transmission services from the Transmission Provider.
- 1.35 Operating Area:** An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:
- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
 - (2) maintain scheduled interchange with other Operating Areas, within the limits of Good Utility Practice;
 - (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
 - (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.
- 1.36 Part I:** Tariff Definitions and Common Service Provisions contained in Sections 2 through 12.
- 1.37 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.

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- 1.38 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.
- 1.39 Parties:** The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 1.40 Peak Load/Peak Demand:** The electric load that corresponds to a maximum level of electricity demand in a specified time period.
- 1.41 Point(s) of Delivery:** Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.
- 1.42 Point(s) of Receipt:** Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.
- 1.43 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.
- 1.44 Power Pool:** Two or more interconnected electric systems planned and operated to supply power for their combined demand requirements.

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- 1.45 Power Purchaser:** The entity that is purchasing the capacity and energy to be transmitted under the Tariff.
- 1.46 Receiving Party:** The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.
- 1.47 Regional Transmission Group (RTG):** A voluntary organization of transmission owners, transmission users and other entities formed to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.
- 1.47.1 Renewable low-impact electricity:** This term has the same meaning as in the Renewable Electricity Regulations (Nova Scotia).
- 1.47.2 Renewable to Retail:** Describes the market in which renewable low-impact electricity generated in Nova Scotia may be sold by Licenced Retail Suppliers to Retail Customers in Nova Scotia in accordance with the Act.
- 1.47.3 RtR Customer:** A Retail Customer who is acquiring renewable low-impact electricity from an LRS and is not receiving Bundled Service from NSPI.
- 1.47.4 Retail Customer:** This term has the same meaning as under the Act. For certainty, a customer of a municipal utility (as defined under the Act) is not a Retail Customer.
- 1.47.5 Retail Supplier:** This term has the same meaning as under the Act.
- 1.48 Reserved Capacity:** The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be

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expressed in terms of whole megawatts on a 60 minute interval (commencing on the clock hour) basis.

- 1.49 Service Agreement:** The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.
- 1.50 Service Commencement Date:** The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.
- 1.51 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.
- 1.52 System Impact Study:** An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.
- 1.53 Third-Party Sale:** Any sale for resale of generation capacity or energy to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.
- 1.54 Transmission Customer:** Any Eligible Customer (or its Designated Agent) that executes a Service Agreement, or requests in writing that the Transmission Provider file with the Board, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I

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Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.55 Transmission Provider: Nova Scotia Power Inc.

1.55.1 Transmission RtR Customer Operating Agreement: An executed agreement that contains the terms and conditions under which the RtR Customer whose facilities are physically connected to the Transmission System shall operate its facilities and the technical and operational matters associated with the connection of such facilities to the Transmission System.

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

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

1.58 Wholesale Customer: This term has the same meaning as under the Act.

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Open Access Transmission Tariff**2.0 Initial Allocation and Renewal Procedures**

2.1 Initial Allocation of Available Transmission Capability: For purposes of determining whether existing capability on the Transmission Provider's Transmission System is adequate to accommodate a request for firm service under this Tariff, all Completed Applications for new firm transmission service received during the initial 60 day period commencing with the effective date of the Tariff will be deemed to have been received simultaneously. Such Transmission Service requests will be evaluated and ranked in a decreasing order according to the net present value of their stream of revenues. Reservation priorities shall be assigned to such Transmission Service requests in accordance with the ranking order so established, beginning with the Transmission Service request(s) with the highest net present value. If there is not enough remaining transmission capability to accommodate all of the requests equally ranked, a lottery system conducted by an independent party shall be used to assign priorities for such requests. Subsequent to this initial 60 day period, when new total transfer capability is identified the above noted process will be repeated. Otherwise, all completed Applications for firm transmission service received after the initial 60 day period shall be assigned a priority pursuant to Section 13.2. Extensions for commencement of service shall be in accordance with Section 17.7.

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

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Customer and to pay the current Tariff for such service. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of one year or longer.

2.3 Reliability Compliance: All rights and obligations of the Transmission Provider and Transmission Customers receiving Transmission Service under the Tariff shall be subject to the reliability guidelines of NPCC, or its successors, and any amendments thereto.

3.0 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Operating Areas affected by the transmission service. The Transmission Provider is required to provide and the Transmission Customer is required to purchase, the following Ancillary Services:

- (i) Scheduling, System Control and Dispatch, and
- (ii) Reactive Supply and Voltage Control from Generation Sources.
- (iii) Generation Forecasting Service.

Provided, however, Generation Forecasting Service is only applicable to Eligible Customers who are Licenced Retail Suppliers. The Transmission Provider is only required to provide to Licenced Retail Suppliers, and only Licenced Retail Suppliers are required to purchase from the Transmission Provider, Generation Forecasting Service.

The Transmission Provider is required to offer to provide the following Ancillary Services only to the Transmission Customer serving load within the Transmission Provider's Operating Area, with the exception that the Transmission Provider is not required to offer to provide Energy Imbalance Service to Licenced Retail Suppliers and Licenced Retail Suppliers are not required to purchase Energy Imbalance Service from the Transmission

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Provider as Energy Imbalance Service is not applicable to Eligible Customers who are Licenced Retail Suppliers:

- (i) Regulation and Frequency Response,
- (ii) Energy Imbalance,
- (iii) Operating Reserve - Spinning, and
- (iv) Operating Reserve - Supplemental.

The Transmission Customer serving load within the Transmission Provider's Operating Area is required to acquire these Ancillary Services whether from the Transmission Provider, from a third party, or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Ancillary Services, unless it demonstrates that it has acquired the Ancillary Services from another source. The Transmission Customer must list in its Application which Ancillary Services it will purchase from the Transmission Provider.

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

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

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period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.6 below list the seven Ancillary Services.

- 3.1 Scheduling, System Control and Dispatch Service:** The rates and/or methodology are described in Schedule 1.
- 3.2 Reactive Supply and Voltage Control from Generation Sources Service:** The rates and/or methodology are described in Schedule 2.
- 3.3 Regulation and Frequency Response Service:** Where applicable the rates and/or methodology are described in Schedule 3.
- 3.4 Energy Imbalance Service:** Where applicable the rates and/or methodology are described in Schedule 4 (Not applicable to Licenced Retail Suppliers).
- 3.4.1 Generation Forecasting Service:** Where applicable the rates and/or methodology are described in Schedule 4A (Applicable to Licenced Retail Suppliers only).
- 3.5 Operating Reserve - Spinning Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 5.
- 3.6 Operating Reserve - Supplemental Reserve Service:** Where applicable the rates and/or methodology are described in Schedule 6.

4.0 Open Access Same-Time Information System (OASIS)

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are based on 18 CFR § 37 of the FERC regulations (Open Access Same-Time Information System and Standards of Conduct for Public Utilities). The Transmission Provider's Standards of Conduct are attached to this Tariff as Attachment E. In the event

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available transmission capability as posted on the OASIS is insufficient to accommodate a request for firm transmission service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

5.0 [Section not used at this time]

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Open Access Transmission Tariff**6.0 Reciprocity**

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

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

7.0 Billing and Payment

7.1 Billing Procedure: Within a reasonable time after the first day of each month, the Transmission Provider or its Designated Agent shall submit an invoice to the

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Transmission Customer for the charges for all services furnished under the Tariff during the preceding month. The invoice shall be paid by the Transmission Customer within 20 Calendar Days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider.

- 7.2 Interest on Unpaid Balances:** Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified in Regulation 5.4 of NSPI's Rates, Regulations and Procedures as issued by the Board. When payments are made by mail, bills shall be considered as paid on time if the envelope is post marked on or before the last date for net payment.
- 7.3 Customer Default:** In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission Provider on or before the due date as described above, and such failure of payment is not corrected within 30 Calendar Days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may terminate service. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in 60 days.

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Open Access Transmission Tariff**8.0 Accounting for the Transmission Provider's Use of the Tariff**

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

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

9.0 Regulatory Filings

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of the Transmission Provider to unilaterally make application to the Board for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation.

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

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Open Access Transmission Tariff**10.0 Force Majeure and Indemnification**

10.1 Force Majeure: An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing by any party. Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification: The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by the Transmission Provider.

10.3 Limitation of Liability: The Transmission Provider shall not be responsible for any claim, action, loss, injury, damage or proceeding whatsoever as a result of any interruptions, diversions, curtailments, or other procedures necessary to maintain the efficient and effective operation of the Transmission System. This would include all Transmission Service as permitted by this Tariff, except if such claim, action, proceeding or loss is due to the Transmission Provider's negligence, undue discrimination or willful misconduct.

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Open Access Transmission Tariff**11.0 Creditworthiness**

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

12.0 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures: Any dispute between a Transmission Customer or Eligible Customer and the Transmission Provider involving transmission service under the Tariff (excluding applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff, which shall be presented directly to the Board for resolution) shall be referred to a designated senior representative of the Transmission Provider and a senior representative of the Transmission Customer or Eligible Customer, as the case may be, for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within 30 days by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

12.2 External Arbitration Procedures: Any arbitration initiated under the Tariff shall be conducted before a single arbitrator appointed by the Parties. If the Parties fail to

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agree upon a single arbitrator within ten days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within 20 days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall conduct the arbitration in Halifax, N.S. and shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the *Commercial Arbitration Act* S.N.S 1999, c.5.

12.3 Arbitration Decisions: Unless otherwise agreed, the arbitrator(s) shall render a decision within 90 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 the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the *Commercial Arbitration Act* S.N.S 1999, c.5. The final decision of the arbitrator must also be filed with the Board if it affects jurisdictional rates, terms and conditions of service or facilities.

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

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

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

12.5 Rights Under the Public Utilities Act: Nothing in this section shall restrict the rights of any party to file a Complaint with the Board.

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Open Access Transmission Tariff**II. POINT-TO-POINT TRANSMISSION SERVICE****Preamble**

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

13.0 Nature of Firm Point-To-Point Transmission Service

- 13.1 Term:** The minimum term of Firm Point-To-Point Transmission Service shall be one day and the maximum term shall be specified in the Service Agreement.
- 13.2 Reservation Priority:** Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis i.e., in the chronological sequence in which each Transmission Customer has reserved service. Reservations for Short-Term Firm Point-To-Point Transmission Service will be conditional based upon the length of the requested transaction. If the Transmission System becomes oversubscribed, requests for longer term service may preempt requests for shorter term service up to the following deadlines: one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transmission capability is insufficient to satisfy all Applications, an Eligible Customer with a reservation for shorter term service has the right of first refusal to match any longer term reservation before losing its reservation priority. A longer term competing request for Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from

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being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. After the conditional reservation deadline, service will commence pursuant to the terms of Part II of the Tariff. Firm Point-To-Point Transmission Service will always have a reservation priority over Non-Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

- 13.3 Use of Firm Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales.

The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

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

- 13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:** In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (i) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point

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Transmission Service, or (ii) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint more economically by redispatching the Transmission Provider's resources than through constructing Network Upgrades, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

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

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when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

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

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

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

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Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transmission capacity is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The Transmission Customer's Reserved Capacity shall be greater of either:

- (1) the sum of the capacity reservations at the Point(s) of Receipt, or
- (2) the sum of the capacity reservations at the Point(s) of Delivery.

The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7. A Transmission Customer may not exceed its Firm capacity reservation at the Point of Receipt or the Point of Delivery. In the event that the reserved capacity at the Point of Receipt or the Point of Delivery is exceeded, the Transmission Customer shall pay 150% of the charge for the service under contract, regardless of whether the service was offered at a discount at the time of such violation, which is otherwise applicable to each MW of the excess.

- 13.8 Scheduling of Firm Point-To-Point Transmission Service:** Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 11.00 a.m. Atlantic Time (or a revised time as posted on the OASIS) of the day prior to commencement of such service. Schedules submitted after 11:00 a.m. Atlantic Time (or a revised time as posted on the OASIS) will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's

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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 30 minutes (or a revised time as posted on the OASIS) before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

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

14.2 Reservation Priority: Non-Firm Point-To-Point Transmission Service shall be available from transmission capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned to reservations with a longer duration of service. In the event the Transmission System is constrained, competing requests of equal

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

- 14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:** The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales.
- 14.4 Service Agreements:** The Transmission Provider shall offer a standard form for Short-Term Firm and Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm (or Short-Term Firm) Point-To-Point Transmission Service pursuant to the Tariff.
- 14.5 Classification of Non-Firm Point-To-Point Transmission Service:** Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient

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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.

A Transmission Customer may not exceed its Non-Firm capacity reservation at the Point of Receipt and the Point of Delivery. In the event that the reserved capacity at the Point of Receipt or the Point of Delivery is exceeded, the Transmission Customer shall pay 150% of the charge for the service under contract, regardless of whether the service was offered at a discount at the time of such violation, which is otherwise applicable to each MW of the excess.

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, other than hourly Non-Firm Point-to-Point Transmission Service, must be submitted to the Transmission Provider no later than 11:00 a.m. Atlantic Time (or a revised time as posted on the OASIS) of the day prior to commencement of such service. Schedules submitted after 11:00 a.m. Atlantic Time (or a revised time as posted on the OASIS) will be accommodated, if practicable. Schedules of energy that are to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to 30 minutes (or a revised time as posted on the OASIS) before the start of the next clock hour provided that the Delivering Party and Receiving

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

14.7 Curtailment or Interruption of Service: The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when, an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System or the systems directly or indirectly interconnected with the Transmission Provider's Transmission System. The Transmission Provider reserves the right to interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate:

- (1) a request for Firm Transmission Service,
- (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration,
- (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, or
- (4) transmission service for Network Customers from non-designated resources.

The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall

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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 (by way of example, hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will give the Network Customer as much advance notice as is practicable in the event of such Curtailment.

15.0 Service Availability

15.1 General Conditions: The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transmission Capability: A description of the Transmission Provider's specific methodology for assessing available transmission capability posted on the OASIS used by Transmission Provider (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transmission capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study subject to the provisions of Section 19.

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15.3 Initiating Service in the Absence of an Executed Service Agreement: If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Board, within 30 days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to:

- (i) compensate the Transmission Provider at the rate that the Board ultimately determines to be just and reasonable, and
- (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System: If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, and subject to receiving all necessary approvals from the Board, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

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

15.6 [Section not used at this time]

15.7 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are set forth in Schedule 9 of this Tariff.

16.0 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers: Point-To-Point Transmission Service shall be provided by the Transmission Provider only if the following conditions are satisfied by the Transmission Customer:

- a) The Transmission Customer has pending a Completed Application for service;
- b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating

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source to the Transmission Provider prior to the time service under Part II of the Tariff commences;

- d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation; and
- e) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

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

17.0 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 (Attachment A: Form for Long-Term Firm Point-To-Point Transmission Service Agreement) to the address posted on the OASIS used by the Transmission Provider.

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Applications must be postmarked at least 60 days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. Submission of an enabling agreement (Attachment B: Form for Short-Term Firm and Non-Firm Point-To-Point Transmission Service Agreement) must precede or accompany a Transmission Customer's first request for Short-Term Firm (or Non-Firm) Transmission Service. All Firm Point-To-Point Transmission Service requests for periods of less than one year shall be submitted by entering the information listed in Section 17.2 on the OASIS used by the Transmission Provider. Prior to implementation of the OASIS, or if the OASIS used by the Transmission Provider is not functioning, a Completed Application may be submitted by transmitting the required information to the Transmission Provider by fax. This will provide a time-stamped record for establishing the priority of the Application.

17.2 Completed Application: A Completed Application shall provide all of the information including but not limited to the following:

- (i) The identity, address, e-mail address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy

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transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, or by law for reliability purposes pursuant to Good Utility Practice or pursuant to RTG transmission information sharing agreements.

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

The Transmission Provider shall treat this information consistent with its Standards of Conduct.

- 17.3 Deposit:** A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a Request For Proposals (RFP), said deposit shall be returned with interest less any reasonable costs incurred by the Transmission

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Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be calculated in accordance with Regulation 7.1(i) in NSPI's Rates, Regulations & Procedures as issued by the Board.

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

17.5 Response to a Completed Application: Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission

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Provider shall make a determination of available transmission capability as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than 30 days after the date of receipt of a Completed Application either

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

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

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

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

18.0 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 (Attachment B: Form For Short-Term Firm and Non-Firm Point-To-Point Transmission Service Agreement) to the Transmission Provider prior to or accompanying the first request for Non-Firm (or Short-Term Firm) Transmission Service. Specific requests for Non-Firm Transmission Service should be submitted by entering the information listed in Section 18.2 on the OASIS used by the Transmission Provider. Prior to implementation of the OASIS, or if the OASIS used by the Transmission Provider is not functioning, a Completed Application may be submitted by transmitting the required information to the Transmission Provider by fax. This will provide a time-stamped record for establishing the service priority of the Application.

18.2 Completed Application: A Completed Application shall provide all of the information including but not limited to the following:

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

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

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

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

The Transmission Provider will treat this information in (vi) and (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order or by law, for reliability purposes pursuant to Good Utility Practice, or pursuant to RTG transmission information sharing agreements. The Transmission Provider shall treat this information consistent with its Standards of Conduct.

- 18.3 Reservation of Non-Firm Point-To-Point Transmission Service:** Requests for monthly service shall be submitted no earlier than 60 days before service is to commence; requests for weekly service shall be submitted no earlier than 14 days

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before service is to commence, requests for daily service shall be submitted no earlier than two Business Days before service is to commence, and requests for hourly service shall be submitted no earlier than 12:00 (noon) Atlantic Time of the Business Day before service is to commence. Requests for service received later than 12:00 p.m. (noon) Atlantic Time of the Business Day prior to the day service is scheduled to commence will be accommodated if practicable.

18.4 Determination of Available Transmission Capability: Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transmission capability pursuant to Section 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 minutes for hourly service,
- (ii) one hour for daily service,
- (iii) four hours for weekly service, and
- (iv) two days for monthly service.

19.0 Additional Study Procedures For Firm Point-To-Point Transmission Service Requests

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

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

19.2 System Impact Study Agreement and Cost Reimbursement:

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

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

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required System Impact Study within a 60 day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within 15 days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

- 19.4 Facilities Study Procedures:** If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within 30 days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within 15 days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3,

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shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a 60 day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of:

- (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer,
- (ii) the Transmission Customer's appropriate share of the cost of any required Network Upgrades as determined pursuant to the provisions of Part II of the Tariff, and
- (iii) the time required to complete such construction and initiate the requested service.

The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the Transmission Customer's share of the costs of new facilities or upgrades. The Transmission Customer shall have 30 days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications: Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new

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statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

- 19.6 Due Diligence in Completing New Facilities:** Subject to receiving all necessary approvals from the Board, the Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.
- 19.7 Partial Interim Service:** If the Transmission Provider determines that it will not have adequate transmission capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider nonetheless shall be obligated to offer and provide the portion of the requested Firm Point-To-Point Transmission Service that can be accommodated without addition of any facilities and through redispatch. However, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.
- 19.8 Expedited Procedures for New Facilities:** In lieu of the procedures set forth above, the Eligible Customer shall have the option to expedite the process by requesting the Transmission Provider to tender at one time, together with the results of required studies, an "Expedited Service Agreement" pursuant to which the Eligible Customer would agree to compensate the Transmission Provider for all costs incurred pursuant to the terms of the Tariff. In order to exercise this option, the Eligible Customer shall

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request in writing an expedited Service Agreement covering all of the above-specified items within 30 days of receiving the results of the System Impact Study identifying needed facility additions or upgrades or costs incurred in providing the requested service. While the Transmission Provider agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the Transmission Provider for all costs incurred pursuant to the provisions of the Tariff. The Eligible Customer shall execute and return such an Expedited Service Agreement within 15 days of its receipt or the Eligible Customer's request for service will cease to be a Completed Application and will be deemed terminated and withdrawn.

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

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

20.2 Alternatives to the Original Facility Additions: When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the

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Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Long-Term Firm Point-To-Point Transmission Service. If the alternative approach solely involves Short-Term Firm or Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Short-Term Firm or Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 12.

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

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

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

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Utility Practice. The Transmission Customer shall reimburse the Transmission Provider for all reasonably incurred costs arising from the Transmission Provider's obligation to undertake such efforts.

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

22.0 Changes in Service Specifications

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

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

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

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23.1 Procedures for Assignment or Transfer of Service: A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Compensation to the Reseller shall not exceed the higher of (i) the original rate paid by the Reseller, (ii) the Transmission Provider's maximum rate on file at the time of the assignment, or (iii) the Reseller's opportunity cost capped at the Transmission Provider's cost of expansion. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. A Reseller should notify the Transmission Provider as soon as possible after any assignment or transfer of service occurs but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee will be subject to all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

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

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the performance of all obligations under the Service Agreement, except as specifically agreed to by the Parties through an amendment to the Service Agreement.

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

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

24.1 Transmission Customer Obligations: Unless otherwise agreed, the Transmission Provider 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 as required. Such equipment shall remain the property of the Transmission Provider. At the Point of Receipt, the Transmission Customer will pay the associated costs. At the Point of Delivery, the Transmission Provider will pay the metering costs in accordance with NSPI's Rates, Regulations and Procedures, Section 4.

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

24.3 Power Factor: Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable. In lieu of any specific power factor requirements in the relevant Service Agreement, the penalty for a power factor less than 90% shall be based on Excess kVA.

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Excess kVA is defined as:

$$\text{Excess kVA} = \text{Max. kVA} - \text{Max. kW} / 0.9$$

Where

Max. kVA = Maximum hourly kVA consumed during the month

Max. kW = Maximum hourly kW consumed during the month

The charge per Excess kVA will be the demand charge of the NSPI Large Industrial Rate as set by the Board from time to time.

25.0 Compensation for Transmission Service

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

26.0 Stranded Cost Recovery

The Transmission Provider reserves the right to seek recovery of stranded costs from the Transmission Customer pursuant to this Tariff. However, the Transmission Provider must separately file any proposal to recover stranded costs with the Board.

27.0 Compensation for New Facilities and Redispatch Costs

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

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Provider identifies capacity constraints that may be relieved more economically by redispatching the Transmission Provider's resources than by building new facilities or upgrading existing facilities to eliminate such constraints, the Transmission Customer shall be responsible for such redispatch costs.

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

Network Integration Transmission Service is applicable to the LRS's Renewable to Retail transactions on the Transmission System.

28.0 Nature of Network Integration Transmission Service

28.1 Scope of Service: Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Operating 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: The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice in order to provide the Network Customer with Network Integration

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

- 28.3 Network Integration Transmission Service:** The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.
- 28.4 Secondary Service:** The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.
- 28.5 Real Power Losses:** Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to replace Real Power Losses. The Network Customer is responsible for replacing losses associated with all

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transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are set forth in Schedule 9 of this Tariff.

28.6 Restrictions on Use of Service: The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System.

29.0 Initiating Service

29.1 Condition Precedent for Receiving Service: Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that:

- (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff,
- (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4,
- (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Board,
- (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G, and

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- (v) in the case where an LRS is the Eligible Customer, any RtR Customer whose facilities are physically connected to the Transmission System executes a Transmission RtR Customer Operating Agreement with the Transmission Provider pursuant to Attachment G1.

29.2 Application Procedures: An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications shall be submitted by entering the information listed below on the OASIS used by the Transmission Provider. Prior to implementation of the OASIS, or if the OASIS used by the Transmission Provider is not functioning, a Completed Application may be submitted by transmitting the required information to the Transmission Provider by fax. This will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall include, but not be limited to, all of the following information:

- (i) The identity, address, e-mail address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the

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loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten 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 ten year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and ten year projections), which shall include, for each Network Resource:
 1. Unit size and amount of capacity from that unit to be designated as Network Resource
 2. Seasonal capacity rating as required by the NPCC
 3. VAR capability (both leading and lagging) of all generators
 4. Operating restrictions
 - a. Any periods of restricted operations throughout the year
 - b. Maintenance schedules
 - c. Minimum loading level of unit
 - d. Normal operating level of unit
 - e. Any must-run unit designations required for system reliability or contract reasons
 5. Load and frequency control capability
 6. Dispatchability and maneuverability

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7. Approximate variable generating cost (\$/MWH) for redispatch computations
 8. Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Operating Area, where only a portion of unit output is designated as a Network Resource
 9. Description of purchased power designated as a Network Resource including source of supply, Operating Area location, transmission arrangements and delivery point(s) to the Transmission Provider's Transmission System;
- (vi) Description of Eligible Customer's transmission system:
1. Load flow and stability data, such as real and reactive parts of the load, lines, transformers, reactive devices and load type, including normal and emergency ratings of all transmission equipment in a format compatible with that used by the Transmission Provider
 2. Operating restrictions needed for reliability
 3. Operating guides employed by system operators
 4. Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
 5. Location of Network Resources described in subsection (v) above
 6. Ten year projection of system expansions or upgrades
 7. Transmission System maps that include any proposed expansions or upgrades
 8. Thermal ratings of Eligible Customer's Operating Area ties with other Operating Areas; and

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

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

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

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

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

30.0 Network Resources

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

30.2 Designation of New Network Resources: The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made by a request for modification of service by submitting a new Application under Section 29.

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 at any time

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but should provide notification to the Transmission Provider as soon as reasonably practicable.

- 30.4 Operation of Network Resources:** Unless otherwise agreed in writing, or provided under the terms and conditions of a Board approved tariff, the Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Operating Area such that the output of those facilities exceeds its designated Network Load, plus non-firm sales delivered pursuant to Part II of the Tariff, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System.
- 30.5 Network Customer Redispatch Obligation:** As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.
- 30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:** The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

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- 30.7 Limitation on Designation of Network Resources:** The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.
- 30.8 Use of Interface Capacity by the Network Customer:** There is no limitation upon a Network Customer's use of the Transmission Provider's Transmission System at any particular interface to integrate the Network Customer's Network Resources (or substitute economy purchases) with its Network Loads. However, a Network Customer's use of the Transmission Provider's total interface capacity with other transmission systems may not exceed the Network Customer's Load.
- 30.9 Network Customer Owned Transmission Facilities:** The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under Part III of the Tariff, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with the Transmission Provider. Calculation of the credit shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

31.0 Designation of Network Load

- 31.1 Network Load:** The Network Customer must designate the individual Network Loads on whose behalf the Transmission Provider will provide Network Integration

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Transmission Service. The Network Loads shall be specified in the Service Agreement.

31.2 New Network Loads Connected With the Transmission Provider: The Network Customer shall provide the Transmission Provider with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to its Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. The Transmission Provider will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Network Load shall be determined in accordance with the procedures provided in Section 32.4 and shall be charged to the Network Customer.

31.3 Network Load Not Physically Interconnected with the Transmission Provider: This section applies to both initial designation pursuant to Section 31.1 and the subsequent addition of new Network Load not physically interconnected with the Transmission Provider. To the extent that the Network Customer desires to obtain transmission service for a load outside the Transmission Provider's Transmission System, the Network Customer shall have the option of:

- (1) electing to include the entire load as Network Load for all purposes under Part III of the Tariff and designating Network Resources in connection with such additional Network Load, or
- (2) excluding that entire load from its Network Load and purchasing Point-To-Point Transmission Service under Part II of the Tariff. To the extent that the Network Customer gives notice of its intent to add a new Network Load as part of its Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

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

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

31.6 Annual Load and Resource Information Updates: The Network Customer shall provide the Transmission Provider with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Network Integration Transmission Service under Part III of the Tariff. The Network Customer also shall provide the Transmission Provider with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the Transmission Provider's ability to provide reliable service.

32.0 Additional Study Procedures For Network Integration Transmission Service Requests

32.1 Notice of Need for System Impact Study: After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's

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methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as soon as practicable. In such cases, the Transmission Provider shall within 30 days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it to the Transmission Provider within 15 days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest.

32.2 System Impact Study Agreement and Cost Reimbursement:

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

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

32.3 System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a 60 day period. The System Impact Study shall identify any system constraints and redispatch options, additional Direct Assignment Facilities or Network Upgrades required to provide the requested service. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers shall be made available to the Eligible Customer. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within 15 days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement, or the Application shall be deemed terminated and withdrawn.

32.4 Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within 30 days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study

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Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within 15 days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its Application shall be deemed withdrawn and its deposit shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a 60 day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Eligible Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of:

- (i) the cost of Direct Assignment Facilities to be charged to the Eligible Customer,
- (ii) the Eligible Customer's appropriate share of the cost of any required Network Upgrades, and
- (iii) the time required to complete such construction and initiate the requested service.

The Eligible Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades. The Eligible Customer shall have 30 days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request no longer will be a Completed Application and shall be deemed terminated and withdrawn.

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Open Access Transmission Tariff**33.0 Load Shedding and Curtailments**

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

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

33.3 Cost Responsibility for Relieving Transmission Constraints: Whenever the Transmission Provider implements least-cost redispatch procedures in response to a

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transmission constraint, the Transmission Provider and Network Customers will each bear a proportionate share of the total redispatch cost.

- 33.4 Curtailments of Scheduled Deliveries:** If a transmission constraint on the Transmission Provider's Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and the Transmission Provider determines that it is necessary to curtail scheduled deliveries, the Parties shall curtail such schedules in accordance with the Network Operating Agreement.
- 33.5 Allocation of Curtailments:** The Transmission Provider shall, on a non-discriminatory basis, curtail the transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the Transmission Provider and Network Customer in proportion to their respective loads. The Transmission Provider shall not direct the Network Customer to curtail schedules to an extent greater than the Transmission Provider would curtail the Transmission Provider's schedules under similar circumstances.
- 33.6 Load Shedding:** To the extent that a system contingency exists on the Transmission Provider's Transmission System and the Transmission Provider determines that it is necessary for the Transmission Provider and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Network Operating Agreement.
- 33.7 System Reliability:** Notwithstanding any other provisions of this Tariff, the Transmission Provider reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Network Integration Transmission Service without liability on the Transmission Provider's part for the purpose of making necessary adjustments to, changes in, or repairs on its lines, substations and facilities, and in cases where the continuance of Network Integration Transmission

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Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Transmission Provider's Transmission System or on any other system(s) directly or indirectly interconnected with the Transmission Provider's Transmission System, the Transmission Provider, consistent with Good Utility Practice, also may curtail Network Integration Transmission Service in order to:

- (i) limit the extent or damage of the adverse condition(s) or disturbance(s),
- (ii) prevent damage to generating or transmission facilities, or
- (iii) expedite restoration of service.

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

34.0 Rates and Charges

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

34.1 Monthly Demand Charge: The Network Customer shall pay a Demand Charge based on the Network Customer's net non-coincident monthly peak demand as specified in Schedule 10.

34.2 [Section not used at this time]:

34.3 [Section not used at this time]:

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- 34.4 Redispatch Charge:** The Network Customer shall pay redispatch charges pursuant to Section 33 as specified in Schedule 10. To the extent that the Transmission Provider incurs an obligation to the Network Customer for redispatch costs in accordance with Section 33, such amounts shall be credited against the Network Customer's bill for the applicable month.
- 34.5 Stranded Cost Recovery:** The Transmission Provider reserves the right to seek recovery of stranded costs from the Network Customer pursuant to this Tariff. However, the Transmission Provider must separately file any proposal to recover stranded costs with the Board.
- 34.6 Power Factor:** Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable. In lieu of any specific power factor requirements in the relevant Service Agreement, the penalty for a power factor less than 90% shall be based on Excess kVA. Excess kVA is defined as:

$$\text{Excess kVA} = \text{Max. kVA} - \text{Max. kW} / 0.9$$

Where

Max. kVA = Maximum hourly kVA consumed during the month

Max. kW = Maximum hourly kW consumed during the month

The charge per Excess kVA will be the demand charge of the NSPI Large Industrial Rate as set by the Board from time to time.

35.0 Operating Arrangements

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- 35.1 Operation under The Network Operating Agreement:** The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the Network Operating Agreement.
- 35.2 Network Operating Agreement:** The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Part III of the Tariff shall be specified in the Network Operating Agreement. The Network Operating Agreement shall provide for the Parties to:
- (i) operate and maintain equipment necessary for integrating the Network Customer within the Transmission Provider's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment),
 - (ii) transfer data between the Transmission Provider and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the Transmission Provider's Transmission System, interchange schedules, unit outputs for redispatch required under Section 33, voltage schedules, loss factors and other real time data),
 - (iii) use software programs required for data links and constraint dispatching,
 - (iv) exchange data on forecasted loads and resources necessary for long-term planning, and
 - (v) address any other technical and operational considerations required for implementation of Part III of the Tariff, including scheduling protocols.

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The Network Operating Agreement will recognize that the Network Customer shall either:

- (i) operate as a Control Area under applicable guidelines of NERC and NPCC, or their successors;
- (ii) satisfy its Operating Area requirements, including all necessary Ancillary Services, by contracting with the Transmission Provider, or
- (iii) satisfy its Operating Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC and NPCC, or their successors;

The Transmission Provider shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment G.

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

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Open Access Transmission Tariff**SCHEDULE 1****Scheduling, System Control and Dispatch Service**

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

Point-to-Point Transmission Service:

Delivery Period	Charge (\$)
Yearly	One twelfth of \$2,794.12/MW of Reserved Capacity per year
Monthly	\$232.84/MW of Reserved Capacity per month
Weekly	\$53.73/MW of Reserved Capacity per week
On-Peak Daily	\$10.75/MW of Reserved Capacity per day
Off-Peak Daily	\$7.66/MW of Reserved Capacity per day
On-Peak Hourly	\$0.67/MW of Reserved Capacity per hour
Off-Peak Hourly	\$0.32/MW of Reserved Capacity per hour

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On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are defined as time between hour ending 09:00 and hour ending 24:00 Atlantic Time, Monday to Friday.

Network Integration Transmission Service:

\$181.18/MW of Network Integration Transmission Service per month.

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Open Access Transmission Tariff**SCHEDULE 2****Reactive Supply and Voltage Control from
Generation Sources Service**

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

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

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Open Access Transmission Tariff**Point-to-Point Transmission Service:**

Delivery Period	Charge (\$)
Yearly	One twelfth of \$3,522.47/MW of Reserved Capacity per year
Monthly	\$293.54/MW of Reserved Capacity per month
Weekly	\$67.74/MW of Reserved Capacity per week
On-Peak Daily	\$13.55/MW of Reserved Capacity per day
Off-Peak Daily	\$9.65/MW of Reserved Capacity per day
On-Peak Hourly	\$0.85/MW of Reserved Capacity per hour
Off-Peak Hourly	\$0.40/MW of Reserved Capacity per hour

(On-Peak days for this service are defined as Monday to Friday. On-Peak hours for this service are defined as time between hour ending 09:00 and hour ending 24:00 Atlantic Time, Monday to Friday.)

Network Integration Transmission Service:

\$227.99/MW of Network Integration Transmission Service per month.

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Open Access Transmission Tariff**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) as necessary to follow the moment-by-moment changes in load. The obligation to maintain this balance between resources and load lies with the Transmission Provider (or the Operating Area operator that performs this function for the Transmission Provider). The Transmission Provider must offer this service when the transmission service is used to serve load within its Operating Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Regulation and Frequency Response Service obligation. The charges, payable monthly, for Regulation and Frequency Response Service are set forth below. To the extent the Operating Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Operating Area operator.

Regulation (Point-to-Point Transmission Service):

The minimum period for which this service is available from the Transmission Provider is one day.

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Delivery Period	Charge (\$)
Yearly	One twelfth of \$943.21/MW of Reserved Capacity per year
Monthly	\$78.60/MW of Reserved Capacity per month
Weekly	\$18.14/MW of Reserved Capacity per week
Daily	\$2.58/MW of Reserved Capacity per day

Regulation (Network Integration Transmission Service):

\$78.60/MW of Network Integration Transmission Service per month.

Load Following (Point-to-Point Transmission Service):

The minimum period for which this service is available from the Transmission Provider is one day.

Delivery Period	Charge (\$)
Yearly	One twelfth of \$5,397.63/MW of Reserved Capacity per year
Monthly	\$449.80/MW of Reserved Capacity per month
Weekly	\$103.80/MW of Reserved Capacity per week
Daily	\$14.79/MW of Reserved Capacity per day

Load Following (Network Integration Transmission Service):

\$449.80/MW of Network Integration Transmission Service per month.

Customer Obligations for Self-Supply and Third-Party Supply:

The customer obligation for self-supply or third-party supply of Regulation is equal to 1.4% of Reserved Capacity for Point-to-Point Transmission Service and 1.4% of the Network Load for

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Network Integration Transmission Service.

The customer obligation for self-supply or third-party supply of Load Following is equal to 8.0% of Reserved Capacity for Point-to-Point Transmission Service and 8.0% of Network Load for Network Integration Transmission Service.

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Open Access Transmission Tariff**SCHEDULE 4****Energy Imbalance Service**

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within an Operating Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Operating Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Energy Imbalance Service obligation. To the extent the Operating Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Operating Area operator.

For a bilateral schedule of a single load and its single generator, this ancillary service will be applied to the net of the generation and load imbalance. Otherwise, this Ancillary Service will be applied separately to deviations from load schedules and deviations from generation schedules. This ancillary service does not apply to power exported from the Operating Area, which is covered by the Generation Balancing Service of the Standard Generator Interconnection and Operation Agreement.

Energy Imbalance Service does not apply to inadvertent energy imbalances that occur as a result of actions directed by the Operating Area operator to:

- Balance total load and generation for the Operating Area through the use of Automatic Generation Control;
- Maintain interconnected system reliability, through actions such as re-dispatch or curtailment;
- Support interconnected system frequency; or to
- Respond to transmission, generation or load contingencies.

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For the purposes of Energy Imbalance Service, peak hours are between 07:00 and 23:00 Atlantic Time, Monday to Friday. All other hours are considered non-peak hours.

Load Energy Imbalance Associated with Point-to-Point or Network Integration Transmission**Service:**

For each Transmission Customer taking service under Part II or Part III of this Tariff, Energy Imbalance Service will be provided by the Transmission Provider under the following terms and conditions:

A deviation band of +/- 1.5 percent of the scheduled transaction (with a minimum deviation band of +/- 2 MW) will be applied hourly to any net load energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s).

Parties should attempt to eliminate energy imbalances within the limits of the deviation band within the billing month in accordance to the following:

- For hourly imbalances that arise during peak hours, such imbalances should be eliminated via deliveries or withdrawals during peak hours; and
- For hourly imbalances that arise during non-peak hours, such imbalances should be eliminated via deliveries or withdrawals during non-peak hours.

Net load energy imbalances within the deviation band that have not been eliminated at the end of the billing month will be subject to the charges set below:

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- Energy supplied by the Transmission Provider during peak hours to compensate for a net shortfall in peak hours delivery over the billing month will be charged at the average on-peak system marginal cost for the billing month. Energy supplied by the Transmission Provider during non-peak hours to compensate for a net shortfall in non-peak hours delivery over the billing month will be charged at the average non-peak system marginal cost for the billing month.
- Energy supplied to the Transmission Provider during peak hours as a net excess of the peak hours delivery over the billing month will be purchased by the Transmission Provider at the average on-peak system marginal cost for the billing month. Energy supplied to the Transmission Provider during non-peak hours as a net excess of the non-peak hours delivery over the billing month will be purchased by the Transmission Provider at the average non-peak system marginal cost for the billing month.

Energy imbalances outside of the deviation band are not eligible for elimination and are subject to charges as set forth below:

- Energy supplied by the Transmission Provider to compensate for a net hourly shortfall in delivery will be charged at 110% of the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at 90% of the hourly system marginal cost in the hour of the deviation.

NSPI

Open Access Transmission Tariff**Generation Energy Imbalance - Dispatchable Generators:**

For Dispatchable Generators in the Transmission Provider's Operating Area supplying load in the Transmission Provider's Operating Area, Energy Imbalance Service will be provided by the Transmission Provider under the following terms and conditions:

- Energy supplied by the Transmission Provider to compensate for a net shortfall in the hourly delivery will be charged at 110% of the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at 90% of the hourly system marginal cost in the hour of the deviation.

Generation Energy Imbalance - Non-Dispatchable Generators:

For Non-dispatchable Generators in the Transmission Provider's Operating Area supplying load in the Transmission Provider's Operating Area, Energy Imbalance Service will be provided by the Transmission Provider under the following terms and conditions:

Energy Imbalances inside a deviation band of +/- 10% of the scheduled transaction (with a minimum deviation band of +/- 2 MW) will be subject to charges as set forth below:

- Energy supplied by the Transmission Provider to compensate for a net shortfall in the hourly delivery will be charged at the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at the hourly system marginal cost in the hour of the deviation.

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All deviations from schedule outside of the +/- 10% deviation band will be subject to charges as set forth below:

- Energy supplied by the Transmission Provider to compensate for a net shortfall in the hourly delivery will be charged at 110% of the hourly system marginal cost in the hour of the deviation.
- Energy supplied to the Transmission Provider in net excess of the hourly delivery will be purchased by the Transmission Provider at 90% of the hourly system marginal cost in the hour of the deviation.

NSPI

Open Access Transmission Tariff**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. The Transmission Provider must offer this service when the transmission service is used to serve load within its Operating Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Spinning Reserve Service obligation. The charges, payable monthly, for Spinning Reserve Service are set forth below. To the extent the Operating Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Operating Area operator.

Point-to-Point Transmission Service:

The minimum period for which this service is available from the Transmission Provider is one day.

Delivery Period	Charge (\$)
Yearly	One twelfth of \$1,102.97/MW of Reserved Capacity per year
Monthly	\$91.91/MW of Reserved Capacity per month
Weekly	\$21.21/MW of Reserved Capacity per week
Daily	\$3.02/MW of Reserved Capacity per day

NSPI

Open Access Transmission Tariff**Network Integration Transmission Service:**

\$91.91/MW of the Network Integration Transmission Service per month.

Customer Obligations for Self-supply and Third-party Supply

The customer obligation for self-supply or third-party supply of Operating Reserve – Spinning Reserve is equal to 1.40% of the Transmission Customer’s reserved capacity for Point-to-Point Transmission Service and 1.40% of the Network Load for Network Integration Transmission Service.

Supplier Obligations

Transmission Customers that self-supply this service, and third-party suppliers, shall provide between 100 and 110% of the stated MW amount within eight minutes of notification by the Transmission Provider to activate these reserves. The reserves shall be sustainable for an additional 50 minutes.

Suppliers who offer Operating Reserve have an obligation to supply these reserves when notified by the Transmission Provider. Due to the infrequent occurrence of this and the importance of reserves to overall system reliability, a penalty will be applied to any supplier who is unable to meet its obligations. The penalty will be equal to one month’s charge for the amount of deficient reserves for each failure to supply.

Activation of Reserves

When a contingency occurs, the Transmission Provider will activate, at its sole discretion, sufficient reserves from (i) those under contract with the Transmission Provider, (ii) those provided by Transmission Customers, (iii) those contracted from third parties by Transmission Customers. This includes, but is not restricted to, NSPI resources. Typically the activation will be done to minimize

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the overall cost of supplying reserves and to return the system to pre-contingency conditions within the time required by NPCC and NERC.

Operating Reserve service will only be available for the hour in which the contingency occurs and the following two hours. The quality of service will be firm for this time period. The Transmission Customer is responsible to address any deficiency of its supply by the end of that time period. Any unscheduled energy withdrawal will be treated as Energy Imbalance as per Schedule 4.

NSPI

Open Access Transmission Tariff**SCHEDULE 6****Operating Reserve - Supplemental Reserve Service**

Supplemental Reserve Service (also referred to as Contingency Reserve – Supplemental) 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. The Transmission Provider must offer this service when the transmission service is used to serve load within its Operating Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements to satisfy its Supplemental Reserve Service obligation. The charges, payable monthly, for Supplemental Reserve Service are set forth below. To the extent the Operating Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Operating Area operator.

Operating Reserve – Supplemental (10 minute):**Point-to-Point Transmission Service:**

The minimum period for which this service is available from the Transmission Provider is one day.

Delivery Period	Charge (\$)
Yearly	One twelfth of \$2,447.29/MW of Reserved Capacity per year
Monthly	\$203.94/MW of Reserved Capacity per month
Weekly	\$47.06/MW of Reserved Capacity per week
Daily	\$6.70/MW of Reserved Capacity per day

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Open Access Transmission Tariff**Network Integration Transmission Service:**

\$203.94/MW of the Network Integration Transmission Service per month.

Customer Obligations for Self-supply and Third-Party Supply

The customer obligation for self-supply or third-party supply of Operating Reserve – Supplemental Reserve will be equal to 5.6% of Reserved Capacity for Point-to-Point Transmission Service and 5.6% of Network Load for Network Integration Transmission Service.

Supplier Obligations

Transmission Customers that self-supply this service, and third-party suppliers, shall provide between 100 and 110% of the stated MW amount within eight minutes of notification by the Transmission Provider to activate these reserves. The reserves shall be sustainable for an additional 50 minutes.

Suppliers who offer Operating Reserve have an obligation to supply these reserves when notified by the Transmission Provider. Due to the infrequent occurrence of this and the importance of reserves to overall system reliability, a penalty will be applied to any supplier who is unable to meet its obligations. The penalty will be equal to one month's charge for the amount of deficient reserves for each failure to supply.

Activation of Reserves

When a contingency occurs, the Transmission Provider will activate, at its sole discretion, sufficient reserves from (i) those under contract with the Transmission Provider, (ii) those provided by Transmission Customers, (iii) those contracted from third parties by Transmission Customers.

This includes, but is not restricted to, NSPI resources. Typically the activation will be done to

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minimize the overall cost of supplying reserves and to return the system to pre-contingency conditions within the time required by NPCC and NERC.

Reserve services will only be available for the hour in which the contingency occurs and the following two hours. The quality of service will be firm for this time period. The Transmission Customer is responsible to address any deficiency of its supply by the end of that time period. Any unscheduled energy withdrawal will be treated as Energy Imbalance as per Schedule 4.

Operating Reserve – Supplemental (30 minute):**Point-to-Point Transmission Service:**

The minimum period for which this service is available from the Transmission Provider is one day.

Delivery Period	Charge (\$)
Yearly	One twelfth of \$2,346.46/MW of Reserved Capacity per year
Monthly	\$195.54/MW of Reserved Capacity per month
Weekly	\$45.12/MW of Reserved Capacity per week
Daily	\$6.43/MW of Reserved Capacity per day

Network Integration Transmission Service:

\$195.54/MW of the Network Integration Transmission Service per month.

Customer Obligations

The customer obligation for reserves is equal to 2.8% of Reserved Capacity for Point-to-Point Transmission Service and 2.8% of Network Load for Network Integration Transmission Service.

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Open Access Transmission Tariff**Supplier Obligations**

Transmission Customers that self-supply this service, and third-party suppliers, shall provide between 100 and 110% of the stated MW amount within 30 minutes of notification by the Transmission Provider to activate these reserves. The reserves shall be sustainable for at least 60 minutes from the time of activation.

Suppliers who offer Operating Reserve have an obligation to supply these reserves when notified by the Transmission Provider. Due to the infrequent occurrence of this and the importance of reserves to overall system reliability, a penalty will be applied to any supplier who is unable to meet its obligations. The penalty will be equal to one month's charge for the amount of deficient reserves for each failure to supply.

Activation of Reserves

When a contingency occurs, the Transmission Provider will activate, at its sole discretion, sufficient reserves from (i) those under contract with the Transmission Provider, (ii) those provided by Transmission Customers, (iii) those contracted from third parties by Transmission Customers.

This includes, but is not restricted to, NSPI resources. Typically the activation will be done to minimize the overall cost of supplying reserves and to return the system to pre-contingency conditions within the time required by NPCC and NERC.

Reserve services will only be available for the hour in which the contingency occurs and the following two hours. The quality of service will be firm for this time period. The Transmission Customer is responsible to address any deficiency of its supply by the end of that time period. Any unscheduled energy withdrawal will be treated as Energy Imbalance as per Schedule 4.

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Open Access Transmission Tariff**SCHEDULE 7****Long-Term Firm and Short-Term Firm Point-To-Point
Transmission Service**

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

- 1) **Yearly delivery:** one-twelfth of the demand charge of \$42,970.59/MW of Reserved Capacity per year.
- 2) **Monthly delivery:** \$3,580.88/MW of Reserved Capacity per month.
- 3) **Weekly delivery:** \$826.36/MW of Reserved Capacity per week.
- 4) **On-Peak Daily delivery:** \$165.27/MW of Reserved Capacity per day.
- 5) **Off-Peak Daily Delivery:** \$117.73/MW of Reserved Capacity per day

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

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

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- (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, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- 7) On-Peak days for this service are defined as Monday to Friday.

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Open Access Transmission Tariff**SCHEDULE 8****Non-Firm Point-To-Point Transmission Service**

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

- 1) **Monthly delivery:** \$3,580.88/MW of Reserved Capacity per month.
- 2) **Weekly delivery:** \$826.36/MW of Reserved Capacity per week.
- 3) **On-Peak Daily delivery:** \$165.27/MW of Reserved Capacity per day.
- 4) **Off-Peak Daily Delivery:** \$117.73/MW of Reserved Capacity per day.

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

- 5) **On-Peak Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$10.33/MWh.
- 6) **Off-Peak Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed \$4.91/MWh.

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

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in any hour during such week.

- 7) **Discounts:** Three principal requirements apply to discounts for transmission service as follows:
- (i) any offer of a discount made by the 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, the Transmission Provider must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

- 8) On-Peak days for this service are defined as Monday to Friday.
- 9) On-Peak hours for this service are defined as time between hour ending 09:00 and hour ending 24:00 Atlantic Time, Monday to Friday.

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Open Access Transmission Tariff**SCHEDULE 9****Real Power Loss Factors**

For Point-to-Point service, the Transmission Provider will seasonally calculate loss factors to be used on a path-by-path basis. For each season, winter and summer, the power flow models used to calculate the losses will include peak and off-peak hours to derive an average loss factor for each path. For long-term Point-to-Point service, the annual loss factor to be used for a particular path is the average of the seasonal values. The loss factors will be posted on the Transmission Provider's OASIS site.

For Network Service, the Transmission Provider will apply the system average loss factor of 3.15%. This factor will be reviewed annually and is subject to change annually. It will be posted on the OASIS.

Transmission Customers are required to provide the losses associated with their service. All Transmission Customers are required to include an amount of additional capacity in their service requests sufficient to carry the losses associated with their service.

Locational Loss Factors for new generation will be determined during the System Impact Study and be applied to generation dispatch merit order if such generation is to be economically dispatched by the Transmission Provider. If the generator is self-dispatched, loss factors will be applied to determine the unit net output.

Locational Loss Factors for each generator will be determined on an annual basis and will be posted on the OASIS.

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Open Access Transmission Tariff**SCHEDULE 10****Network Integration Transmission Service Rate**

Energy Imbalance Service does not apply to deviations in scheduled delivery of energy from Non-dispatchable Generation sources to Network Load inside the Transmission Provider's Operating Area.

1. The rate charged for Network Integration Transmission Service is \$2,782.20/MW-m, based on the Transmission Customer's Net Non-coincident Monthly Peak Demand.
2. Net Non-coincident Monthly Peak Demand is the maximum hourly demand at each Point of Delivery designated as Network Load (including its designated Network Load not physically interconnected to the Transmission Provider's Transmission System).
3. Transmission congestion charges will be applied as follows:

$$A = B \times (C/D)$$

Where

A = the Network Customer's congestion charge for all hours of the month that congestion redispatch costs occurred.

B = Total redispatch costs during the month.

C = The Network Customer's load during the hours for which redispatch costs were incurred.

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D = The sum of all Network Integration Transmission Service load (including load served by the Transmission Provider) and Point-to-Point Transmission Service scheduled serving load in the Operating area during the hours of the month for which redispatch costs were incurred.

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Open Access Transmission Tariff**ATTACHMENT A****Form For****Long-Term Firm Point-To-Point Transmission Service Agreement**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Nova Scotia Power Incorporated (the Transmission Provider), and _____ (the "Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Long-Term Firm Point-To-Point Transmission Service under Section 17.2 of the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as set forth in the attached specifications for Long-Term Firm Point-to-Point Transmission Service incorporated herein.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Long-Term Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Transmission Provider:

Mailing Address as posted on OASIS

Transmission Customer:

Company Name: _____

Billing Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

TSIN Code _____

TSIN DUNS _____

Administrative Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

7.0 No failure by the Transmission Provider or the Transmission Customer at any time or from time to time to enforce or require a strict observance of any of the provisions of this Service Agreement shall constitute a waiver of the provision or affect or impair such provisions or the right of the Transmission Provider or the Transmission Customer at any time to enforce such provisions or to avail itself of any remedy it may have.

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8.0 This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and any Assignees of the Transmission Customer authorized pursuant to Section 23.1 of the Tariff.

9.0 The Tariff and the attached Specifications for Long-Term Firm Point-to-Point Transmission Service are incorporated herein and made a part hereof.

10.0 Applicable taxes shall be added to all charges set forth in the Tariff.

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

Transmission Provider:

By: _____
 Name Title Date

Transmission Customer:

By: _____
 Name Title Date

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

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

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

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

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

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

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Redispatch Charge:

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8.6 Network Upgrade Charge:

NSPI

Open Access Transmission Tariff**ATTACHMENT B****Form For****Short-Term Firm and Non-Firm Point-To-Point Service Agreement**

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

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Open Access Transmission Tariff

Transmission Provider:

Mailing Address as posted on OASIS

Transmission Customer:

Company Name: _____

Billing Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

TSIN Code _____

TSIN DUNS _____

Administrative Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

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

NSPI

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

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

NSPI

Open Access Transmission Tariff**ATTACHMENT C****Methodology To Assess Available Transmission Capability****1. Objective**

The purpose of this document is to describe the methodology used by the Transmission Provider to determine the Total Transfer Capability (TTC) and the Available Transmission Capability (ATC) between the Transmission Provider and its neighboring utilities. The Transmission Provider is Nova Scotia Power, Inc. (NSPI), which owns, controls, and operates facilities used for the generation and transmission of electric power and energy and provides transmission services under the OATT. NSPI is also the System Operator for the electric system in Nova Scotia.

The following documents were used as references:

- i. *Revised NPCC Methodology and Procedure for the Determination and Posting of Available Transfer Capability*; NPCC Ad Hoc ATC Working Group Report, Northeast Power Coordinating Council, June 2, 1998
- ii. *Available Transfer Capability Definitions and Determination*; North American Electric Reliability Council, June 1996.
- iii. *Basic Criteria for Design and Operation of Interconnected Power Systems*; NPCC Document A-2, Northeast Power Coordinating Council, Revised August 9, 1995.
- iv. *Special Protection Systems Criteria*, NPCC Document A-11; Northeast Power Coordinating Council, November 14, 2002.

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2. Transmission Interfaces

Given Nova Scotia's geographic location, interconnection with other transmission systems is provided by a single interface with New Brunswick, although there are three transmission lines crossing the NS-NB border (one 345kV and two 138kV lines). From the perspective of NS-NB transfer capability, there is a single 345kV line in parallel with a single 138kV line, since the two 138kV lines merge into a single 138kV line at Springhill Nova Scotia.

It may be necessary to calculate ATC/TTC on internal interfaces as a means of managing congestion.

3. General Outline for Evaluation of the ATC

As defined by NERC, ATC is a measure of the transfer capability remaining in the physical transmission network for further commercial activity over and above already committed uses. Mathematically, ATC is defined as the Total Transfer Capability (TTC) less the Transmission Reliability Margin (TRM), less the sum of Existing Transmission Commitments (ETC) (which includes retail customer service), less the Capacity Benefit Margin (CBM).

Since the Maritimes Area is radially connected to the Eastern Interconnection, and Nova Scotia is radially connected to the New Brunswick system, the calculation of ATC does not involve "parallel path flows". However, the NS-NB interconnection capability is dependent on a number of operational considerations that introduce uncertainty into the value of ATC for long-term reservation requests.

The determination of ATC and TTC requires the cooperation of the transmission providers on each side of the interconnection. NSPI and NB Power must agree on the limiting factor to establish the capacity of the interconnection in each direction. The NS-NB interconnection is limited by thermal equipment ratings and system stability for the export limit, and thermal,

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voltage, and stability ratings for the import limit. The interconnection capability relies heavily on the design and operation of Special Protection Systems, as defined by NPCC. Import capability is a function of the power that can be reliably delivered to the interface via the NB Power Transmission System, and the power that can be reliably received into Nova Scotia. The NB Power Transmission Tariff highlights the methodology used to determine the former quantity. It should be noted that the NB Power transmission system has “simultaneous transfer limits”, which means that they cannot support simultaneous transfers on multiple interfaces. The simultaneous transfers on the following interfaces impact the NS-NB transfer limits:

- New Brunswick – New England interface
- New Brunswick – Prince Edward Island interface

Load flow base cases for winter peak and summer conditions are used in the determination of seasonal and long-term TTC and ATC values. For the winter case, an in-province forecasted peak load is modeled. In the summer case, in-province forecasted load is modeled on the basis of residential/commercial load at 60% of winter peak and large industrial at 100% of winter peak. All transmission facilities are assumed to be in-service and “normal” generation dispatch patterns are modeled.

Studies are then conducted to determine the TTC values under all possible combinations of transactions as explained in Section 4. The interface TRM and the CBM are determined using the principles given in Sections 5 and 6 respectively. Firm ATC and non-firm ATC values are calculated using the set of equations given in Sections 7 and 8 respectively.

4. Procedure for Calculating TTC

Based on load flow and stability studies, normal and first contingency scenarios are analyzed to determine the TTC of each interface independent of transactions on the other interfaces.

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The non-simultaneous TTC value for a given interface is defined as the lowest of the transfer limits defined by:

Thermal Limit: This is based on the most restrictive element in the transfer path (including internal Nova Scotia transmission) under normal or first contingency scenarios. Normal summer and winter thermal ratings are used under non-contingency scenarios. Emergency ratings are used for single contingency scenarios.

Voltage Limit: Network voltage will be kept in the range from 0.95 to 1.05 per unit for pre-contingency conditions, and between 0.90 and 1.07 per unit following single contingencies (10 minutes following the contingency for automatic tap changer operation).

Stability Limit: This limit is reached when further increase of a particular TTC results in system instability during normal conditions or single contingency scenarios.

Frequency Limits: If the Nova Scotia transmission system becomes isolated while importing power, frequency will decline until the load and generation balance is restored. This may require the activation of underfrequency load shedding (UFLS) in conjunction with generator governor response. The converse is true when exporting power, but limits on overfrequency are based on adverse impacts on generation. Frequency excursions for a single contingency must be maintained between 59.3 Hz and 61 Hz to avoid disruption to firm load or generating units.

NSPI uses a number of Special Protection Systems (SPS's), designed according to NPCC guidelines, to enhance the transfer limits between NSPI and NB Power. Whenever applicable, the SPS's are identified and reviewed as a part of the TTC calculations.

5. Procedure for Calculating Transmission Reliability Margin (TRM)

TRM for the NS-NB interface are determined on the basis of maintaining adequate

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Operating Margin, including Reserve Pickup Margin (such as reserve sharing), and to cover uncertainties within Nova Scotia and neighboring systems. Therefore, coordination with the concerned utilities is carried out in order to arrive at TRM values that produce a set of commercially viable and reliable ATC values. The TRM values are posted on OASIS, and are used in the calculations to arrive at the ATC values. In some cases no TRM is applied because the interface is protected by SPS action.

6. Procedure for Evaluation of the Capacity Benefit Margin (CBM)

Adequacy planning for Nova Scotia is conducted in accordance with the NPCC A-2 Criteria (Basic Criteria for Design and Operation of Interconnected Power Systems). The NSPI system is designed under the assumption that CBM is applied to the NS-NB interconnection capability. Long-term reservations must respect this margin. CBM is applicable to import capacity only.

7. Procedure for Calculating the Firm ATC Values

The firm ATC value for a given interface, in a specific direction, is evaluated as follows:

- 1) Determine the TTC value for this interface (taking into consideration any firm simultaneous transactions on other interfaces that impact the limit of this interface).
- 2) List all firm transmission reservations on the given interface, and calculate the total firm transmission reservation.
- 3) Determine the TRM and CBM values for this interface.
- 4) Firm ATC = $TTC - TRM - CBM - \text{Total Firm Transmission Reservations}$ (all terms of the ATC equation are directional).

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Open Access Transmission Tariff**8. Procedure for Calculating the Non-Firm ATC**

The non-firm ATC value for a given interface, in a given direction, is evaluated using different equations in the operating and planning horizons, as follows:

Operating Horizon: Takes into consideration transmission schedules.

- 1) List all Firm Scheduled Services on the given interface, and calculate the net schedule.
- 2) List all Non-firm Scheduled Services on the given interface, and calculate the net schedule.
- 3) Determine the TTC value for this interface (taking into consideration the firm and non-firm transmission schedules on other interfaces which impact the simultaneous limit of this interface).
- 4) Determine the TRM and CBM values and the portion (α) of the TRM that will not be available for any transactions, because of reliability concerns, where $0 \leq \alpha \leq 1$.
- 5) Non-firm ATC = TTC – α (TRM) – Non-firm Transmission Schedules – Firm Transmission Schedules (all terms of the ATC equation are directional with the exception of the "net" schedule).

Planning Horizon: Beyond the operating horizon and takes into consideration the transmission reservations.

- 1) List all Firm Transmission Reservations on the given interface, and calculate the total Firm Reservations.

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- 2) List all Non-firm Transmission Reservations on the given interface, and calculate the total Non-firm Reservations.
- 3) Determine the TTC value for this interface (taking into consideration the firm and non-firm transmission reservations on other interfaces that impact the simultaneous TTC value for this interface).
- 4) Determine the TRM and CBM values and the portion of (β) of the TRM, that will not be available for any transactions, because of reliability concerns, where $0 \leq \beta \leq 1$.
- 5) Non-firm ATC = $TTC - \beta (TRM) - \text{Non-firm Transmission Reservations} - \text{Firm Transmission Reservations}$ (all terms of the ATC equation are directional).
- 6) Long term ATC results do not include short-term equipment outages for maintenance and emergency repairs.

9. Updating Periods for the TTC and ATC

Because the TTC and ATC values depend on system conditions, actual schedules and planned transmission reservations, it is necessary to conduct periodic reviews to ensure that the posted values take into consideration the most recent information available to the Transmission Provider. Therefore updating of the TTC and ATC values will be done according to the following guidelines:

9.1 Updating the TTC Values:

The posted seasonal (summer and winter) TTC values for the NS-NB interface (and any future posted interface), under normal conditions, will be considered constant and valid for the entire season. These will be reviewed annually to ensure their

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validity for future years. Actual or forecast changes in system conditions will require a review and, if necessary, revision of the impacted TTC value(s).

9.2 Updating the TRM and CBM Values:

The TRM and CBM values will be reviewed, and updated as necessary, to account for any changes in system conditions that may require new margins. As previously indicated these values will not be posted on the OASIS, but will be used in the calculation of the ATC values.

9.3 Updating the ATC Values:

The Firm and Non-Firm ATC values for the operating and planning horizons are automatically calculated for the appropriate time frame, based on the following:

- Firm Scheduled Transmission Service,
- Non-Firm Scheduled Transmission Service,
- Firm Transmission Reservations,
- Non-Firm Transmission Reservations,
- TRM and CBM values,
- The magnitudes of α & β factors that may influence the amount of TRM and CBM that is available for non-firm transactions, and
- Individual and Simultaneous TTC values.

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Open Access Transmission Tariff**ATTACHMENT D****Methodology for Completing a System Impact Study****1. Scope**

A System Impact Study may be performed by the Transmission Provider to determine whether the Transmission Service requested by an Eligible Customer can be accommodated using the existing Transmission System. The study will identify any system constraints or impairments that would likely occur on the Transmission System and any redispatch options, within Nova Scotia, which may be available to accommodate the requested service. The study may examine potential constraints in other Operating Areas. The System Impact Study would be performed at the Eligible Customer's expense. A System Impact Study does not evaluate options associated with facilities expansion or network upgrades. System Impact Studies related to generation interconnection are conducted pursuant to the NSPI Standard Generator Interconnection Procedures.

2. Assessment of the Need

The Transmission Provider will make an assessment whether a System Impact Study is required to determine if the requested service can be accommodated. In making this assessment, the Transmission Provider will rely on operating experience and available technical information. The Eligible Customer will be advised of the result of this assessment as follows:

1. A System Impact Study is not required because the available information is sufficient to make a decision whether to approve or reject the requested service; or
2. A System Impact Study is required before making a decision on the requested service.

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Open Access Transmission Tariff**3. Guidelines and Principles**

In order to perform a System Impact Study, the Transmission Provider will develop system models for the known transmission system, including appropriate representation of load and generation for the time frame during which the Transmission Service is requested. These models will include existing agreements and other pending Transmission Service Requests. These models may include the representation of neighboring systems using the NPCC library of base cases as required.

The study may include load flow, short circuit, stability, loss evaluation, economic and other analyses as appropriate and will be conducted according to the following:

1. The Transmission Provider criteria and guidelines for operation and planning.
2. NPCC criteria and guidelines for design and operation of interconnected power systems.
3. NERC planning and operating standards.
4. Good Utility Practice.

4. Action Following the Completion

Based on the outcome of the System Impact Study, the Transmission Provider will notify the Eligible Customer of one of the followings findings:

1. The requested service can be accommodated without additional operating measures or new facilities.

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2. There are system constraints or impairments that may be avoided by system re-dispatch within Nova Scotia. The Eligible Customer is responsible for any additional cost incurred as a result of implementing such re-dispatch options.
3. The requested service can be accommodated by changing the operating procedures and/or securing Transmission Service in another Operating Area. The Eligible Customer shall be responsible for contacting the other Operating Area to determine the general availability of such operating procedures or services.
4. The requested service cannot be accommodated because of equipment limitations or it can cause unacceptable system performance or reliability risks. The Eligible Customer can decide whether to modify or cancel the request.

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Open Access Transmission Tariff**ATTACHMENT E****Standards of Conduct*****Nova Scotia Power Inc.*****STANDARDS OF CONDUCT****For the Provision of Wholesale and Renewable to Retail
Electric Transmission Service**

These Standards of Conduct are applicable to Nova Scotia Power and its employees and the employees of its Affiliates. These Standards of Conduct govern Nova Scotia Power's relationships with its transmission customers and potential customers, including employees of Nova Scotia Power and its Affiliates.

These Standards of Conduct are based on FERC Order 2004 and its subsequent re-hearings and clarifications. Order 889 was issued in conjunction with FERC Order 888 regarding non-discriminatory transmission open access; Order 2004 further clarifies Order 889.

DEFINITIONS:

Affiliate: For the purposes of these Standards of Conduct, the term "affiliate" shall be interpreted in accordance with Sections 2(2), 2(3), and 2(4) of the Nova Scotia Companies Act 1.

1 Deemed affiliate

2(2) A company shall be deemed to be an affiliate of another company if one of them is the subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same person.

Deemed control

2(3) A company shall be deemed to be controlled by another person or by two or more companies if

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Energy Control Centre: means the facilities located in Halifax, Nova Scotia, which are used by the transmission services scheduling agent, the Operating Area operator, the bulk transmission system operator and the real time generation dispatch group for the Nova Scotia Power integrated system.

Marketing, Sales or Brokering: means a sale for resale of electric energy. Sales and Marketing employee or unit includes Nova Scotia Power's energy sales unit, unless such unit engages solely in bundled retail sales.

Open Access Same-time Information System (OASIS): An electronic medium information system, which provides Open Access Transmission customers with relevant information regarding available transmission capacity, prices, and other matters to enable them to obtain open access non-discriminatory transmission services from the Transmission Provider.

Operating Area: means the Nova Scotia transmission system, bounded by the Nova Scotia – New Brunswick border, under the control of the Nova Scotia Power Energy Control Centre. The Nova Scotia Operating Area is a part of the Maritimes Control Area as defined by the Northeast Power Coordinating Council.

Transmission: means electric transmission, network or point-to-point service, reliability service, ancillary services or other methods of transportation or the interconnection with jurisdictional transmission facilities.

-
- (a) voting securities of the first-mentioned company carrying more than fifty per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or by or for the benefit of the other companies; and
 - (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned company.

Deemed subsidiary

2(4) A company shall be deemed to be a subsidiary of another company if

- (a) it is controlled by
 - (i) that other, or
 - (ii) that other and one or more companies each of which is controlled by that other, or
 - (iii) two or more companies each of which is controlled by that other; or

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Open Access Transmission Tariff

Transmission Customer: means any eligible customer, or designated agent that can or does execute a transmission service agreement or can or does receive transmission service, including all persons who have pending requests for transmission service or for information regarding transmission.

Transmission Function Employee: means an employee, contractor, consultant or agent of Nova Scotia Power who conducts transmission system operations or reliability functions, including, but not limited to, those who are engaged in day-to-day duties and responsibilities for planning, directing, organizing or carrying out transmission-related operations.

Transmission System Operations or Reliability Functions: means the direct act of operating the Nova Scotia transmission system to provide transmission services according to an approved transmission tariff and the reliability rules of the Northeast Power Coordinating Council.

Transmission System: The facilities owned, controlled or operated by Nova Scotia Power that are used to provide transmission service under the Tariff.

A. GENERAL RULES:

1. Transmission Function employees must function independently of Nova Scotia Power's Marketing and Sales employees, and from any employees of its Affiliates.
2. Transmission Function employees must treat all transmission customers, affiliated and non-affiliated, on a non-discriminatory basis, and must not operate its transmission system to preferentially benefit an Affiliate.

(b) it is a subsidiary of a company that is that others subsidiary. R.S., c. 81, s. 2; 1990, c.15, s. 2.

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Open Access Transmission Tariff**B. INDEPENDENT FUNCTIONING:****1. Separation of Functions**

- a) Except in emergency circumstances affecting system reliability, Transmission Function Employees must function independently of Nova Scotia Power's Marketing and Sales or Affiliates' employees.
- b) Notwithstanding any other provisions in this section, in emergency circumstances affecting system reliability, Transmission Function Employees must post on the OASIS each emergency that resulted in any deviation from the standards of conduct, within 24 hours of such deviation.
- c) Employees of Nova Scotia Power's Affiliates or Marketing and Sales function are prohibited from:
 - i) conducting Transmission System Operations or Reliability Functions; and
 - ii) having access to the Energy Control Centre, or similar facilities used for Transmission System Operations or Reliability Functions, that differs in any way from the access available to other Transmission Customers.
- d) Nova Scotia Power is permitted to share support employees and field and maintenance employees with their Marketing and Affiliates.

2. Identifying Affiliates on the Public Internet

- a) Nova Scotia Power must post the names and addresses of its Marketing and Sale

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units and Affiliates on its OASIS.

- b) Nova Scotia Power must post on its OASIS a complete list of the facilities shared by Transmission Function Employees and employees of its Marketing and Sales units or Affiliates, including the types of facilities shared and their addresses.
- c) Nova Scotia Power must post comprehensive organizational charts showing:
 - i) The organizational structure of the parent corporation with the relative position in the corporate structure of the Transmission Function, Marketing and Sales units and any Affiliates;
 - ii) For Nova Scotia Power's Transmission Function, the business units, job titles and descriptions, and chain of command for all positions, including officers and directors, with the exception of clerical, maintenance, and field positions. The job titles and descriptions must include the employee's title, the employee's duties, whether the employee is involved in transmission or sales, and the name of the supervisory employees who manage non-clerical employees involved in transmission or sales.
 - iii) For all employees who are engaged in Transmission Functions for Nova Scotia Power and Marketing and Sales functions, or who are engaged in Transmission Functions for Nova Scotia Power and are employed by any of the Affiliates, Nova Scotia Power must post the name of the business unit within the Marketing and Sales unit or the Affiliate, the organizational structure in which the employee is located, the employee's name, job title and job description in the Marketing and Sales unit or Affiliate, and the employee's position within the chain of

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command of the Marketing and Sales unit or Affiliate.

- iv) Nova Scotia Power must update the information on its OASIS, required by Section B (2), (a), (b) and (c) within seven business days of any change, and post the date on which the information was updated.
- v) Nova Scotia Power must post information concerning potential merger partners as Affiliates within seven days after the merger is announced.

d) **Transfers**

Transmission Function Employees and employees of Nova Scotia Power's Marketing and Sales units or Affiliates are not precluded from transferring among such functions as long as such transfer is not used as a means to circumvent these Standards of Conduct. Notices of any employee transfers must be posted on the OASIS. The information to be posted must include: the name of the transferring employee, the respective titles held while performing each function (i.e. on behalf of the Transmission Function, Marketing and Sales function or Affiliate), and the effective date of the transfer. The information posted under this section must remain on the OASIS for 90 days.

e) **Written Procedures**

- i) Nova Scotia Power must post on the OASIS current written procedures for implementing the Standards of Conduct in sufficient detail to enable customers to determine that Nova Scotia Power is in compliance with the Standards of Conduct.
- ii) Nova Scotia Power will distribute the written procedures to all its

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employees and employees of its Affiliates.

- iii) Nova Scotia Power shall require all applicable employees, covered by the Standards of Conduct, to attend training and sign a document certifying that they have been trained regarding the requirements of the Standards of Conduct.
- iv) Nova Scotia Power shall designate a Chief Compliance Officer who will be responsible for Standards of Conduct compliance.

3. **Non-discrimination requirements**

a) **Information Access**

- i) Employees of Nova Scotia Power engaged in Marketing and Sales or any employee of an Affiliate may have access only to information which is available to Nova Scotia Power's transmission customers (i.e., the information posted on the OASIS), and must not have access to any information about Nova Scotia Power's transmission system that is not available to all users of the OASIS.
- ii) Nova Scotia Power must ensure that any employee who is engaged in Marketing and Sales or any employee of an Affiliate is prohibited from obtaining information about Nova Scotia Power's transmission system (including, but not limited to, information about available transmission capability, price, curtailments, ancillary services, balancing, maintenance activity, capacity expansion plans or similar information) through access to information not posted on the OASIS or that is not otherwise also available to the general public without restriction.

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Open Access Transmission Tariff**b) Prohibited Disclosure**

- i) Transmission Function Employees may not disclose to Nova Scotia Power's Marketing and Sales employees, or to employees of Affiliates any information concerning the transmission system of Nova Scotia Power or the transmission system of another (including, but not limited to, information received from non-affiliates or information about available transmission capability, price, curtailments, storage, ancillary services, balancing, maintenance activity, capacity expansion plans, or similar information) through non-public communications conducted off the OASIS that are not contemporaneously available to the public, or through information on the OASIS that is not at the same time publicly available.
- ii) Transmission Function Employees may not share any information, acquired from nonaffiliated transmission customers or potential nonaffiliated transmission customers, or developed in the course of responding to requests for transmission or ancillary service on the OASIS, with employees of its Marketing and Sales unit or Affiliates, except to the limited extent information is required to be posted on the OASIS in response to a request for transmission service or ancillary services.
- iii) If a Transmission Function Employee discloses information in a manner contrary to the requirements of s. B, 3(b), (i) or (ii) Nova Scotia Power must immediately post such information on the OASIS.
- iv) A non-affiliate transmission customer may voluntarily consent, in writing, to allow Nova Scotia Power's Transmission Function to

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share the non-affiliated customer's information with Marketing and Sales or an Affiliate.

- v) Nova Scotia Power is not required to contemporaneously disclose to all transmission customers or potential transmission customers information covered by s. B, 3(b), (i) if it relates solely to a Marketing and Sales or an Affiliate's specific request for transmission service.
- vi) Nova Scotia Power's Transmission Function may share generation information necessary to perform generation dispatch with its Marketing and Sales units and Affiliates that does not include specific information about individual third party transmission transactions or potential transmission arrangements.
- vii) Transmission Function Employees are not permitted to use anyone as a conduit for sharing information covered by the prohibitions of s. B, 3(b), (i) or (ii) with Marketing and Sales or an Affiliate.
- viii) Nova Scotia Power is permitted to share crucial operating information with its Affiliate to maintain the reliability of the transmission system.

c) **Implementing Tariffs.**

- i) Transmission Function Employees must strictly enforce all tariff provisions relating to open access transmission service if these tariff provisions do not permit the use of discretion.
- ii) Transmission Function Employees must apply all tariff provisions relating to open access transmission service in a fair and impartial

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manner that treats all transmission customers in a non-discriminatory manner if these tariff provisions permit the use of discretion.

- iii) Transmission Function Employees must process all similar requests for transmission in the same manner and within the same period of time.
- iv) Nova Scotia Power must maintain a written log detailing the circumstances and manner in which it exercised its discretion under any terms of the tariff. The information contained in this log is to be posted on the OASIS within 24 hours of when Nova Scotia Power's Transmission Function exercises its discretion under any terms of the tariff.
- v) Nova Scotia Power may not, through its tariffs or otherwise, give preference to its own Marketing and Sales function or to any Affiliate, over any other wholesale customer in matters relating to the sale or purchase of transmission service (including, but not limited to, issues of price, curtailments, scheduling, priority, ancillary services, or balancing).

d) **Discounts**

Any offer of a discount for any transmission service made by Nova Scotia Power must be posted on the OASIS contemporaneously with the time that the offer is contractually binding. The posting must include: the name of the customer involved in the discount and whether it is an affiliate or whether an affiliate is involved in the transaction, the rate offered; the maximum rate, the time period for which the discount would apply; the quantity of power or gas scheduled to be moved; the delivery points under the transaction; and any

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conditions or requirements applicable to the discount. The posting must remain on the OASIS for 60 days from the date of posting.

ACKNOWLEDGEMENT

I acknowledge that I have read the Standards of Conduct that functionally separate the Transmission System Operations and Reliability Functions from the Marketing, Sales and Affiliates Functions and I agree to comply fully with them.

Name

Signature

NSPI

Open Access Transmission Tariff**ATTACHMENT F****Service Agreement For
Network Integration Transmission Service**

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Nova Scotia Power Incorporated (the Transmission Provider), and _____ (the Transmission Customer).
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Network Integration Transmission Service in accordance with the provisions of Section 29.2 the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in the amount of \$_____, in accordance with the provisions of Section 29.2 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of
- (1) _____, or
 - (2) the date on which construction of all Interconnection Equipment, any Direct Assignment Facilities and/or Network Upgrades are completed, or
 - (3) the date on which a Network Operating Agreement is executed and all requirements of said Agreement have been completed or
 - (4) the date the Board approves providing the service, if applicable
- Service under this agreement shall terminate on _____.

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5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Network Integration Service in accordance with the provisions of Part III of the Tariff and this Service Agreement.

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

Transmission Provider:

Mailing Address as posted on OASIS

Transmission Customer:

Company Name: _____

Billing Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

TSIN Code _____

TSIN DUNS _____

Administrative Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

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7.0 Term of Transaction:

Start Date:

Termination Date:

8.0 A detailed description of power and energy to be transmitted by Transmission Provider.

9.0 Detailed description of each Network Resource, including any operating restrictions:

10.0 Detailed description of the Transmission Customer's anticipated use of NSPI's interfaces:

11.0 Description of any transmission system owned or controlled by the Transmission Customer:

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12.0 Name (s) of any Intervening Transmission providers:

13.0 The Network Integration Service Customer’s obligation for the following services will be provided as follows:

Ancillary Service	Source
1. Scheduling, System Control and Dispatch	<u>NSPI</u>
2. Reactive Supply and Voltage Control	<u>NSPI</u>
3. Regulation and Frequency Response:	
3a. Regulation	_____
3b. Load Following	_____
4. Energy Imbalance	_____
5. Operating Reserve - Spinning Reserve	_____
6. Operating Reserve	
6a. Supplemental (10-minute) Reserve	_____
6b. Supplemental (30 Minute) Reserve	_____

The Transmission Provider will confirm the acceptability of each source of supply proposed by the Transmission Customer.

14.0 Description of required Direct Assignment Facilities:

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15.0 In addition to the charge for Transmission Service and charges for Ancillary Services as set forth in the Tariff, the customer will be subject to the following charges:

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

15.2 Direct Assignment Facilities Charges:

15.3 Redispatch Charges:

15.4 Network Upgrade Charges:

16.0 Credit for Network Customer Owned Transmission Facilities will apply in accordance with Section 30.9 of the Tariff.

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

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Open Access Transmission Tariff

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

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

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Open Access Transmission Tariff

ATTACHMENT G

Network Operating Agreement

Applicability

The Network Operating Agreement applies to Network (and Point-to-Point) Loads that are physically connected to the NSPI transmission system.

Network Customers that are not physically connected to the NSPI transmission system will be governed by the interconnection agreement between NSPI and the transmission owner to which the Network Customer is physically connected.

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Open Access Transmission Tariff

NETWORK OPERATING AGREEMENT

Between

NOVA SCOTIA POWER INCORPORATED

And

(Insert Customer Name)

(Date)

NSPI

Open Access Transmission Tariff

NETWORK OPERATING AGREEMENT

THIS AGREEMENT MADE THIS _____ day of _____, 20_____.

BETWEEN: NOVA SCOTIA POWER INCORPORATED

a body corporate, with head office at Halifax, Province of Nova Scotia, hereinafter referred to as "NSPI";

- and -

and Eligible Customer, in accordance with Section 1.14 of NSPI's Open Access Transmission Tariff, having its head office in _____, hereinafter referred to as "the Customer",

Both of which may hereinafter be referred to as "the Parties hereto".

WHEREAS the Customer is the owner and operator of facilities located in _____, the County of _____ in the Province of Nova Scotia (the "Customer's premises"), and requires a supply of power and energy for its operation;

AND WHEREAS NSPI has agreed to deliver and the Customer has agreed to purchase from NSPI transmission services for aforesaid Customer premises pursuant to the terms and conditions of this Agreement.

NOW THEREFORE this Agreement witnesseth that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties hereto mutually covenant and agree as follows:

NSPI

Open Access Transmission Tariff

1.0 DEFINITIONS

In this Agreement, unless the context otherwise requires, the following definitions shall apply:

NSPI Facilities

NSPI Facilities are the transmission system of NSPI and the necessary _____ kV extension thereof constructed to the Delivery Point, together with the Metering Equipment, all of which are provided, owned and maintained by NSPI.

Customer Facilities

The Customer Facilities are the facilities beyond the Delivery Point, which are provided, owned and maintained by the Customer and, in addition, shall be deemed to also include any Rental Facilities.

Without limiting the generality of the foregoing, these facilities include

Delivery Point

The Delivery Point is the place at which the Customer Facilities and NSPI Facilities are connected together, specifically _____ as shown on NSPI Substation Diagram No. _____ dated _____ attached hereto and marked Appendix A.

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Open Access Transmission Tariff**Good Utility Practice**

Good Utility Practice is a practice consistent with the reasonable and practicable operation of electric utilities in Canada.

Metering Equipment

The Metering Equipment is the meters and associated equipment approved by Measurement Canada or such other authority as may from time to time be charged with such responsibility, required for measuring power and energy supplied to the Customer under this Agreement.

Metering Point

The Metering Point is the point at which all power and energy supplied to the Customer is measured. The Metering Point is at or near the Delivery Point.

Rental Facilities

The Rental Facilities are those facilities provided, owned and maintained by NSPI for which the Customer pays a Rental Charge.

Without limiting the generality of the foregoing, these facilities include

2.0 CHARACTERISTICS OF SUPPLY**2.1 Characteristics of Supply**

Subject to Article 3.1 hereof the power and energy supplied to the Customer at the Delivery

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Point shall be three-phase alternating current at the nominal frequency of 60-hertz and at a nominal voltage of _____ volts between phases.

2.2 Metering

Metering shall be in accordance with NSPI's "Metering Standards" and Section 4 "Metering" of NSPI's "Rates / Regulations and Procedures". Meter reading and billing shall be in accordance with Section 5 "Meter Reading and Billing" of NSPI's "Rates / Regulations and Procedures".

NSPI shall provide, own and maintain the Metering Equipment. If requested by NSPI, the Customer shall provide at the Customer's expense adequate space and facilities on the Customer's premises satisfactory to NSPI for the installation and maintenance of the Metering Equipment.

In this section where reference is made to Measurement Canada it shall also be deemed to include any other authority as may from time to time be charged with the responsibility for metering.

If, for any period, the Metering Equipment or any part thereof is not in service, the power and energy supplied during such period shall be determined by NSPI, after consultation with the Customer, from the best information available. In the event that the Parties are unable to reach agreement on the determination of the power and energy supplied to the Customer, the decision of NSPI shall be deemed to be conclusive.

The Customer may request NSPI to verify the accuracy of the Metering Equipment more often than once a year. If the Customer is not satisfied with NSPI's results the Customer may request that further verification be made by Measurement Canada. In either case, if the Metering Equipment is accurate within the limits specified by Measurement Canada, the Customer shall pay the cost of performing such verification. If the Metering Equipment is

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inaccurate by more than the limits specified by Measurement Canada, an adjustment based on the full error of the Metering Equipment shall be made in the Customer's bills for any known or agreed period of inaccuracy.

If, at any time, the Metering Equipment is found to be inaccurate by more than the limits specified by Measurement Canada, the Metering Equipment or any faulty components thereof shall be promptly replaced, repaired or readjusted by NSPI at NSPI's expense.

NSPI may modify or replace the Metering Equipment from time to time.

3.0 GENERAL OBLIGATIONS OF THE CUSTOMER**3.1 Customer's Equipment**

The Customer shall be responsible for installing and maintaining protective equipment to protect the Customer Facilities from variations in frequency and voltage or from temporary delivery of other than three-phase power.

The Customer agrees that all motors, transformers and other equipment utilized in its installation shall conform with Canadian Standards Association requirements, and shall be wired, connected and operated so as not to produce detrimental effects on NSPI Facilities which could adversely affect the adequacy of service to the Customer and other customers.

3.2 Electrical Harmonics

Electrical harmonics shall be considered as components of current or voltage whose frequency is some multiple of the 60-hertz fundamental frequency. The Customer shall assume the responsibility of direct loss by reason of damages to NSPI Facilities caused by electrical harmonics produced in the Customer Facilities provided that such liability shall be restricted to the repair or, if necessary, the replacement or modification of such NSPI

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Facilities which have been damaged or made necessary by reason of electrical harmonics produced in the Customer Facilities. The Customer agrees to take all reasonable steps to limit the effects of any electrical harmonics that may be produced in the Customer Facilities to a level tolerable to NSPI. NSPI shall cooperate with the Customer in the investigation of any harmonic problems and the analysis of corrective measures. NSPI reserves the right to discontinue the supply of power and energy where in its opinion the reliability of NSPI Facilities is threatened by the presence of electrical harmonics.

3.3 Load Balance

The Customer agrees to take and use the three-phase current supplied through the NSPI transmission system in such manner that in no case shall the difference between any two phases be greater than 5%. The Customer, upon written instructions from NSPI, shall so adjust its load as to comply with this requirement.

3.4 Right-of-Way

The Customer agrees to provide and arrange for the necessary right-of-way on the Customer's premises for the appropriate NSPI Facilities and Rental Facilities free of cost to NSPI during the continuance of this Agreement, renewal or renewals thereof, and for six months thereafter, so that NSPI, its subcontractors, their respective employees and agents may enter upon the same and build, install and erect, construct, operate, repair and remove any or all of the appropriate NSPI Facilities or Rental Facilities, all of which shall not unduly interfere with the Customer's operations and which in the opinion of NSPI are necessary for the delivery of transmission service under this Agreement. Any changes, which the Customer may request NSPI to make in the location of NSPI Facilities or Rental Facilities, shall be made at the expense of the Customer.

NSPI**Open Access Transmission Tariff****3.5 Right of Access**

One or more representatives of NSPI appointed for this purpose may, at any reasonable time during the continuance of this Agreement, have access to the Customer's premises for the purposes of but not limited to meter reading, inspection, operation, testing, adjustment, repair, alteration, reconstruction, and removal of NSPI Facilities, or for the purpose of inspecting the Customer Facilities and taking records there from as required for compliance with this Agreement.

3.6 Preparation for the Receipt of Transmission Service

The Customer agrees to prepare for the receipt and use of transmission services hereunder and to supply, erect and maintain at its own risk, cost and charge, all transformers, switchgear, protective equipment, as well as poles, wires, hardware, cables, fittings, insulators and materials used in distribution on the Customer's premises beyond the Delivery Point.

In addition to the foregoing, the Customer agrees to provide, own and maintain beyond the Delivery Point any equipment that NSPI deems necessary from time to time during the continuance of this Agreement for the safety and security of operation of NSPI Facilities in accordance with Good Utility Practice. All the said equipment of the Customer shall be subject to the approval of NSPI and shall be installed, maintained and operated in a manner satisfactory to NSPI.

3.7 Customer's Responsibility for NSPI Facilities on its Premises

All NSPI Facilities and Rental Facilities furnished and installed on the Customer's premises shall remain the property of NSPI and should such NSPI Facilities or Rental Facilities be destroyed or damaged from any cause due to the Customer, or from any peril originating on

NSPI**Open Access Transmission Tariff**

the Customer's premises, the Customer shall reimburse NSPI for the full cost of repair or replacement.

3.8 Insulation Contamination

Contaminants shall be considered as foreign matter or substance deposited on insulation components which reduce the value and effectiveness of the insulation and may consist of dust, particles or chemicals either dry or in solution.

The Customer shall be responsible for the correction of contamination problems occurring on the Customer Facilities. If contaminants caused by activities on the Customer's premises accumulate on NSPI Facilities, which, in the opinion of NSPI affect the insulating characteristics, the Customer shall bear the cost of removal of contamination or replacement of insulation components as deemed necessary by NSPI. Interruptions of service occasioned to correct contamination problems shall be, where possible, arranged at a time mutually agreeable to the Customer and NSPI. Notwithstanding the above NSPI reserves the right to discontinue the supply of power and energy at its discretion where the reliability of its system is threatened by the presence of contaminants on insulation components.

4.0 GENERAL RIGHTS AND OBLIGATIONS OF NSPI

4.1 Interruption of Supply

NSPI shall provide a regular and uninterrupted delivery of transmission services under the terms of this Agreement but shall have no liability to the Customer for loss or damage from any failure of delivery in respect of any abnormality, delay, interruption or other partial or complete failure in the said delivery when such loss or damages are caused by something that is beyond the ability of NSPI to control by reasonable and practicable effort, said effort to be measured by Good Utility Practice as defined herein.

NSPI**Open Access Transmission Tariff**

NSPI shall have the right to suspend the delivery of transmission services for the purpose of safeguarding life or property, for making repairs, changes, renewals, improvements or replacements to NSPI Facilities or Rental Facilities but all such interruptions shall be of a minimum duration consistent with the exigencies of the case, and when possible, arranged for a time least objectionable to the Customer, and such interruptions shall not release the Customer from its obligation to pay all charges pursuant to this Agreement during the period of any such suspensions and to resume the use of power and energy when the supply is restored. When such repairs, changes, renewals, improvements or replacements are of a non-emergency routine nature that can be scheduled in advance by NSPI, NSPI shall advise the Customer in writing at least two weeks in advance of such work. The Customer shall be responsible for any additional costs incurred by NSPI resulting from performing, at the Customer's request, such repairs, changes, renewals, improvements or replacements outside of normal working hours.

4.2 Special or Consequential Damages

Notwithstanding any other provision in this contract, NSPI shall not be liable to the Customer for special or consequential damages, or damages for loss of use, arising directly or indirectly from any breach of this contract, fundamental or otherwise, and in particular but not limited to interruption of supply or from any acts or omissions of its employees.

4.3 Removal of Equipment at Termination

NSPI shall, at the termination of this Agreement, or within six months thereafter, remove from the Customer's premises the appropriate NSPI Facilities and Rental Facilities which may have been installed by NSPI for the supply of power and energy under this Agreement. Notwithstanding the termination of this Agreement, until such time as the NSPI Facilities and Rental Facilities are removed, they remain the risk of the Customer, but after the expiration of said six months period all such NSPI Facilities and Rental Facilities shall be at the risk of NSPI.

NSPI

Open Access Transmission Tariff**5.0 ENVIRONMENTAL CONTAMINATION**

5.1 Environmental Contamination

The Customer shall comply with all environmental laws and regulations with respect to Customer Facilities.

The Customer shall indemnify and save harmless NSPI from all loss, expense, damage or injury to persons or property inclusive of NSPI property arising as a result of environmental damage, contamination and/or injury due to or caused by the Customer.

NSPI shall comply with all environmental laws and regulations with respect to NSPI Facilities.

NSPI shall indemnify and save harmless the Customer from all loss, expense, damage or injury to persons or property inclusive of Customer property arising as a result of environmental damage, contamination and/or injury due to or caused by NSPI.

Both parties agree to immediately notify the other of any environmental incident that occurs relative to the terms of this Agreement.

6.0 FORCE MAJEURE

6.1 Force Majeure

Force Majeure is any cause beyond the reasonable control of NSPI including, without limiting the generality of the foregoing, failure of facilities, flood, earthquake, storm, nuclear disaster, lightning, fire, epidemic, war, riot, civil disturbance, labour trouble, strike, sabotage and restraint by court or public authority which by exercise of Good Utility Practice NSPI could not be expected to avoid. If NSPI is rendered unable to fulfill any obligations by

NSPI**Open Access Transmission Tariff**

reason of Force Majeure, it shall be excused from performing to the extent it is prevented from so doing but it shall exercise Good Utility Practice to correct such inability with all reasonable dispatch, and it shall not be liable for injury, damage or loss resulting from such inability. However, settlement of strikes and labour disturbances shall be wholly within the discretion of NSPI.

7.0 INDEMNITY**7.1 Indemnity by the Customer**

The Customer shall indemnify and save harmless NSPI from all loss, damage or injury to persons or property sustained by any third person or persons, including employees of NSPI and the Customer, arising from the operation and maintenance of the Customer Facilities, unless such loss, damage or injury results from negligence or willful misconduct of NSPI, its agents, servants or employees, provided that the Customer shall be given prompt notice of any such claim and shall have the exclusive right to defend and settle any such claim with the full cooperation of NSPI in such defense.

7.2 Indemnity by NSPI

NSPI shall indemnify and save harmless the Customer from all loss, damage or injury to persons or property sustained by any third person, or persons, including employees of the Customer and NSPI, arising from the operation and maintenance of NSPI Facilities, unless such loss, damage or injury results from negligence or willful misconduct of the Customer, its agents, servants or employees, provided that NSPI shall be given prompt notice of any such claim and shall have the exclusive right to defend and settle any such claim with the full cooperation of the Customer in such defense.

NSPI

Open Access Transmission Tariff**8.0 TERM OF AGREEMENT**

8.1 Term of Agreement

The Initial Term of this Agreement shall commence on the day and year first above written and continue in force for a period of five years. This Agreement shall terminate on the expiration of the Initial Term provided one of the Parties hereto has given at least 12 months written notice to the other Party. Should neither of the Parties hereto give notice to terminate this Agreement at the expiration of the Initial Term, this Agreement shall continue in full force and effect provided however that it may be terminated at any time after the expiration of the Initial Term by either Party having first given at least 12 months written notice of termination to the other Party.

9.0. FORMER AGREEMENTS

9.1 Former Agreements

This Agreement and all attached schedules constitute the entire agreement between the parties to this Agreement pertaining to the subject matter hereof and supercedes all prior and contemporaneous agreements, understandings, negotiations and discussions whether oral or written, of the parties and there are not warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement except as specifically set forth herein.

10.0 SUCCESSORS OF PARTIES

10.1 Successors and Assigns

This Agreement shall extend to and be binding upon and endure to the benefit of the Parties hereto and their respective successors and permitted assigns. The obligations under and the

NSPI

Open Access Transmission Tariff

benefit of this Agreement shall not be assignable by either party without the consent in writing of the other party. Such consent shall not be unreasonably withheld.

11.0 MODE OF DELIVERY

11.1 Mode of Delivery

Except as provided by this Agreement or otherwise agreed from time to time, any notice or other communication which is required by this Agreement to be given in writing, shall be sufficiently given if delivered personally to a senior official of the Party for whom it is intended or faxed or e-mailed or sent by registered mail, addressed as follows:

- a) In the case of the Company, to:

Attention:

- b) In the case of NSPI, to:

Nova Scotia Power Incorporated

P.O. Box 910

Halifax, NS B3J 2W5

Attention: Secretary and General Counsel

or delivered to such other person or faxed or e-mailed or sent by registered mail to such other address as either Party may designate for itself by notice given in accordance with this Section.

Any notice or other communication so mailed shall be deemed to have been received on the fifth business day following the day of mailing or if faxed or e- mailed shall be deemed to have been received on the same business day as the date of the fax or e-mail or if delivered personally shall be deemed to have been received on the date of delivery.

NSPI

Open Access Transmission Tariff**12.0 ADMENDMENT**

12.1 Amendment

If at any time during the continuance of this Agreement the parties shall deem it necessary or expedient to make any alteration or addition to this Agreement it shall be done by way of a written agreement which shall be supplemental and form part of this Agreement.

13.0 SEVERANCE

13.1 Severance

It is intended that all provisions of this Agreement shall be fully binding and effective between the parties, but in the event that any particular provision or provisions or a part of one is found void, voidable or unenforceable for any reason whatsoever, then the particular provision or provisions or part of the provision shall be deemed severed from the remainder of this Agreement and all other provisions shall remain in full force.

14.0 GOVERNING LAW

14.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Nova Scotia and any applicable Federal laws.

NSPI

Open Access Transmission Tariff

IN WITNESS WHEREOF the Parties hereto have caused their corporate seals to be hereto affixed and these presents to be executed by their duly authorized officers respectively.

NOVA SCOTIA POWER INCORPORATED

(CUSTOMER)

Date: _____

Date: _____

LRS Participation Agreement (“Agreement”)

THIS LRS PARTICIPATION AGREEMENT (“Agreement”) dated this ____ day of _____, 20__ (“Effective Date”)

BETWEEN:

[Name of Licenced Retail Supplier],

(hereinafter referred to as the “Licenced Retail Supplier” or “LRS”)

-and-

Nova Scotia Power Incorporated, a body corporate organized under the laws of the Province of Nova Scotia.

(hereinafter referred to as “NS Power”)

(individually a “Party”, together the “Parties”)

RECITALS:

- A. The LRS has been issued a valid Retail Supplier Licence by the Board under the *Electricity Act* (Nova Scotia) dated **[insert date]** and bearing licence number **[insert licence number]**; and
- B. The LRS wishes to sell renewable low-impact electricity, generated within the Province, to RtR Customers in accordance with the Act and the regulations made thereunder; and
- C. The LRS Terms and Conditions approved by the Board are to have the effect of a contract between LRS and NS Power by virtue of the execution of an LRS Participation Agreement of which the LRS Terms and Conditions are deemed to form a part;
- D. The LRS and NS Power wish to enter into this LRS Participation Agreement to satisfy the condition contained in the LRS Terms and Conditions that an LRS Participation Agreement be executed in order for the LRS to be eligible for LRS Tariffed Services from NS Power.

NOW THEREFORE, in consideration of the mutual covenants in this Agreement and of other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 1

LRS PARTICIPATION TERMS AND CONDITIONS

- 1.1 **Paramountcy:** In the event of any inconsistency between the terms of this Agreement and the LRS Terms and Conditions, the LRS Terms and Conditions shall prevail to the extent of the inconsistency. The LRS Terms and Conditions are published on NS Power's website at: <http://xxxx.xx>.**[NTD Insert when address is known]**
- 1.2 **Definitions:** All capitalized terms utilized in this Agreement shall, unless otherwise defined herein, have the meanings ascribed thereto in the LRS Terms and Conditions.
- 1.3 **Recitals:** The recitals shall form an integral part of this Agreement.
- 1.4 **Headings:** The division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement, nor shall they be construed as indicating that all of the provisions of this Agreement relating to any particular topic are to be found in any particular article, section, subsection, clause or provision.

ARTICLE 2

COMPLIANCE WITH LRS TERMS AND CONDITIONS

- 2.1 This Agreement is subject to the Board approved LRS Terms and Conditions, as amended from time to time. The LRS Terms and Conditions are deemed to form a part of this Agreement and is hereby incorporated into this Agreement. For certainty, any reference to "Agreement" includes the LRS Terms and Conditions.
- 2.2 Each Party acknowledges that it has received a copy of the LRS Terms and Conditions, has reviewed and understands the LRS Terms and Conditions and agrees to be bound by the LRS Terms and Conditions and any amendments thereto. Each Party agrees to comply with the LRS Terms and Conditions.

ARTICLE 3

QUALIFICATION FOR LRS TARIFFED SERVICES

- 3.1 The LRS warrants and agrees that all conditions and prerequisites for the LRS to be eligible for LRS Tariffed Services as set out in the Act and the LRS Terms and Conditions have been met as of the date of this Agreement and will continue to be met at all times during the term of this Agreement.

- 3.2 The LRS acknowledges and agrees that subscription by LRS to each of the Energy Balancing Service Tariff, Standby Service Tariff, Renewable to Retail Market Transition Tariff and the Open Access Transmission Tariff by the LRS is compulsory. For certainty, the LRS shall not be entitled to receive one or more of the individual LRS Tariffed Services without agreeing to accept and receive all of the LRS Tariffed Services.

ARTICLE 4

CREDIT ASSURANCE REQUIREMENTS

- 4.1 The LRS shall provide NS Power with, and shall maintain Credit Assurance for the performance of its obligations in accordance with Article 18 of the LRS Terms and Conditions.

ARTICLE 5

DEFAULTS AND REMEDIES

- 5.1 The LRS acknowledges the rights and obligations of NS Power and the LRS should either party default in the performance of its obligations under this Agreement, as set out in the LRS Terms and Conditions.

ARTICLE 6

REPRESENTATIONS AND WARRANTIES

- 6.1 **Representations and Warranties of LRS:** The LRS hereby represents and warrants as follows to NS Power and acknowledges and confirms that NS Power is relying on such representations and warranties without independent inquiry:
- (a) it is a [form of business organization] duly [incorporated/formed/registered] and existing under the laws of [location];
 - (b) it has all the necessary corporate power to enter into and perform its obligations under this Agreement;
 - (c) the execution, delivery and performance of this Agreement by it has been

duly authorized by all necessary corporate action;

- (d) the individual(s) executing this Agreement, and any document in connection herewith, on behalf of the LRS have been duly authorized to execute this Agreement and have the full power and authority to bind the LRS;
- (e) this Agreement constitutes a legal and binding obligation on the LRS, enforceable against the LRS in accordance with its terms; and
- (f) it holds all permits, licences and other authorizations that may be necessary to enable it to carry on the business and perform the functions and obligations of an LRS as described in the Act and in this Agreement.

6.2 Representations and Warranties of NS Power: NS Power hereby represents and warrants as follows to the LRS and acknowledges and confirms that the LRS is relying on such representations and warranties without independent inquiry:

- (a) it is a body corporate duly organized and existing under the laws of the Province of Nova Scotia;
- (b) it has all the necessary corporate power to enter into and perform its obligations under this Agreement;
- (c) the execution, delivery and performance of this Agreement by it has been duly authorized by all necessary corporate action;
- (d) the individual(s) executing this Agreement, and any document in connection herewith, on behalf of NS Power have been duly authorized to execute this Agreement and have the full power and authority to bind NS Power; and
- (e) this Agreement constitutes a legal and binding obligation on NS Power, enforceable against NS Power in accordance with its terms.

6.3 Notification: Each Party shall promptly notify the other Party of any circumstance that does or may result in any of the representations and warranties of such party as set forth in this Agreement or the LRS Terms and Conditions becoming untrue or inaccurate during the term of this Agreement. The LRS shall also promptly notify NS Power of any events, circumstances or conditions that has, had or could have the effect of resulting in the LRS no longer being qualified as an LRS.

ARTICLE 7

MISCELLANEOUS

- 7.1 **Amendment:** No amendment of this Agreement shall be effective unless made in writing and signed by the Parties.
- 7.2 **Assignment:** The LRS may not assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement without the prior written consent of NS Power. For certainty, NS Power shall not consent to an assignment of this Agreement by the LRS where the Board has not permitted the transfer or assignment of the LRS's Retailer Supplier Licence to the assignee or the assignee does not otherwise holds a valid Retail Supplier Licence issued by the Board.
- 7.3 **Successors and Assigns:** This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective heirs, administrators, executors, successors and permitted assigns.
- 7.4 **Further Assurances:** Each Party shall promptly execute and deliver or cause to be executed and delivered all further documents in connection with this Agreement that the other Party may reasonably require for the purposes of giving effect to this Agreement.
- 7.5 **Confidentiality Obligations:** Notwithstanding any term or condition of this Agreement, if the Agreement is terminated, the LRS shall remain subject to any confidentiality obligations with respect to all Confidential Information obtained by or provided to the LRS while the LRS was a Party to the Agreement.
- 7.6 **Ongoing Obligations:** If the Agreement is terminated, the LRS shall remain subject to and liable for all of its obligations and liabilities under this Agreement that were incurred or arose prior to the date of termination, regardless of the date on which any claim relating thereto may be made.
- 7.7 **Waiver:** A waiver of any default, breach or non-compliance under this Agreement is not effective unless in writing and signed by the Party to be bound by the waiver. No waiver will be inferred or implied by any failure to act or by the delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement shall not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

7.8 **Severability:** Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of that invalidity or unenforceability and shall be deemed severed from the remainder of this Agreement, all without affecting the validity or enforceability of the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

7.9 **Notices:** Any notice, demand, consent, request or other communication required or permitted to be given or made under this Agreement shall be given in writing and must be given by personal delivery, registered mail or facsimile transmittal as follows:

To NS Power: Nova Scotia Power Inc.
 Attention: Corporate Secretary
 Address: 1223 Lower Water Street
 Halifax, NS B3J 3S8
 Facsimile: (902) 428-6171

To LRS: LRS:
 Address
 Attention:
 Facsimile:

or to such address, facsimile number, or individual as may be agreed between the Parties in writing.

7.10 **Governing Law:** This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein.

7.11 **Survival:** Notwithstanding any provision to the contrary and for greater certainty, Article 7 of this Agreement and Articles 3.2, 8, 9, 10.2, 10.3 14.5, 18 and 19.2 of the LRS Terms and Conditions shall survive any termination of this Agreement without limit as to time.

7.13 **Counterparts:** This Agreement may be executed by the Parties hereto in counterparts, each of which when so executed and delivered shall be deemed to be an original and when taken together shall be deemed to be one and the same instrument. The electronic delivery, including, without limitation, by email or facsimile transmission, of any signed original of this Agreement shall be the same as the delivery of an original.

IN WITNESS WHEREOF the Parties have, by their duly appointed and authorized representatives, executed this Agreement effective as of the Effective Date.

**[INSERT NAME OF LICENCED
RETAIL SUPPLIER]**

**NOVA SCOTIA POWER
INCORPORATED**

Date: _____

Date: _____

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Signature: _____

Name: _____

Title: _____

Nova Scotia Power

Licensed Retail Supplier Terms and Conditions

~~As Approved by the UARB on ●~~

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1 **1.0 DEFINITIONS**

2

3 1.1 The following terms shall have the following meanings:

4

5 **Act:** The *Electricity Act*, S.N.S. 2004, c. 25, as amended from time to time.

6

7 **Ancillary Services:** Services that are necessary to support the transport of capacity and
8 energy from generation resources to loads while maintaining reliable operation of the
9 Transmission Provider's Transmission System in accordance with Good Utility Practice.

10

11 **Billing Period:** The time between two consecutive meter readings, or estimates, or a
12 combination thereof.

13

14 **Board:** Nova Scotia Utility and Review Board.

15

16 **Bundled Service:** Electrical service taken from NS Power under NS Power tariffs
17 approved by the Board. This takes the form of having generation, transmission,
18 distribution, Ancillary Services and all other items associated with the provision of such
19 service blended or bundled within the rate. For certainty, Bundled Service does not
20 include services taken from NS Power under the Distribution Tariff, the Energy
21 Balancing Service Tariff, the Standby Service Tariff or the Renewable to Retail Market
22 Transition Tariff.

23

24 **Business Day:** A Business Day is Monday to Friday, inclusive, excluding holidays. The
25 regular business hours on a Business Day are from 08:30 to 16:30 Atlantic Time.

26

27 **Calendar Day:** Any day including Saturday, Sunday or a holiday.

1 **Credit Assurance:** Collateral in the form of cash, a Letter(s) of Credit, or other security
2 acceptable to NS Power.

3
4 **Credit Rating:** With respect to an entity, the lowest of the ratings then assigned to such
5 entity's unsecured, senior long-term debt obligations (not supported by third party credit
6 enhancements), or issuer or general corporate rating.

7
8 **Confidential Information:** Information that is (a) designated as confidential in LRS
9 Terms and Conditions or LRS Participation Agreement; or (b) identified in writing as
10 confidential by the disclosing person at the time of disclosure. The following information
11 will not constitute Confidential Information: (i) information which is or becomes
12 generally available to the public other than as a result of a disclosure by NS Power; (ii)
13 information which was already known to NS Power on a non-confidential basis prior to
14 being furnished by the disclosing party; (iii) information which becomes available to NS
15 Power on a non-confidential basis from a source other than the disclosing party or a
16 representative of the disclosing party if such source was not subject to any prohibition
17 against transmitting the information to NS Power and was not bound by a confidentiality
18 agreement with the disclosing party; or (iv) information which was independently
19 developed by NS Power or its representatives without reference to the Confidential
20 Information.

21
22 **Customer Information:** Information including, but not limited to, the name, telephone
23 number, mailing address, e-mail address, service address, site contact name, site
24 contact telephone number and information regarding electricity consumption, class of
25 service and payment history of a Retail Customer or an RtR customer, as applicable.

26
27 **DBRS:** DBRS Limited or its successor.

1 **Demand Side Management (DSM) Recovery Charges:** Costs of DSM programs that
2 NS Power is entitled to recover from RtR Customers

3
4 **Distribution System:** NS Power's facilities and equipment (generally rated less than 69
5 kV) used to distribute electricity to ultimate usage points such as homes and industries
6 either directly from nearby generators or from interchanges from the Transmission
7 System.

8
9 **Distribution System Access:** The services provided by NS Power to the RtR Customer
10 under the Distribution Tariff to provide for the connection of the RtR Customer to the
11 Distribution System, but does not include the provision of electricity. These services are
12 comprised of delivery of electricity on the distribution system and related services
13 including connections, disconnections, line and service extensions, inspection services,
14 meter services, power restoration, meter reading, and customer service, all in accordance
15 with applicable NS Power Regulations.

16
17 **Distribution Tariff:** The NS Power distribution tariff approved by the Board which
18 provides for Distribution System Access by the RtR Customer receiving renewable low-
19 impact renewable electricity supplied by the LRS.

20
21 **Distribution Tariff Rate Schedules:** The rate schedules attached to the Distribution
22 Tariff which outline the pricing and availability provisions for Distribution System
23 Access.

24
25 **DT Charges:** Any and all charges or fees owing by the LRS' RtR Customers to NS
26 Power under the Distribution Tariff, including applicable taxes. For certainty, the DT
27 Charges shall include:

- 1 (a) All fees and charges for the provision of Distribution System Access;
2 (b) Demand Side Management Recovery Charges; and
3 (c) Other items as may be approved by the Board.
4

5 **Energy Balancing Service Tariff:** A NS Power tariff, approved by the Board, which
6 provides supplementary generation service to Licenced Retail Suppliers for the delivery
7 of energy to RtR Customers and reception by NS Power of surplus generation from
8 qualifying generators through the LRS.
9

10 **Good Utility Practice:** Those practices, methods or acts (including but not limited to the
11 practices, methods and acts engaged in or approved by a significant portion of the electric
12 utility industry in North America) that at a particular time, in the exercise of reasonable
13 judgment, would have been expected to accomplish the desired result in a manner
14 consistent with regulations, reliability, safety, environmental protection, economy and
15 expedition as applied and practiced in the utility industry with respect to power
16 generation, delivery, purchase and sale.
17

18 **Letter of Credit:** One or more irrevocable, transferable standby letters of credit issued
19 by a Schedule 1 Canadian Chartered Bank with such bank having a Credit Rating of A
20 from S&P or DBRS or A2 from Moody's (or other ratings agency acceptable to NS
21 Power), in a form and manner acceptable to NS Power.
22

23 **Licenced Retail Supplier (LRS):** A Retail Supplier who:

- 24 (a) holds a valid Retail Supplier Licence; and
25 (b) has a valid LRS Participation Agreement executed with NS Power.

26 For certainty, a Wholesale Customer is not a Licenced Retail Supplier.
27

1 **Load Settlement:** The process used by NS Power to determine the aggregate
2 consumption of an LRS's RtR Customers in each hour for the purpose of determining
3 charges for services under the Energy Balancing Service Tariff, Standby Service
4 Tariff, the Renewable to Retail Transition Tariff and for Transmission Services and
5 Ancillary Services under the OATT.

6
7 **LRS Participation Agreement:** The agreement (and any amendments or supplements
8 thereto) between a Licenced Retail Supplier and NS Power in the form attached hereto as
9 Appendix B, which incorporates the LRS Terms and Conditions.

10
11 **LRS Terms and Conditions (LRS T&Cs):** This term has the meaning set out in Section
12 2.0 herein.

13
14 **LRS Tariffed Services:** The services provided to the LRS by NS Power under the
15 Energy Balancing Service Tariff, the Standby Service Tariff, the OATT (including
16 Transmission Service and Ancillary Services) and the Renewable to Retail Transition
17 Tariff (RTT). For certainty, the LRS Tariffed Services exclude any services provided to
18 the RtR Customer by NS Power under the Distribution Tariff.

19
20 **Market Participant:** A person who has executed a wholesale market Participation
21 Agreement (as defined in the Nova Scotia Wholesale and Renewable to Retail Electricity
22 Market Rules Appendix 1A) with the NSPSO in accordance with the requirements of the
23 Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules.

24
25 **Moody's:** Moody's Investors Services, Inc. or its successor.
26

1 **Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules:** The
2 Wholesale and Renewable to Retail Market Rules made by the Nova Scotia Department
3 of Energy as amended from time to time in accordance with section 2.4 of those rules.
4

5 **NS Power:** Nova Scotia Power Incorporated.
6

7 **NS Power Regulations:** NS Power Regulations approved by the Board pursuant to the
8 *Public Utilities Act* (Nova Scotia) as such regulations may be amended from time to time
9 with the approval of the Board.
10

11 **NSPSO:** NS Power System Operator.
12

13 **Open Access Transmission Tariff (OATT):** NS Power's Open Access Transmission
14 Tariff, as approved by the Board.
15

16 **Province:** Province of Nova Scotia
17

18 **Reasonable Efforts:** With respect to an action required to be attempted or taken by a
19 party, efforts that are timely and consistent with Good Utility Practice and are otherwise
20 substantially equivalent to those a party would use to protect its own interests.
21

22 **Renewable low-impact electricity:** This term has the same meaning as in the
23 Renewable Electricity Regulations (Nova Scotia).
24

25 **Retail Customer:** This term has the same meaning as under the Act. For certainty, a
26 customer of a municipal utility (as defined under the Act) is not a Retail Customer.
27

1 **Retail Supplier:** This term has the same meaning as under the Act.
2

3 **Retail Supplier Licence:** A Retail Supplier licence issued by the Board in accordance
4 with the Act and regulations made thereunder which authorizes a person to sell renewable
5 low-impact electricity generated within the Province.
6

7 **RtR Customer:** A Retail Customer who is acquiring renewable low-impact electricity
8 from an LRS at an individual RtR Customer Premises and is not receiving Bundled
9 Service from NS Power at that RtR Customer Premises.
10

11 **RtR Customer Contract:** This term shall have the meaning set out in Section 9.1
12 herein.
13

14 **RtR Customer Premises:** A premises that is provided with electricity through a single
15 meter and, as the context requires, either:

- 16 (a) a complete building such as an office building, factory or house; or
17 (b) a part of a building such as a suite of offices in an office building or an apartment
18 in an apartment building, and in such cases the part of the building occupied must
19 be contiguous and include no space not controlled by the customer; or
20 (c) a group of buildings served by one electric service and at its discretion accepted
21 by NS Power as one RtR Customer for LRS billing purposes.
22

23 **RtR Customer Transaction Request Application:** A NS Power document in the form
24 attached hereto as Appendix A to be used by the LRS for the purpose of applying to NS
25 Power to accept and process RtR Customer transactions.
26

1 **Renewable to Retail Market Transition Tariff (RTT):** The NS Power tariff approved
2 by the Board which provides for recovery from each LRS the amount of NS Power's
3 fixed or embedded costs, including deferred costs.
4

5 **S&P:** The Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its
6 successor.
7

8 **Standby Service Tariff:** A NS Power tariff, approved by the Board, which provides
9 supplemental generation capacity service to Licenced Retail Suppliers. The service has
10 two components: (1) capacity adequacy service required meeting adequacy standards of
11 the Nova Scotia electricity system; and (2) top-up capacity service associated with energy
12 delivery in respect of forced or unplanned outages of the Licenced Retail Supplier's
13 contracted generation resources.
14

15 **Transmission Provider:** NS Power.
16

17 **Transmission Services:** The services obtained by Market Participants under the terms
18 and conditions of the OATT to access the Transmission System for the purpose of
19 transporting electric energy and Ancillary Services.
20

21 **Transmission System:** The facilities, generally rated at 69 kV and above, owned,
22 controlled or operated by the Transmission Provider that are used to provide transmission
23 service under the OATT.
24

25 **Wholesale Customer:** This term has the same meaning as under the Act.
26

1 **2.0 PURPOSE OF THE LRS TERMS AND CONDITIONS**

2

3 2.1 These procedures and terms and conditions (collectively referred to as the “LRS Terms
4 and Conditions” or “LRS T&Cs”) are applicable to Licenced Retail Suppliers for the
5 purpose of enabling the supply of renewable low-impact electricity to RtR Customers in
6 accordance with the provisions of the Act and the regulations made thereunder.

1 **3.0 SCOPE AND APPLICABILITY OF THE LRS T&CS**

2

3 3.1 These LRS T&Cs are applicable to an LRS who enters into an LRS Participation
4 Agreement with NS Power for provision of LRS Tariffed Services to the LRS.

5

6 3.2 The LRS T&Cs and are deemed to form part of the LRS Participation Agreement and
7 address, among other things, the procedures for RtR Customer transactions, metering,
8 Load Settlement and LRS billing.

9

10 3.3 An LRS is required to execute an LRS Participation Agreement with NS Power in order
11 for the LRS to be eligible for LRS Tariffed Services from NS Power. The LRS
12 Participation Agreement shall give contractual force to the LRS T&Cs with respect to the
13 relationship between NS Power and the LRS.

14

15 3.4 Distribution System Access under the Distribution Tariff is provided directly to the RtR
16 Customer by NS Power and is not included in the scope of the LRS Participation
17 Agreement.

1 **4.0 BOARD APPROVAL**

2

3 4.1 The LRS T&Cs have been approved by the Board.

4

5 4.2 Nothing contained in the LRS T&Cs or the LRS Participation Agreement shall be
6 construed as affecting in any way the right of NS Power to unilaterally make application
7 to the Board for a change in any rates, procedures, rules or regulations, including, the
8 LRS T&Cs, the Energy Balancing Service Tariff, the Standby Service Tariff, the OATT,
9 the Renewable to Retail Market Transition Tariff or the Distribution Tariff.

1 **5.0 APPENDICES**

2

3 5.1 For greater certainty, the following appendices are attached to and form part of the LRS
4 T&Cs:

5

6 (a) Appendix A: RtR Customer Transaction Request Application Form

7 (b) Appendix B: LRS Participation Agreement.

1 **6.0 ELIGIBILITY OF THE LRS**

2

3 6.1 Subject to the terms and conditions set out herein, an LRS shall be eligible for LRS
4 Tariffed Services from NS Power, if the following conditions are met to the satisfaction
5 of NS Power:

6

7 (a) LRS has a valid Retail Supplier Licence and provides NS Power with its unique
8 licence identification number;

9

10 (b) NS Power is in receipt of a valid LRS Participation Agreement duly executed by
11 the LRS and NS Power;

12

13 (c) LRS meets and adheres to the Credit Assurance requirements of NS Power as
14 described in Section 18 herein; and

15

16 (d) LRS provides NS Power with confirmation that the LRS has been qualified by the
17 NSPSO as a Market Participant within the NS Power operating area.

18

19 6.2 NS Power shall have the right to terminate the LRS Participation Agreement and
20 discontinue the LRS Tariffed Services without liability or penalty if at any time the LRS
21 fails to satisfy any of the conditions set out in Section 6.1.

22

23 6.3 There shall be only one LRS in respect of an RtR Customer Premises at any given time.

24

25 6.4 There shall be only one (1) RtR Customer for an RtR Customer Premises at any given
26 time.

1 **7.0 LRS PARTICIPATION IN NS POWER TARIFFS**

2

3 7.1 The LRS shall subscribe to all of the LRS Tariffed Services. For certainty, the LRS shall
4 not be entitled to receive one or more of the individual LRS Tariffed Services without
5 accepting and receiving all of the LRS Tariffed Services in the aggregate.

1 **8.0 LRS RESPONSIBILITIES**

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8.1 The LRS shall be responsible for:

- (a) the procurement of electricity from qualified low-impact renewable electricity generators;
- (b) acquiring the services delivered under, and remaining in compliance with, the OATT, Energy Balancing Service Tariff, Standby Service Tariff and the Renewable to Retail Market Transition Tariff;
- (c) payment to NS Power of all fees and charges for the LRS Tariffed Services;
- (d) payment to NS Power of all DT charges applicable to the LRS's RtR Customer(s);
- (e) adhering to the Credit Assurance requirements of NS Power as described in Section 18;
- (f) obtaining and providing the RtR Customer's written consent, in a form acceptable to NS Power, in support of any transaction requests submitted to NS Power on behalf of the RtR Customer;
- (g) obtaining any consents from the RtR Customer required by NS Power with respect to the use or disclosure of Customer Information;

- 1 (h) providing NS Power, in a timely manner, with up-to-date RtR Customer
2 Information for all RtR Customers served by the LRS;
3
- 4 (i) acting as the point of contact for RtR Customers served by the LRS on all matters
5 related to billing and collection of accounts;
6
- 7 (j) ensuring that the LRS's RtR Customers are aware of the terms and conditions of
8 any NS Power tariff to which the LRS subscribes that may affect the RtR
9 Customer;
10
- 11 (k) ensuring that the RtR Customers are aware of their responsibilities under the NS
12 Power Regulations; and
13
- 14 (l) notifying NS Power of the discontinuance of service to any RtR Customer by the
15 LRS.
16

17 8.2 The LRS shall adhere to and comply with the requirements of the applicable NS Power
18 Regulations identified herein.
19

20 8.3 The LRS shall adhere to and comply with Board Electricity Retailers Regulations (Nova
21 Scotia) and the Code of Conduct for the sale of Renewable Low-Impact Electricity Sales
22 in Nova Scotia.

1 **9.0 LRS ARRANGEMENTS WITH RTR CUSTOMERS**

2
3 9.1 The LRS shall enter into a ~~written~~ contract with each of its RtR Customer(s) with respect
4 to any sale of renewable low-impact electricity by the LRS to such RtR Customer (“RtR
5 Customer Contract”).

6
7 9.2 NS Power shall not be responsible for monitoring, reviewing or enforcing the RtR
8 Customer Contract(s).

9
10 9.3 NS Power shall not be liable for any loss, damages, cost, injury, expense or other
11 liability, whether direct, indirect, consequential or special in nature, howsoever caused, as
12 a result of any breach of an RtR Customer Contract by either the LRS or the RtR
13 Customer.

14
15 9.4 The LRS shall ensure that each RtR Customer Contract contains a statement to the effect
16 that NS Power shall not be liable in damages to the RtR Customer in respect of any
17 breach of the RtR Customer Contract by the LRS or for any delay, interruption or other
18 partial or complete failure in the supply of electricity to the RtR Customer.

19
20 9.5 The LRS shall defend, protect, release, indemnify, keep indemnified and shall hold NS
21 Power harmless from and against and be liable to NS Power for any and all damages,
22 losses, claims or expenses which NS Power may at any time sustain or incur to the extent
23 arising, directly or indirectly, from (i) any acts or omissions of the LRS or any agent,
24 employee, of the LRS or person acting on behalf of any of them; and (b) any claims by a
25 third party, including an RtR Customer, arising out of a breach of the RtR Customer
26 Contract.

- 1 9.6 The LRS shall ensure that each RtR Customer Contract contains an acknowledgement
2 from the RtR Customer that the RtR Customer will revert to NS Power's Bundled Service
3 upon discontinuance of LRS Tariffed Service and the termination of the LRS
4 Participation Agreement unless an RtR Customer Transaction Request Application has
5 submitted by an alternate LRS on behalf of the RtR Customer to NS Power nominating
6 an alternate LRS.
7
- 8 9.7 Any assignment, sale or transfer of an RtR Customer Contract by an LRS shall not be
9 effective until the LRS has submitted and NS Power has accepted an RtR Customer
10 Transaction Request Application for the applicable RtR Customer.

1 **10.0 NS POWER RESPONSIBILITIES**

2

3 10.1 NS Power shall be responsible for:

4

5 (a) processing all RtR Customer Transaction Request Applications submitted by an
6 LRS in accordance with Section 11;

7

8 (b) provision of the services delivered under the OATT, Energy Balancing Service
9 Tariff, Standby Service Tariff and the Renewable to Retail Market Transition
10 Tariff to the LRS;

11 (c) provision of Distribution System Access to applicable RtR Customers;

12

13 (d) providing metering services;

14

15 (e) performing Load Settlement for each LRS;

16

17 (f) issuing invoices to the LRS;

18

19 (g) maintaining Customer Information for all customer sites as necessary to perform
20 Load Settlement;

21

22 (h) maintaining Customer Information as it is supplied and updated by the RtR
23 Customer; and

24

25 (i) acting as the point of contact for RtR Customers for matters related to the
26 provision of Distribution Access Service.

1 10.2 Interruption of LRS Tariffed Services

2

3 10.2.1 NS Power shall have the right to suspend or interrupt the delivery of Distribution System
4 Access or any or all of the LRS Tariffed Services for the purpose of safeguarding life or
5 property, for making repairs, changes, renewals, improvements or replacements to the
6 Transmission System or Distribution System provided NS Power shall make Reasonable
7 Efforts to ensure all such interruptions or suspensions are of a minimum duration
8 consistent with the exigencies of the case. Further, provided, however, any such
9 interruption or suspensions shall not release the LRS from its obligation to pay all
10 charges pursuant to any NS Power tariffs applicable to the LRS Tariffed Services, or
11 otherwise owing to NS Power under the LRS T&Cs, including the DT Charges, during
12 the period of any such suspensions.

13

14 10.3 Limitation of Liability

15 10.3.1 Notwithstanding any other provision herein, NS Power shall not be liable for any claim,
16 loss, cost, liability, actions, judgment, suit, proceeding, expense, disbursement or damage
17 whatsoever arising, either directly or indirectly, whether in contract or tort (including
18 negligence) or otherwise, from any interruptions, diversions, curtailments, suspension or
19 other procedures necessary to maintain the efficient and effective operation of either the
20 Distribution System or the Transmission System. This would include Distribution
21 System Access and any or all LRS Tariff Services provided by NS Power to the LRS.

22 10.3.2 Notwithstanding any other provision herein, and in addition to Sections 10.3.1, NS Power
23 shall not be liable for any claims, losses, costs, liabilities, obligations, actions, judgments,
24 suits, expenses, disbursements or damages of an LRS or its directors, officers or
25 employees whatsoever, whether in contract or in tort (including negligence) or any other

1 legal theory, arising, directly or indirectly, out of any act or omission of NS Power in the
2 exercise of any power or obligation under the LRS T&Cs or any applicable tariff,
3 including the Distribution Tariff, the Energy Balancing Service Tariff, the Standby
4 Service Tariff, the OATT and the Renewable to Retail Transition, except to the extent
5 such claim, loss or damages results from the gross negligence or willful misconduct of
6 NS Power.

7 10.3.3 For the purposes of Section 10.3.2, an act or omission of NS Power effected in
8 compliance with the LRS T&Cs or the applicable tariffs shall be deemed not to constitute
9 willful misconduct or a negligent act or omission.

10
11 10.3.4 Notwithstanding any other provision herein or applicable law to the contrary, NS Power
12 shall not be liable to the LRS for:

- 13
14 (a) any indirect or consequential loss or incidental or special damages, including,
15 without limitation, any punitive or aggravated damages;
16
17 (b) any loss of profit, loss of contract, loss of opportunity or loss of goodwill; or
18
19 (c) damages for loss of use,

20
21 arising, directly or indirectly, with the performance or delivery of the LRS Tariff Services
22 or Distribution System Access, including, but not limited, to interruptions, diversions,
23 curtailments or suspensions of any of the LRS Tariffed Services or Distribution System
24 Access or from any acts or omissions of its employees or agents, and whether arising in
25 contract, indemnity, tort (including negligence) or any other legal theory.

1 **11.0 RTR CUSTOMER TRANSACTIONS**

2
3 11.1 Prior to enrollment of a new RtR Customer or modifying the enrollment of an existing
4 RtR Customer, the LRS shall complete and submit to NS Power an RtR Customer
5 Transaction Request Application duly executed by the LRS and the applicant customer.
6 NS Power will review the RtR Customer Transaction Request Application and notify the
7 LRS upon its acceptance or rejection. For certainty, completed RtR Customer
8 Transaction Request Applications duly executed by the LRS and the applicable customer
9 shall be required for each of the following categories of transactions:

- 10
11 (a) A request to enroll a current NS Power Bundled Service customer as an RtR
12 Customer of the LRS;
13
14 (b) A request to enroll a Retail Customer, that is not currently an NS Power Bundled
15 Service customer, as an RtR Customer of the LRS;
16
17 (c) A request for return of an LRS's RtR Customer to NS Power's Bundled Service;
18
19 (d) A request, initiated by the LRS of record, to transfer an existing RtR Customer
20 from the current LRS to another LRS (Assignee), subject to the written
21 authorization of the Assignee;
22
23 (e) A request to obtain Customer Information from NS Power;
24
25 (f) Notification to NS Power of updated Customer Information; and
26
27 (g) Such other service request types as determined by NS Power.

1 11.2 The LRS shall provide complete Customer Information with each application for RtR
2 Customer enrollment or transfer.

3
4 11.3 NS Power reserves the right to refuse to accept an RtR Customer Transaction Request
5 Application for any Retail Customer who has outstanding debt payable to NS Power in
6 relation to previous electric service.

7
8 11.4 NS Power reserves the right to refuse to accept an RtR Customer Transaction Request
9 Application for any Retail Customer whose premises is physically connected to the
10 Transmission System until the Retail Customer has executed a separate operating
11 agreement with NS Power in a form satisfactory to NS Power. Such an operating
12 agreement will address operational issues including, but not limited to the following:
13 descriptions of facilities and delivery points, characteristics of supply, metering, load
14 balance, harmonics, right of way, right of access and general obligations of both the
15 transmission-connected Retail Customer and NS Power.

16
17 11.5 RtR Customer Transaction Request Applications will be processed based on the order in
18 which they are received by NS Power. NS Power will use Reasonable Efforts to process
19 each RtR Customer Transaction Request Application and complete the installation of
20 interval metering devices and communications equipment and services as necessary to
21 effect transfer of the RtR Customer to LRS supply within fourteen (14) Calendar Days of
22 receipt of the RtR Customer Transaction Request Application.
23

1 11.6 Upon acceptance of an RtR Customer Transaction Request Application, NS Power will
2 notify the LRS and record the LRS as the LRS of record for the particular RtR Customer
3 Premises. If an RtR Customer Transaction Request Application is rejected, NS Power
4 will provide the LRS with the reason(s) for the rejection.

5
6 11.7 All ~~outstanding~~-indebtedness of the RtR Customer to NS Power in respect of any NS
7 Power electrical service supplied to the RtR Customer that is in arrears must be paid in
8 full before NS Power can accept the enrollment of the RtR Customer with the LRS or the
9 transfer of the RtR Customer to an alternate LRS.

10
11 11.8 Following acceptance of the Customer Transaction Request Application by NS Power,
12 the RtR Customer transactions will be effective for the period following the next meter
13 reading for the RtR Customer.

14
15 11.9 NS Power shall ensure that each distribution connected RtR Customer is provided with a
16 copy of the Distribution Tariff.

1 **12.0 LRS RTR CUSTOMER INFORMATION INQUIRIES**

2

3 12.1 Provision of NS Power Customer Information to LRS

4

5 12.1.1 Subject to receipt of the consent of the Retail Customer, NS Power will provide Customer
6 Information to an LRS with which it has an executed LRS Participation Agreement.

7

8 12.1.2 An LRS with a fully executed LRS Participation Agreement with NS Power may request
9 Customer Information prior to the RtR Customer subscribing with the LRS provided the
10 RtR Customer has consented in writing to the disclosure of such information to the LRS.

11

12 12.1.3 The LRS shall initiate this request by submitting an RtR Customer Transaction Request
13 Application.

14

15 12.2 Provision of RtR Customer Information between the LRS and NS Power

16

17 12.2.1 The LRS shall notify NS Power promptly of any changes to the Customer Information.

18

19 12.2.2 Subject to any confidentiality, NS Power and the LRS shall each supply to the other data,
20 materials or other information that may be reasonably required in connection with the
21 performance of its obligations under the LRS T&Cs.

1 **13.0 METERING**

2

3 13.1 Provision and Ownership

4

5 13.1.1 NS Power will install and seal all revenue class meters for the purpose of measuring the
6 output of the LRS's generation resources and the RtR Customer's load as necessary for
7 application of the applicable NS Power tariffs. Meter data from such meters will be used
8 for Load Settlement for the purpose of determining the charges for the LRS Tariffed
9 Services. The meters will also be used to determine charges for Distribution System
10 Access under the Distribution Tariff.

11

12 13.1.2 Interval meters with remote polling capability shall be installed for all RtR Customers.
13 NS Power will charge the costs of the supply and installation of metering devices and
14 communications equipment and services which are incremental to the metering
15 requirements applicable to NS Power's Bundled Service. Metering for LRS generation
16 resources (whether owned or contracted) will be provided in accordance with the
17 applicable Generator Interconnection Agreement.

18

19 13.1.3 Meters and associated revenue metering equipment shall remain the property of NS
20 Power.

21

22 13.1.4 All revenue metering equipment installations shall meet the Electricity and Gas
23 Inspection Act regulations requirements in effect at the time.

24

1 13.1.5 NS Power Regulations with respect to metering shall apply to metering of RtR Customer
2 loads for the purpose of billing the LRS for LRS Tariffed Services.

3

4 13.1.6 Any LRS instituting connection of a generation resource to RtR Customer load that is
5 behind the main NS Power revenue meter will:

6 (a) install secondary revenue class metering with remote polling capability at each
7 applicable RtR Customer Premises to a standard satisfactory to NS Power
8 (“Secondary Metering”); and

9 (b) provide NS Power access to read and test such metering as well as electronic
10 access for the purpose of polling the meter data.

11 Data from Secondary Metering will be used in settlement of the LRS Tariffed Services,
12 and all applicable DT Charges due from the LRS to NS Power.

13

14 13.2 Meter Reading

15

16 13.2.1 NS Power shall use Reasonable Efforts to obtain a meter reading for each RtR Customer
17 Premises in accordance with NS Power’s meter reading cycle. If NS Power is unable to
18 obtain a meter reading, the amount of power and energy used by the RtR Customer in the
19 Billing Period shall be estimated by NS Power.

20 13.2.2 At the request of the LRS, NS Power shall use Reasonable Efforts to obtain an actual
21 meter reading at a time other than the regularly scheduled meter reading. NS Power will
22 charge the LRS for additional meter reading expense in accordance with NS Power
23 Regulation 7.1 - Schedule of Charges.

24

1 13.2.3 NS Power Regulations with respect to meter reading shall apply to metering of RtR
2 Customer loads for the purpose of billing the LRS for LRS Tariffed Services and DT
3 Charges.

1 **14.0 BILLING AND SETTLEMENT**

2

3 14.1 Billing of RtR Customers

4 14.1.1 In order that the LRS may bill its RtR Customers for the sale of renewable low-impact
5 electricity, NS Power will provide the LRS with the metering data applicable to each of
6 the LRS's RtR Customers.

7 14.1.2 All DT Charges will be calculated by NS Power using the RtR Customer's meter
8 readings and the Distribution Tariff Rate Schedule applicable to the RtR Customer's rate
9 class.

10 14.1.3 The LRS shall invoice the LRS's RtR Customer for the DT Charges and consolidate such
11 charges and fees on the LRS's invoice to the RtR Customer. The DT Charges shall not
12 be marked-up, added to, aggregated, bundled, unbundled, or otherwise altered by the
13 LRS. DT Charges related to special customer services will be itemized and provide the
14 total amount of the charge.

15 14.1.4 NS Power may, at its discretion, include fees for any special customer services provided
16 at the LRS's or the RtR Customer's request, pursuant to NS Power Regulation 7.1 -
17 Schedule of Charges.

18

19

20

21

22

1 14.2 NS Power Settlement and Billing to LRS for Aggregated Charges

2 14.2.1 Charges for LRS Tariffed Services provided to the LRS shall be based on the aggregated
3 RtR Customer load and the LRS aggregate generation (whether owned or contracted).
4 The charge determinant shall be based on the aggregate energy and peak hourly
5 aggregate demand of an LRS's RtR Customer loads in conjunction with the hourly
6 aggregate energy of the LRS generation (whether owned or contracted). NS Power will
7 invoice for each of the services provided to the LRS under the Energy Balancing Service
8 Tariff, Standby Service Tariff and the Renewable to Retail Transition Tariff in
9 accordance with the rates, terms and conditions set out in those tariffs.

10 14.2.2 NS Power will invoice the LRS for Transmission Services and associated Ancillary
11 Services in accordance with the rates, terms, riders and conditions set out in the OATT
12 and in accordance with the Nova Scotia Wholesale and Renewable to Retail Electricity
13 Market Rules and Procedures.

14

15 14.3 Settlement Methodology for Determining the Aggregated Charges

16 14.3.1 To determine the charges described in Section 14.2, NS Power shall determine the
17 aggregate load for each hour in the Billing Period for the total of all RtR Customers of
18 the LRS, and the aggregate output for each hour in the Billing Period of all RtR
19 generation serving the LRS.

20 14.3.2 To determine the aggregated LRS hourly load and generation profiles using interval
21 meters, NS Power will aggregate the individual meter interval readings for each hour in
22 the Billing Period. The aggregated hourly load and generation profiles will be used in the
23 settlement calculations.

24

1 14.4 Determination of RtR Load Requirement at Transmission Voltage

2 14.4.1 Meter readings for distribution-connected RtR Customer loads will be adjusted for
3 distribution losses using established average annual rate class losses for the purpose of
4 Load Settlement for each of the LRS Tariffed Services which are applicable at the
5 transmission voltage level.

6

1 14.5 NS Power Billing Procedure

2 14.5.1 Within a reasonable time after the first day of each month, NS Power shall submit an
3 invoice to the LRS for the charges for all LRS Tariffed Services received by the LRS
4 during the preceding month. Unless NS Power directs otherwise in writing, NS Power
5 will also invoice the LRS for the DT Charges.

6 14.5.2 LRS agrees to pay NS Power in full for the DT Charges in the manner set out herein and
7 the LRS shall have the right to seek reimbursement from its applicable RtR Customers
8 for such DT Charges.

9 14.5.3 The LRS shall be liable to NS Power for payment of the full amount of any and all DT
10 Charges applicable to the LRS's RtR Customers invoiced by NS Power, notwithstanding
11 the ability of the LRS to obtain payment of such amounts from its RtR Customers. Non-
12 payment of the DT Charges by an LRS's RtR Customer shall not constitute a valid
13 defence for non-payment by the LRS to NS Power.

14 14.5.4 The LRS shall consolidate the DT Charges on the LRS's invoice to the RtR Customer;
15 provided, however, the DT Charges shall not be marked-up, added to, aggregated,
16 bundled, unbundled, or otherwise altered by the LRS.

17 ~~14.5.5 The format of the LRS's invoice/bill, in terms of the incorporation of any DT Charges,~~
18 ~~shall be in a form deemed acceptable to NS Power.~~

19 ~~14.5.6~~14.5.5 Unless, NS Power directs otherwise in writing, the LRS shall be responsible for
20 the collection of all DT Charges owing by its RtR Customers. LRS shall at all times
21 indemnify, defend, and save NS Power harmless from and against any and all damages,
22 losses, claims, costs, liabilities, actions, judgments, suits, proceedings, expenses or
23 disbursement whatsoever arising out of, either directly or indirectly, whether in contract

1 or tort (including negligence) or otherwise, the collection of DT Charges by the LRS, its
2 employees or its agents.

3
4 ~~14.5.7~~14.5.6 All invoices issued by NS Power, including an invoice for the DT Charges, shall
5 be paid by the LRS to NS Power in full within twenty (20) Calendar Days of the billing
6 date. All payments shall be made in immediately available funds payable to NS Power.
7 Invoiced amounts which are not paid by the LRS within twenty (20) Calendar Days after
8 the billing date shall be subject to an interest charge as set forth in Section 14.6.

9 ~~14.5.8~~14.5.7 Each invoice shall state the period to which the invoice applies and describe the
10 services provided. The amount due within the twenty (20) day period set out in Section
11 ~~14.5.67~~ and the effective date of the interest charge shall be clearly shown on the invoice.
12 Where practicable, NS Power will address credits and payment obligations due under any
13 tariff on the same invoice through netting, including interest payments or credits.

14 ~~14.5.9~~14.5.8 Unless otherwise expressly stated, all references in the tariffs, a settlement
15 statement or an invoice to a monetary amount shall be expressed in Canadian dollars.

16 17 14.6 Interest on Unpaid Balances

18 14.6.1 Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated
19 in accordance with the methodology specified in NS Power Regulation 5.4. When
20 payments are made by mail, invoices shall be considered as paid on time if the envelope
21 is postmarked on or before the last date for net payment.

1 **15.0 DEFAULT FOR NON-PAYMENT**

2
3 15.1 In the event a Licenced Retail Supplier fails, for any reason other than a billing dispute as
4 described below, to make payment to NS Power on or before the due date as described in
5 Section 14.5.67, and such failure of payment is not corrected within thirty (30) Calendar
6 Days after NS Power notifies the LRS to cure such failure, a default by the LRS shall be
7 deemed to exist. Upon the occurrence of such a default by the LRS, NS Power may
8 discontinue the LRS Tariffed Services and terminate the LRS Participation Agreement
9 without any liability or responsibility whatsoever, except for obligations arising prior to
10 the date of termination.

11
12 15.2 In the event of a billing dispute between NS Power and the LRS, NS Power shall
13 continue to provide LRS Tariffed Services as long as the LRS (i) gives written notice of
14 the dispute to NS Power on or before the due date for the payment, detailing the amount
15 and reasons for the dispute; (ii) continues to make all payments not in dispute, and (iii)
16 prior to the due date for payment pays into an independent escrow account the portion of
17 the invoice in dispute, pending resolution of such dispute. If the Licenced Retail Supplier
18 fails to meet these three requirements for continuation of service, then NS Power may
19 provide notice to the Licenced Retail Supplier of its intention to discontinue the LRS
20 Tariffed Service and terminate the LRS Participation Agreement in thirty (30) Calendar
21 Days.

1 **16.0 EVENTS OF DEFAULT**

2
3 16.1 In addition to its rights of discontinuation and termination under Section 15, NS Power
4 may, without prejudice to any other rights or remedies it may have, immediately
5 discontinue the LRS Tariffed Services and terminate the LRS Participation Agreement
6 upon notice in writing to the LRS:

- 7
- 8 (a) if the LRS's Retail Supplier Licence has been cancelled or otherwise revoked;
 - 9
 - 10 (b) if the LRS has failed to meet or maintain the Credit Assurance requirements set
11 out in Section 18;
 - 12
 - 13 (c) if the LRS is disqualified (or no longer qualifies) as a Market Participant within
14 the NS Power operating area;
 - 15
 - 16 (d) if the LRS fails to adhere to the NS Power Regulations identified herein as
17 applicable to the LRS following the expiration of any applicable cure period set
18 out in the NS Power Regulations;
 - 19
 - 20 (e) if the LRS defaults in the performance of any of its obligations under the LRS
21 T&Cs (other than those set out in Section 15 and Section 16.1(a) to (d) above) and
22 fails to cure such default within twenty (20) Calendar Days of notice of such
23 default by NS Power; or
 - 24
 - 25 (f) in the event of any liquidation, winding up or bankruptcy of the LRS, whether
26 voluntary or compulsory, or any composition with creditors or scheme of
27 arrangement.
-

1 16.2 Upon discontinuance of LRS Tariffed Service and the termination of the LRS
2 Participation Agreement, and in the absence of an RtR Customer Transaction Request
3 Application accepted by NS Power requesting the RtR Customer be assigned to an
4 alternate LRS, the provision of Bundled Service to the affected RtR Customers(s) shall be
5 assumed by NS Power as the default supplier, in accordance with NS Power's
6 Regulations.

7
8 16.3 In the event an RtR Customer breaches, defaults upon or otherwise fails to adhere to NS
9 Power Regulations ("Defaulting RtR Customer"), NS Power shall have the right, without
10 liability or penalty, to immediately terminate or suspend any service to the Defaulting
11 RtR Customer upon notice in writing to the LRS.

1 **17.0 DISCONTINUANCE OF SERVICE TO RTR CUSTOMER BY THE LRS**

2

3 17.1 To discontinue LRS Tariffed Services to an RtR Customer Premises, an LRS shall
4 complete and provide to NS Power, an RtR Customer Transaction Request Application,
5 in accordance with Section 11.

6

7 17.2 The LRS shall provide the RtR Customer with advance notice of any request to
8 discontinue the provision of service to that RtR Customer, and be responsible to the RtR
9 Customer for consequences of any such discontinuance. NS Power will not be held
10 liable for any RtR Customer disputes with the LRS regarding the discontinuance of LRS
11 Tariffed Services to an RtR Customer Premises.

12

13 17.3 The LRS Tariffed Services shall continue in effect and the LRS shall remain responsible
14 for payment of the LRS Tariffed Services until the next meter reading is obtained. If NS
15 Power has received and accepted an RtR Customer Transaction Request Application
16 from an alternate LRS (“Assignee”) for an RtR Customer, that Assignee will be
17 appointed as the new LRS of record for the RtR Customer, otherwise the RtR Customer
18 will be returned to NS Power’s Bundled Service.

19

20 17.4 NS Power reserves the right to refuse an RtR Customer Transaction Request Application
21 from any Retail Customer who has outstanding debt payable to NS Power in relation to
22 previous electric service. NS Power Regulations including, but not limited to application
23 for service, connection and disconnection of service, payment of accounts and deposits
24 will apply to the RtR Customer’s return to NS Power’s Bundled Service.

1 **18.0 CREDIT ASSURANCE**

2
3 18.1 An LRS must provide, in advance, Credit Assurance as security for the payment and
4 performance of the LRS's obligations to NS Power, including payment for the LRS
5 Tariffed Services and payment of the DT Charges, regardless of payment history, before
6 NS Power provides any of the LRS Tariffed Services to the LRS.

7
8 18.2 On any Business Day (but no more frequently than once per calendar month), NS Power
9 will provide the LRS with written notice requesting Credit Assurance in an amount
10 determined by NS Power and based upon an amount equal to two hundred percent
11 (200%) of the forecasted payment for the LRS Tariffed Services and DT Charges
12 combined (rounded upwards for any fractional amount to the nearest \$1000). Upon
13 receipt of such notice the LRS shall have three (3) Business Days to provide such Credit
14 Assurance to NS Power. In the event that the LRS fails to provide such Credit Assurance
15 acceptable to NS Power within three (3) Business Days of such request, then a default
16 will be deemed to have occurred in accordance with Section 16.1(b).

17
18 18.3 NS Power shall be entitled to draw upon or otherwise realize upon the Credit Assurance
19 in the event of any default pursuant to Section 15 or Section 16 herein and apply such
20 funds against the LRS's payment obligations until such time as all of the LRS's
21 obligations have been satisfied. If the Credit Assurance is insufficient to satisfy the
22 LRS' payment obligations, the LRS shall remain liable to NS Power for the balance of
23 the amount owing. If NS Power draws upon or otherwise realizes upon the Credit
24 Assurance as permitted hereunder, then the LRS shall provide additional or replacement
25 Credit Assurance which is sufficient to maintain the Credit Assurance in an amount
26 determined by NS Power as set out herein.

27

1 18.4 Costs of a Letter of Credit shall be the responsibility of the LRS and not NS Power. To
2 the extent that a Letter of Credit introduces a lag time and there are additional costs to NS
3 Power, these costs will be paid by the LRS.
4

5 18.5 To the extent the LRS delivers Credit Assurance hereunder in the form of cash to NS
6 Power, the LRS shall be deemed to have pledged and assigned to NS Power, as security
7 for the payment and performance of such LRS's obligations owing to NS Power, a
8 present and continuing security interest in, and lien on (and right of setoff against), all
9 such cash collateral and any and all proceeds resulting therefrom or the liquidation
10 thereof, whether now or hereafter held by, on behalf of, or for the benefit of NS Power.
11 The LRS shall also take such action as NS Power reasonably requires in order to perfect
12 NS Power's security interest in, and lien on (and right of setoff against), such collateral
13 and any and all proceeds resulting therefrom or from the liquidation thereof.
14

15 18.6 All cash held by NS Power as Credit Assurance shall be held without interest.

1 **19.0 FORCE MAJEURE AND INDEMNIFICATION**

2
3 19.1 Force Majeure

4
5 19.1.1 Force Majeure is any cause beyond the reasonable control of NS Power including,
6 without limiting the generality of the foregoing, an act of God, failure of facilities or
7 equipment, flood, earthquake, storm, nuclear disaster, lightning, fire, epidemic, war, riot,
8 civil disturbance, labour trouble, strike, sabotage, terrorism and restraint by court or
9 public authority which by exercise of Good Utility Practice NS Power could not be
10 expected to reasonably avoid. If NS Power is rendered unable to fulfill any obligations
11 by reason of Force Majeure, it shall be excused from performing to the extent it is
12 prevented from so doing but it shall exercise Good Utility Practice to correct such
13 inability with all reasonable dispatch, and it shall not be liable for any injury, damage or
14 loss resulting from such inability. However, settlement of strikes and labour disturbances
15 shall be wholly within the discretion of NS Power.

16
17 19.2 Indemnity by LRS

18
19 19.2.1 The LRS shall at all times indemnify, defend, and save NS Power harmless from, any and
20 all damages, losses, claims, including claims and actions relating to injury to or death of
21 any person or damage to property, demands, suits, recoveries, costs and expenses, court
22 costs, legal fees, and all other obligations by or to third parties, including, without
23 limitation the RtR Customer, arising out of or resulting from NS Power's performance of
24 its obligations on behalf of the LRS in respect of the LRS Tariffed Services on behalf of
25 the LRS, except to the extent such claim, loss or damages results from the gross
26 negligence or willful misconduct of NS Power.
27

1 **20.0 APPENDIX A**

2

3

RTR CUSTOMER TRANSACTION REQUEST APPLICATION FORM

4

[TO BE DEVELOPED DURING IMPLEMENTATION]

5

6

7

1 **21.0 APPENDIX B**

2

3

LRS PARTICPATION AGREEMENT

4

5 |

Nova Scotia Power

Licensed Retail Supplier

Terms and Conditions

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1 **1.0 DEFINITIONS**

2

3 1.1 The following terms shall have the following meanings:

4

5 **Act:** The *Electricity Act*, S.N.S. 2004, c. 25, as amended from time to time.

6

7 **Ancillary Services:** Services that are necessary to support the transport of capacity and
8 energy from generation resources to loads while maintaining reliable operation of the
9 Transmission Provider's Transmission System in accordance with Good Utility Practice.

10

11 **Billing Period:** The time between two consecutive meter readings, or estimates, or a
12 combination thereof.

13

14 **Board:** Nova Scotia Utility and Review Board.

15

16 **Bundled Service:** Electrical service taken from NS Power under NS Power tariffs
17 approved by the Board. This takes the form of having generation, transmission,
18 distribution, Ancillary Services and all other items associated with the provision of such
19 service blended or bundled within the rate. For certainty, Bundled Service does not
20 include services taken from NS Power under the Distribution Tariff, the Energy
21 Balancing Service Tariff, the Standby Service Tariff or the Renewable to Retail Market
22 Transition Tariff.

23

24 **Business Day:** A Business Day is Monday to Friday, inclusive, excluding holidays. The
25 regular business hours on a Business Day are from 08:30 to 16:30 Atlantic Time.

26

27 **Calendar Day:** Any day including Saturday, Sunday or a holiday.

1 **Credit Assurance:** Collateral in the form of cash, a Letter(s) of Credit, or other security
2 acceptable to NS Power.

3
4 **Credit Rating:** With respect to an entity, the lowest of the ratings then assigned to such
5 entity’s unsecured, senior long-term debt obligations (not supported by third party credit
6 enhancements), or issuer or general corporate rating.

7
8 **Confidential Information:** Information that is (a) designated as confidential in LRS
9 Terms and Conditions or LRS Participation Agreement; or (b) identified in writing as
10 confidential by the disclosing person at the time of disclosure. The following information
11 will not constitute Confidential Information: (i) information which is or becomes
12 generally available to the public other than as a result of a disclosure by NS Power; (ii)
13 information which was already known to NS Power on a non-confidential basis prior to
14 being furnished by the disclosing party; (iii) information which becomes available to NS
15 Power on a non-confidential basis from a source other than the disclosing party or a
16 representative of the disclosing party if such source was not subject to any prohibition
17 against transmitting the information to NS Power and was not bound by a confidentiality
18 agreement with the disclosing party; or (iv) information which was independently
19 developed by NS Power or its representatives without reference to the Confidential
20 Information.

21
22 **Customer Information:** Information including, but not limited to, the name, telephone
23 number, mailing address, e-mail address, service address, site contact name, site
24 contact telephone number and information regarding electricity consumption, class of
25 service and payment history of a Retail Customer or an RtR customer, as applicable.

26
27 **DBRS:** DBRS Limited or its successor.

1 **Demand Side Management (DSM) Recovery Charges:** Costs of DSM programs that
2 NS Power is entitled to recover from RtR Customers

3
4 **Distribution System:** NS Power's facilities and equipment (generally rated less than 69
5 kV) used to distribute electricity to ultimate usage points such as homes and industries
6 either directly from nearby generators or from interchanges from the Transmission
7 System.

8
9 **Distribution System Access:** The services provided by NS Power to the RtR Customer
10 under the Distribution Tariff to provide for the connection of the RtR Customer to the
11 Distribution System, but does not include the provision of electricity. These services are
12 comprised of delivery of electricity on the distribution system and related services
13 including connections, disconnections, line and service extensions, inspection services,
14 meter services, power restoration, meter reading, and customer service, all in accordance
15 with applicable NS Power Regulations.

16
17 **Distribution Tariff:** The NS Power distribution tariff approved by the Board which
18 provides for Distribution System Access by the RtR Customer receiving renewable low-
19 impact renewable electricity supplied by the LRS.

20
21 **Distribution Tariff Rate Schedules:** The rate schedules attached to the Distribution
22 Tariff which outline the pricing and availability provisions for Distribution System
23 Access.

24
25 **DT Charges:** Any and all charges or fees owing by the LRS' RtR Customers to NS
26 Power under the Distribution Tariff, including applicable taxes. For certainty, the DT
27 Charges shall include:

- 1 (a) All fees and charges for the provision of Distribution System Access;
2 (b) Demand Side Management Recovery Charges; and
3 (c) Other items as may be approved by the Board.
4

5 **Energy Balancing Service Tariff:** A NS Power tariff, approved by the Board, which
6 provides supplementary generation service to Licenced Retail Suppliers for the delivery
7 of energy to RtR Customers and reception by NS Power of surplus generation from
8 qualifying generators through the LRS.
9

10 **Good Utility Practice:** Those practices, methods or acts (including but not limited to the
11 practices, methods and acts engaged in or approved by a significant portion of the electric
12 utility industry in North America) that at a particular time, in the exercise of reasonable
13 judgment, would have been expected to accomplish the desired result in a manner
14 consistent with regulations, reliability, safety, environmental protection, economy and
15 expedition as applied and practiced in the utility industry with respect to power
16 generation, delivery, purchase and sale.
17

18 **Letter of Credit:** One or more irrevocable, transferable standby letters of credit issued
19 by a Schedule 1 Canadian Chartered Bank with such bank having a Credit Rating of A
20 from S&P or DBRS or A2 from Moody's (or other ratings agency acceptable to NS
21 Power), in a form and manner acceptable to NS Power.
22

23 **Licenced Retail Supplier (LRS):** A Retail Supplier who:

- 24 (a) holds a valid Retail Supplier Licence; and
25 (b) has a valid LRS Participation Agreement executed with NS Power.

26 For certainty, a Wholesale Customer is not a Licenced Retail Supplier.
27

1 **Load Settlement:** The process used by NS Power to determine the aggregate
2 consumption of an LRS's RtR Customers in each hour for the purpose of determining
3 charges for services under the Energy Balancing Service Tariff, Standby Service
4 Tariff, the Renewable to Retail Transition Tariff and for Transmission Services and
5 Ancillary Services under the OATT.

6
7 **LRS Participation Agreement:** The agreement (and any amendments or supplements
8 thereto) between a Licenced Retail Supplier and NS Power in the form attached hereto as
9 Appendix B, which incorporates the LRS Terms and Conditions.

10
11 **LRS Terms and Conditions (LRS T&Cs):** This term has the meaning set out in Section
12 2.0 herein.

13
14 **LRS Tariffed Services:** The services provided to the LRS by NS Power under the
15 Energy Balancing Service Tariff, the Standby Service Tariff, the OATT (including
16 Transmission Service and Ancillary Services) and the Renewable to Retail Transition
17 Tariff (RTT). For certainty, the LRS Tariffed Services exclude any services provided to
18 the RtR Customer by NS Power under the Distribution Tariff.

19
20 **Market Participant:** A person who has executed a wholesale market Participation
21 Agreement (as defined in the Nova Scotia Wholesale and Renewable to Retail Electricity
22 Market Rules Appendix 1A) with the NSPSO in accordance with the requirements of the
23 Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules.

24
25 **Moody's:** Moody's Investors Services, Inc. or its successor.
26

1 **Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules:** The
2 Wholesale and Renewable to Retail Market Rules made by the Nova Scotia Department
3 of Energy as amended from time to time in accordance with section 2.4 of those rules.

4
5 **NS Power:** Nova Scotia Power Incorporated.

6
7 **NS Power Regulations:** NS Power Regulations approved by the Board pursuant to the
8 *Public Utilities Act* (Nova Scotia) as such regulations may be amended from time to time
9 with the approval of the Board.

10
11 **NSPSO:** NS Power System Operator.

12
13 **Open Access Transmission Tariff (OATT):** NS Power’s Open Access Transmission
14 Tariff, as approved by the Board.

15
16 **Province:** Province of Nova Scotia

17
18 **Reasonable Efforts:** With respect to an action required to be attempted or taken by a
19 party, efforts that are timely and consistent with Good Utility Practice and are otherwise
20 substantially equivalent to those a party would use to protect its own interests.

21
22 **Renewable low-impact electricity:** This term has the same meaning as in the
23 Renewable Electricity Regulations (Nova Scotia).

24
25 **Retail Customer:** This term has the same meaning as under the Act. For certainty, a
26 customer of a municipal utility (as defined under the Act) is not a Retail Customer.

27

1 **Retail Supplier:** This term has the same meaning as under the Act.
2

3 **Retail Supplier Licence:** A Retail Supplier licence issued by the Board in accordance
4 with the Act and regulations made thereunder which authorizes a person to sell renewable
5 low-impact electricity generated within the Province.
6

7 **RtR Customer:** A Retail Customer who is acquiring renewable low-impact electricity
8 from an LRS at an individual RtR Customer Premises and is not receiving Bundled
9 Service from NS Power at that RtR Customer Premises.
10

11 **RtR Customer Contract:** This term shall have the meaning set out in Section 9.1
12 herein.
13

14 **RtR Customer Premises:** A premises that is provided with electricity through a single
15 meter and, as the context requires, either:

- 16 (a) a complete building such as an office building, factory or house; or
17 (b) a part of a building such as a suite of offices in an office building or an apartment
18 in an apartment building, and in such cases the part of the building occupied must
19 be contiguous and include no space not controlled by the customer; or
20 (c) a group of buildings served by one electric service and at its discretion accepted
21 by NS Power as one RtR Customer for LRS billing purposes.
22

23 **RtR Customer Transaction Request Application:** A NS Power document in the form
24 attached hereto as Appendix A to be used by the LRS for the purpose of applying to NS
25 Power to accept and process RtR Customer transactions.
26

1 **Renewable to Retail Market Transition Tariff (RTT):** The NS Power tariff approved
2 by the Board which provides for recovery from each LRS the amount of NS Power's
3 fixed or embedded costs, including deferred costs.
4

5 **S&P:** The Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.) or its
6 successor.
7

8 **Standby Service Tariff:** A NS Power tariff, approved by the Board, which provides
9 supplemental generation capacity service to Licenced Retail Suppliers. The service has
10 two components: (1) capacity adequacy service required meeting adequacy standards of
11 the Nova Scotia electricity system; and (2) top-up capacity service associated with energy
12 delivery in respect of forced or unplanned outages of the Licenced Retail Supplier's
13 contracted generation resources.
14

15 **Transmission Provider:** NS Power.
16

17 **Transmission Services:** The services obtained by Market Participants under the terms
18 and conditions of the OATT to access the Transmission System for the purpose of
19 transporting electric energy and Ancillary Services.
20

21 **Transmission System:** The facilities, generally rated at 69 kV and above, owned,
22 controlled or operated by the Transmission Provider that are used to provide transmission
23 service under the OATT.
24

25 **Wholesale Customer:** This term has the same meaning as under the Act.
26

1 **2.0 PURPOSE OF THE LRS TERMS AND CONDITIONS**

2

3 2.1 These procedures and terms and conditions (collectively referred to as the “LRS Terms
4 and Conditions” or “LRS T&Cs”) are applicable to Licenced Retail Suppliers for the
5 purpose of enabling the supply of renewable low-impact electricity to RtR Customers in
6 accordance with the provisions of the Act and the regulations made thereunder.

1 **3.0 SCOPE AND APPLICABILITY OF THE LRS T&CS**

2

3 3.1 These LRS T&Cs are applicable to an LRS who enters into an LRS Participation
4 Agreement with NS Power for provision of LRS Tariffed Services to the LRS.

5

6 3.2 The LRS T&Cs and are deemed to form part of the LRS Participation Agreement and
7 address, among other things, the procedures for RtR Customer transactions, metering,
8 Load Settlement and LRS billing.

9

10 3.3 An LRS is required to execute an LRS Participation Agreement with NS Power in order
11 for the LRS to be eligible for LRS Tariffed Services from NS Power. The LRS
12 Participation Agreement shall give contractual force to the LRS T&Cs with respect to the
13 relationship between NS Power and the LRS.

14

15 3.4 Distribution System Access under the Distribution Tariff is provided directly to the RtR
16 Customer by NS Power and is not included in the scope of the LRS Participation
17 Agreement.

1 **4.0 BOARD APPROVAL**

2

3 4.1 The LRS T&Cs have been approved by the Board.

4

5 4.2 Nothing contained in the LRS T&Cs or the LRS Participation Agreement shall be
6 construed as affecting in any way the right of NS Power to unilaterally make application
7 to the Board for a change in any rates, procedures, rules or regulations, including, the
8 LRS T&Cs, the Energy Balancing Service Tariff, the Standby Service Tariff, the OATT,
9 the Renewable to Retail Market Transition Tariff or the Distribution Tariff.

1 **5.0 APPENDICES**

2

3 5.1 For greater certainty, the following appendices are attached to and form part of the LRS
4 T&Cs:

5

6 (a) Appendix A: RtR Customer Transaction Request Application Form

7 (b) Appendix B: LRS Participation Agreement.

1 **6.0 ELIGIBILITY OF THE LRS**

2

3 6.1 Subject to the terms and conditions set out herein, an LRS shall be eligible for LRS
4 Tariffed Services from NS Power, if the following conditions are met to the satisfaction
5 of NS Power:

6

7 (a) LRS has a valid Retail Supplier Licence and provides NS Power with its unique
8 licence identification number;

9

10 (b) NS Power is in receipt of a valid LRS Participation Agreement duly executed by
11 the LRS and NS Power;

12

13 (c) LRS meets and adheres to the Credit Assurance requirements of NS Power as
14 described in Section 18 herein; and

15

16 (d) LRS provides NS Power with confirmation that the LRS has been qualified by the
17 NSPSO as a Market Participant within the NS Power operating area.

18

19 6.2 NS Power shall have the right to terminate the LRS Participation Agreement and
20 discontinue the LRS Tariffed Services without liability or penalty if at any time the LRS
21 fails to satisfy any of the conditions set out in Section 6.1.

22

23 6.3 There shall be only one LRS in respect of an RtR Customer Premises at any given time.

24

25 6.4 There shall be only one (1) RtR Customer for an RtR Customer Premises at any given
26 time.

1 **7.0 LRS PARTICIPATION IN NS POWER TARIFFS**

2

3 7.1 The LRS shall subscribe to all of the LRS Tariffed Services. For certainty, the LRS shall
4 not be entitled to receive one or more of the individual LRS Tariffed Services without
5 accepting and receiving all of the LRS Tariffed Services in the aggregate.

1 **8.0 LRS RESPONSIBILITIES**

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26

8.1 The LRS shall be responsible for:

- (a) the procurement of electricity from qualified low-impact renewable electricity generators;
- (b) acquiring the services delivered under, and remaining in compliance with, the OATT, Energy Balancing Service Tariff, Standby Service Tariff and the Renewable to Retail Market Transition Tariff;
- (c) payment to NS Power of all fees and charges for the LRS Tariffed Services;
- (d) payment to NS Power of all DT charges applicable to the LRS's RtR Customer(s);
- (e) adhering to the Credit Assurance requirements of NS Power as described in Section 18;
- (f) obtaining and providing the RtR Customer's written consent, in a form acceptable to NS Power, in support of any transaction requests submitted to NS Power on behalf of the RtR Customer;
- (g) obtaining any consents from the RtR Customer required by NS Power with respect to the use or disclosure of Customer Information;

- 1 (h) providing NS Power, in a timely manner, with up-to-date RtR Customer
2 Information for all RtR Customers served by the LRS;
3
- 4 (i) acting as the point of contact for RtR Customers served by the LRS on all matters
5 related to billing and collection of accounts;
6
- 7 (j) ensuring that the LRS's RtR Customers are aware of the terms and conditions of
8 any NS Power tariff to which the LRS subscribes that may affect the RtR
9 Customer;
10
- 11 (k) ensuring that the RtR Customers are aware of their responsibilities under the NS
12 Power Regulations; and
13
- 14 (l) notifying NS Power of the discontinuance of service to any RtR Customer by the
15 LRS.
16

17 8.2 The LRS shall adhere to and comply with the requirements of the applicable NS Power
18 Regulations identified herein.
19

20 8.3 The LRS shall adhere to and comply with Board Electricity Retailers Regulations (Nova
21 Scotia) and the Code of Conduct for the sale of Renewable Low-Impact Electricity Sales
22 in Nova Scotia.

1 **9.0 LRS ARRANGEMENTS WITH RTR CUSTOMERS**

2

3 9.1 The LRS shall enter into a contract with each of its RtR Customer(s) with respect to any
4 sale of renewable low-impact electricity by the LRS to such RtR Customer (“RtR
5 Customer Contract”).

6

7 9.2 NS Power shall not be responsible for monitoring, reviewing or enforcing the RtR
8 Customer Contract(s).

9

10 9.3 NS Power shall not be liable for any loss, damages, cost, injury, expense or other
11 liability, whether direct, indirect, consequential or special in nature, howsoever caused, as
12 a result of any breach of an RtR Customer Contract by either the LRS or the RtR
13 Customer.

14

15 9.4 The LRS shall ensure that each RtR Customer Contract contains a statement to the effect
16 that NS Power shall not be liable in damages to the RtR Customer in respect of any
17 breach of the RtR Customer Contract by the LRS or for any delay, interruption or other
18 partial or complete failure in the supply of electricity to the RtR Customer.

19

20 9.5 The LRS shall defend, protect, release, indemnify, keep indemnified and shall hold NS
21 Power harmless from and against and be liable to NS Power for any and all damages,
22 losses, claims or expenses which NS Power may at any time sustain or incur to the extent
23 arising, directly or indirectly, from (i) any acts or omissions of the LRS or any agent,
24 employee, of the LRS or person acting on behalf of any of them; and (b) any claims by a
25 third party, including an RtR Customer, arising out of a breach of the RtR Customer
26 Contract.

27

- 1 9.6 The LRS shall ensure that each RtR Customer Contract contains an acknowledgement
2 from the RtR Customer that the RtR Customer will revert to NS Power's Bundled Service
3 upon discontinuance of LRS Tariffed Service and the termination of the LRS
4 Participation Agreement unless an RtR Customer Transaction Request Application has
5 submitted by an alternate LRS on behalf of the RtR Customer to NS Power nominating
6 an alternate LRS.
7
- 8 9.7 Any assignment, sale or transfer of an RtR Customer Contract by an LRS shall not be
9 effective until the LRS has submitted and NS Power has accepted an RtR Customer
10 Transaction Request Application for the applicable RtR Customer.

1 **10.0 NS POWER RESPONSIBILITIES**

2

3 10.1 NS Power shall be responsible for:

4

5 (a) processing all RtR Customer Transaction Request Applications submitted by an
6 LRS in accordance with Section 11;

7

8 (b) provision of the services delivered under the OATT, Energy Balancing Service
9 Tariff, Standby Service Tariff and the Renewable to Retail Market Transition
10 Tariff to the LRS;

11 (c) provision of Distribution System Access to applicable RtR Customers;

12

13 (d) providing metering services;

14

15 (e) performing Load Settlement for each LRS;

16

17 (f) issuing invoices to the LRS;

18

19 (g) maintaining Customer Information for all customer sites as necessary to perform
20 Load Settlement;

21

22 (h) maintaining Customer Information as it is supplied and updated by the RtR
23 Customer; and

24

25 (i) acting as the point of contact for RtR Customers for matters related to the
26 provision of Distribution Access Service.

1 10.2 Interruption of LRS Tariffed Services

2

3 10.2.1 NS Power shall have the right to suspend or interrupt the delivery of Distribution System
4 Access or any or all of the LRS Tariffed Services for the purpose of safeguarding life or
5 property, for making repairs, changes, renewals, improvements or replacements to the
6 Transmission System or Distribution System provided NS Power shall make Reasonable
7 Efforts to ensure all such interruptions or suspensions are of a minimum duration
8 consistent with the exigencies of the case. Further, provided, however, any such
9 interruption or suspensions shall not release the LRS from its obligation to pay all
10 charges pursuant to any NS Power tariffs applicable to the LRS Tariffed Services, or
11 otherwise owing to NS Power under the LRS T&Cs, including the DT Charges, during
12 the period of any such suspensions.

13

14 10.3 Limitation of Liability

15 10.3.1 Notwithstanding any other provision herein, NS Power shall not be liable for any claim,
16 loss, cost, liability, actions, judgment, suit, proceeding, expense, disbursement or damage
17 whatsoever arising, either directly or indirectly, whether in contract or tort (including
18 negligence) or otherwise, from any interruptions, diversions, curtailments, suspension or
19 other procedures necessary to maintain the efficient and effective operation of either the
20 Distribution System or the Transmission System. This would include Distribution
21 System Access and any or all LRS Tariff Services provided by NS Power to the LRS.

22 10.3.2 Notwithstanding any other provision herein, and in addition to Sections 10.3.1, NS Power
23 shall not be liable for any claims, losses, costs, liabilities, obligations, actions, judgments,
24 suits, expenses, disbursements or damages of an LRS or its directors, officers or
25 employees whatsoever, whether in contract or in tort (including negligence) or any other

1 legal theory, arising, directly or indirectly, out of any act or omission of NS Power in the
2 exercise of any power or obligation under the LRS T&Cs or any applicable tariff,
3 including the Distribution Tariff, the Energy Balancing Service Tariff, the Standby
4 Service Tariff, the OATT and the Renewable to Retail Transition, except to the extent
5 such claim, loss or damages results from the gross negligence or willful misconduct of
6 NS Power.

7 10.3.3 For the purposes of Section 10.3.2, an act or omission of NS Power effected in
8 compliance with the LRS T&Cs or the applicable tariffs shall be deemed not to constitute
9 willful misconduct or a negligent act or omission.

10
11 10.3.4 Notwithstanding any other provision herein or applicable law to the contrary, NS Power
12 shall not be liable to the LRS for:

- 13
14 (a) any indirect or consequential loss or incidental or special damages, including,
15 without limitation, any punitive or aggravated damages;
16
17 (b) any loss of profit, loss of contract, loss of opportunity or loss of goodwill; or
18
19 (c) damages for loss of use,

20
21 arising, directly or indirectly, with the performance or delivery of the LRS Tariff Services
22 or Distribution System Access, including, but not limited, to interruptions, diversions,
23 curtailments or suspensions of any of the LRS Tariffed Services or Distribution System
24 Access or from any acts or omissions of its employees or agents, and whether arising in
25 contract, indemnity, tort (including negligence) or any other legal theory.

1 **11.0 RTR CUSTOMER TRANSACTIONS**

2
3 11.1 Prior to enrollment of a new RtR Customer or modifying the enrollment of an existing
4 RtR Customer, the LRS shall complete and submit to NS Power an RtR Customer
5 Transaction Request Application duly executed by the LRS and the applicant customer.
6 NS Power will review the RtR Customer Transaction Request Application and notify the
7 LRS upon its acceptance or rejection. For certainty, completed RtR Customer
8 Transaction Request Applications duly executed by the LRS and the applicable customer
9 shall be required for each of the following categories of transactions:

- 10
11 (a) A request to enroll a current NS Power Bundled Service customer as an RtR
12 Customer of the LRS;
13
14 (b) A request to enroll a Retail Customer, that is not currently an NS Power Bundled
15 Service customer, as an RtR Customer of the LRS;
16
17 (c) A request for return of an LRS's RtR Customer to NS Power's Bundled Service;
18
19 (d) A request, initiated by the LRS of record, to transfer an existing RtR Customer
20 from the current LRS to another LRS (Assignee), subject to the written
21 authorization of the Assignee;
22
23 (e) A request to obtain Customer Information from NS Power;
24
25 (f) Notification to NS Power of updated Customer Information; and
26
27 (g) Such other service request types as determined by NS Power.

1 11.2 The LRS shall provide complete Customer Information with each application for RtR
2 Customer enrollment or transfer.

3

4 11.3 NS Power reserves the right to refuse to accept an RtR Customer Transaction Request
5 Application for any Retail Customer who has outstanding debt payable to NS Power in
6 relation to previous electric service.

7

8 11.4 NS Power reserves the right to refuse to accept an RtR Customer Transaction Request
9 Application for any Retail Customer whose premises is physically connected to the
10 Transmission System until the Retail Customer has executed a separate operating
11 agreement with NS Power in a form satisfactory to NS Power. Such an operating
12 agreement will address operational issues including, but not limited to the following:
13 descriptions of facilities and delivery points, characteristics of supply, metering, load
14 balance, harmonics, right of way, right of access and general obligations of both the
15 transmission-connected Retail Customer and NS Power.

16

17 11.5 RtR Customer Transaction Request Applications will be processed based on the order in
18 which they are received by NS Power. NS Power will use Reasonable Efforts to process
19 each RtR Customer Transaction Request Application and complete the installation of
20 interval metering devices and communications equipment and services as necessary to
21 effect transfer of the RtR Customer to LRS supply within fourteen (14) Calendar Days of
22 receipt of the RtR Customer Transaction Request Application.

23

1 11.6 Upon acceptance of an RtR Customer Transaction Request Application, NS Power will
2 notify the LRS and record the LRS as the LRS of record for the particular RtR Customer
3 Premises. If an RtR Customer Transaction Request Application is rejected, NS Power
4 will provide the LRS with the reason(s) for the rejection.

5
6 11.7 All indebtedness of the RtR Customer to NS Power in respect of any NS Power electrical
7 service supplied to the RtR Customer that is in arrears must be paid in full before NS
8 Power can accept the enrollment of the RtR Customer with the LRS or the transfer of the
9 RtR Customer to an alternate LRS.

10

11 11.8 Following acceptance of the Customer Transaction Request Application by NS Power,
12 the RtR Customer transactions will be effective for the period following the next meter
13 reading for the RtR Customer.

14

15 11.9 NS Power shall ensure that each distribution connected RtR Customer is provided with a
16 copy of the Distribution Tariff.

1 **12.0 LRS RTR CUSTOMER INFORMATION INQUIRIES**

2

3 12.1 Provision of NS Power Customer Information to LRS

4

5 12.1.1 Subject to receipt of the consent of the Retail Customer, NS Power will provide Customer
6 Information to an LRS with which it has an executed LRS Participation Agreement.

7

8 12.1.2 An LRS with a fully executed LRS Participation Agreement with NS Power may request
9 Customer Information prior to the RtR Customer subscribing with the LRS provided the
10 RtR Customer has consented in writing to the disclosure of such information to the LRS.

11

12 12.1.3 The LRS shall initiate this request by submitting an RtR Customer Transaction Request
13 Application.

14

15 12.2 Provision of RtR Customer Information between the LRS and NS Power

16

17 12.2.1 The LRS shall notify NS Power promptly of any changes to the Customer Information.

18

19 12.2.2 Subject to any confidentiality, NS Power and the LRS shall each supply to the other data,
20 materials or other information that may be reasonably required in connection with the
21 performance of its obligations under the LRS T&Cs.

1 **13.0 METERING**

2

3 13.1 Provision and Ownership

4

5 13.1.1 NS Power will install and seal all revenue class meters for the purpose of measuring the
6 output of the LRS's generation resources and the RtR Customer's load as necessary for
7 application of the applicable NS Power tariffs. Meter data from such meters will be used
8 for Load Settlement for the purpose of determining the charges for the LRS Tariffed
9 Services. The meters will also be used to determine charges for Distribution System
10 Access under the Distribution Tariff.

11

12 13.1.2 Interval meters with remote polling capability shall be installed for all RtR Customers.
13 NS Power will charge the costs of the supply and installation of metering devices and
14 communications equipment and services which are incremental to the metering
15 requirements applicable to NS Power's Bundled Service. Metering for LRS generation
16 resources (whether owned or contracted) will be provided in accordance with the
17 applicable Generator Interconnection Agreement.

18

19 13.1.3 Meters and associated revenue metering equipment shall remain the property of NS
20 Power.

21

22 13.1.4 All revenue metering equipment installations shall meet the Electricity and Gas
23 Inspection Act regulations requirements in effect at the time.

24

1 13.1.5 NS Power Regulations with respect to metering shall apply to metering of RtR Customer
2 loads for the purpose of billing the LRS for LRS Tariffed Services.

3
4 13.1.6 Any LRS instituting connection of a generation resource to RtR Customer load that is
5 behind the main NS Power revenue meter will:

6 (a) install secondary revenue class metering with remote polling capability at each
7 applicable RtR Customer Premises to a standard satisfactory to NS Power
8 (“Secondary Metering”); and

9 (b) provide NS Power access to read and test such metering as well as electronic
10 access for the purpose of polling the meter data.

11 Data from Secondary Metering will be used in settlement of the LRS Tariffed Services,
12 and all applicable DT Charges due from the LRS to NS Power.

13

14 13.2 Meter Reading

15

16 13.2.1 NS Power shall use Reasonable Efforts to obtain a meter reading for each RtR Customer
17 Premises in accordance with NS Power’s meter reading cycle. If NS Power is unable to
18 obtain a meter reading, the amount of power and energy used by the RtR Customer in the
19 Billing Period shall be estimated by NS Power.

20 13.2.2 At the request of the LRS, NS Power shall use Reasonable Efforts to obtain an actual
21 meter reading at a time other than the regularly scheduled meter reading. NS Power will
22 charge the LRS for additional meter reading expense in accordance with NS Power
23 Regulation 7.1 - Schedule of Charges.

24

1 13.2.3 NS Power Regulations with respect to meter reading shall apply to metering of RtR
2 Customer loads for the purpose of billing the LRS for LRS Tariffed Services and DT
3 Charges.

1 **14.0 BILLING AND SETTLEMENT**

2

3 14.1 Billing of RtR Customers

4 14.1.1 In order that the LRS may bill its RtR Customers for the sale of renewable low-impact
5 electricity, NS Power will provide the LRS with the metering data applicable to each of
6 the LRS's RtR Customers.

7 14.1.2 All DT Charges will be calculated by NS Power using the RtR Customer's meter
8 readings and the Distribution Tariff Rate Schedule applicable to the RtR Customer's rate
9 class.

10 14.1.3 The LRS shall invoice the LRS's RtR Customer for the DT Charges and consolidate such
11 charges and fees on the LRS's invoice to the RtR Customer. The DT Charges shall not
12 be marked-up, added to, aggregated, bundled, unbundled, or otherwise altered by the
13 LRS. DT Charges related to special customer services will be itemized and provide the
14 total amount of the charge.

15 14.1.4 NS Power may, at its discretion, include fees for any special customer services provided
16 at the LRS's or the RtR Customer's request, pursuant to NS Power Regulation 7.1 -
17 Schedule of Charges.

18

19

20

21

22

1 14.2 NS Power Settlement and Billing to LRS for Aggregated Charges

2 14.2.1 Charges for LRS Tariffed Services provided to the LRS shall be based on the aggregated
3 RtR Customer load and the LRS aggregate generation (whether owned or contracted).
4 The charge determinant shall be based on the aggregate energy and peak hourly
5 aggregate demand of an LRS's RtR Customer loads in conjunction with the hourly
6 aggregate energy of the LRS generation (whether owned or contracted). NS Power will
7 invoice for each of the services provided to the LRS under the Energy Balancing Service
8 Tariff, Standby Service Tariff and the Renewable to Retail Transition Tariff in
9 accordance with the rates, terms and conditions set out in those tariffs.

10 14.2.2 NS Power will invoice the LRS for Transmission Services and associated Ancillary
11 Services in accordance with the rates, terms, riders and conditions set out in the OATT
12 and in accordance with the Nova Scotia Wholesale and Renewable to Retail Electricity
13 Market Rules and Procedures.

14

15 14.3 Settlement Methodology for Determining the Aggregated Charges

16 14.3.1 To determine the charges described in Section 14.2, NS Power shall determine the
17 aggregate load for each hour in the Billing Period for the total of all RtR Customers of
18 the LRS, and the aggregate output for each hour in the Billing Period of all RtR
19 generation serving the LRS.

20 14.3.2 To determine the aggregated LRS hourly load and generation profiles using interval
21 meters, NS Power will aggregate the individual meter interval readings for each hour in
22 the Billing Period. The aggregated hourly load and generation profiles will be used in the
23 settlement calculations.

24

1 14.4 Determination of RtR Load Requirement at Transmission Voltage

2 14.4.1 Meter readings for distribution-connected RtR Customer loads will be adjusted for
3 distribution losses using established average annual rate class losses for the purpose of
4 Load Settlement for each of the LRS Tariffed Services which are applicable at the
5 transmission voltage level.

6

1 14.5 NS Power Billing Procedure

2 14.5.1 Within a reasonable time after the first day of each month, NS Power shall submit an
3 invoice to the LRS for the charges for all LRS Tariffed Services received by the LRS
4 during the preceding month. Unless NS Power directs otherwise in writing, NS Power
5 will also invoice the LRS for the DT Charges.

6 14.5.2 LRS agrees to pay NS Power in full for the DT Charges in the manner set out herein and
7 the LRS shall have the right to seek reimbursement from its applicable RtR Customers
8 for such DT Charges.

9 14.5.3 The LRS shall be liable to NS Power for payment of the full amount of any and all DT
10 Charges applicable to the LRS's RtR Customers invoiced by NS Power, notwithstanding
11 the ability of the LRS to obtain payment of such amounts from its RtR Customers. Non-
12 payment of the DT Charges by an LRS's RtR Customer shall not constitute a valid
13 defence for non-payment by the LRS to NS Power.

14 14.5.4 The LRS shall consolidate the DT Charges on the LRS's invoice to the RtR Customer;
15 provided, however, the DT Charges shall not be marked-up, added to, aggregated,
16 bundled, unbundled, or otherwise altered by the LRS.

17 14.5.5 Unless, NS Power directs otherwise in writing, the LRS shall be responsible for the
18 collection of all DT Charges owing by its RtR Customers. LRS shall at all times
19 indemnify, defend, and save NS Power harmless from and against any and all damages,
20 losses, claims, costs, liabilities, actions, judgments, suits, proceedings, expenses or
21 disbursement whatsoever arising out of, either directly or indirectly, whether in contract
22 or tort (including negligence) or otherwise, the collection of DT Charges by the LRS, its
23 employees or its agents.
24

1 14.5.6 All invoices issued by NS Power, including an invoice for the DT Charges, shall be paid
2 by the LRS to NS Power in full within twenty (20) Calendar Days of the billing date. All
3 payments shall be made in immediately available funds payable to NS Power. Invoiced
4 amounts which are not paid by the LRS within twenty (20) Calendar Days after the
5 billing date shall be subject to an interest charge as set forth in Section 14.6.

6 14.5.7 Each invoice shall state the period to which the invoice applies and describe the services
7 provided. The amount due within the twenty (20) day period set out in Section 14.5.6
8 and the effective date of the interest charge shall be clearly shown on the invoice. Where
9 practicable, NS Power will address credits and payment obligations due under any tariff
10 on the same invoice through netting, including interest payments or credits.

11 14.5.8 Unless otherwise expressly stated, all references in the tariffs, a settlement statement or
12 an invoice to a monetary amount shall be expressed in Canadian dollars.

13

14 14.6 Interest on Unpaid Balances

15 14.6.1 Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated
16 in accordance with the methodology specified in NS Power Regulation 5.4. When
17 payments are made by mail, invoices shall be considered as paid on time if the envelope
18 is postmarked on or before the last date for net payment.

1 **15.0 DEFAULT FOR NON-PAYMENT**

2

3 15.1 In the event a Licenced Retail Supplier fails, for any reason other than a billing dispute as
4 described below, to make payment to NS Power on or before the due date as described in
5 Section 14.5.6, and such failure of payment is not corrected within thirty (30) Calendar
6 Days after NS Power notifies the LRS to cure such failure, a default by the LRS shall be
7 deemed to exist. Upon the occurrence of such a default by the LRS, NS Power may
8 discontinue the LRS Tariffed Services and terminate the LRS Participation Agreement
9 without any liability or responsibility whatsoever, except for obligations arising prior to
10 the date of termination.

11

12 15.2 In the event of a billing dispute between NS Power and the LRS, NS Power shall
13 continue to provide LRS Tariffed Services as long as the LRS (i) gives written notice of
14 the dispute to NS Power on or before the due date for the payment, detailing the amount
15 and reasons for the dispute; (ii) continues to make all payments not in dispute, and (iii)
16 prior to the due date for payment pays into an independent escrow account the portion of
17 the invoice in dispute, pending resolution of such dispute. If the Licenced Retail Supplier
18 fails to meet these three requirements for continuation of service, then NS Power may
19 provide notice to the Licenced Retail Supplier of its intention to discontinue the LRS
20 Tariffed Service and terminate the LRS Participation Agreement in thirty (30) Calendar
21 Days.

1 **16.0 EVENTS OF DEFAULT**

2
3 16.1 In addition to its rights of discontinuation and termination under Section 15, NS Power
4 may, without prejudice to any other rights or remedies it may have, immediately
5 discontinue the LRS Tariffed Services and terminate the LRS Participation Agreement
6 upon notice in writing to the LRS:

- 7
- 8 (a) if the LRS's Retail Supplier Licence has been cancelled or otherwise revoked;
 - 9
 - 10 (b) if the LRS has failed to meet or maintain the Credit Assurance requirements set
11 out in Section 18;
 - 12
 - 13 (c) if the LRS is disqualified (or no longer qualifies) as a Market Participant within
14 the NS Power operating area;
 - 15
 - 16 (d) if the LRS fails to adhere to the NS Power Regulations identified herein as
17 applicable to the LRS following the expiration of any applicable cure period set
18 out in the NS Power Regulations;
 - 19
 - 20 (e) if the LRS defaults in the performance of any of its obligations under the LRS
21 T&Cs (other than those set out in Section 15 and Section 16.1(a) to (d) above) and
22 fails to cure such default within twenty (20) Calendar Days of notice of such
23 default by NS Power; or
 - 24
 - 25 (f) in the event of any liquidation, winding up or bankruptcy of the LRS, whether
26 voluntary or compulsory, or any composition with creditors or scheme of
27 arrangement.
-

- 1 16.2 Upon discontinuance of LRS Tariffed Service and the termination of the LRS
2 Participation Agreement, and in the absence of an RtR Customer Transaction Request
3 Application accepted by NS Power requesting the RtR Customer be assigned to an
4 alternate LRS, the provision of Bundled Service to the affected RtR Customers(s) shall be
5 assumed by NS Power as the default supplier, in accordance with NS Power's
6 Regulations.
7
- 8 16.3 In the event an RtR Customer breaches, defaults upon or otherwise fails to adhere to NS
9 Power Regulations ("Defaulting RtR Customer"), NS Power shall have the right, without
10 liability or penalty, to immediately terminate or suspend any service to the Defaulting
11 RtR Customer upon notice in writing to the LRS.

1 **17.0 DISCONTINUANCE OF SERVICE TO RTR CUSTOMER BY THE LRS**

2
3 17.1 To discontinue LRS Tariffed Services to an RtR Customer Premises, an LRS shall
4 complete and provide to NS Power, an RtR Customer Transaction Request Application,
5 in accordance with Section 11.

6
7 17.2 The LRS shall provide the RtR Customer with advance notice of any request to
8 discontinue the provision of service to that RtR Customer, and be responsible to the RtR
9 Customer for consequences of any such discontinuance. NS Power will not be held
10 liable for any RtR Customer disputes with the LRS regarding the discontinuance of LRS
11 Tariffed Services to an RtR Customer Premises.

12
13 17.3 The LRS Tariffed Services shall continue in effect and the LRS shall remain responsible
14 for payment of the LRS Tariffed Services until the next meter reading is obtained. If NS
15 Power has received and accepted an RtR Customer Transaction Request Application
16 from an alternate LRS (“Assignee”) for an RtR Customer, that Assignee will be
17 appointed as the new LRS of record for the RtR Customer, otherwise the RtR Customer
18 will be returned to NS Power’s Bundled Service.

19
20 17.4 NS Power reserves the right to refuse an RtR Customer Transaction Request Application
21 from any Retail Customer who has outstanding debt payable to NS Power in relation to
22 previous electric service. NS Power Regulations including, but not limited to application
23 for service, connection and disconnection of service, payment of accounts and deposits
24 will apply to the RtR Customer’s return to NS Power’s Bundled Service.

1 **18.0 CREDIT ASSURANCE**

2

3 18.1 An LRS must provide, in advance, Credit Assurance as security for the payment and
4 performance of the LRS's obligations to NS Power, including payment for the LRS
5 Tariffed Services and payment of the DT Charges, regardless of payment history, before
6 NS Power provides any of the LRS Tariffed Services to the LRS.

7

8 18.2 On any Business Day (but no more frequently than once per calendar month), NS Power
9 will provide the LRS with written notice requesting Credit Assurance in an amount
10 determined by NS Power and based upon an amount equal to two hundred percent
11 (200%) of the forecasted payment for the LRS Tariffed Services and DT Charges
12 combined (rounded upwards for any fractional amount to the nearest \$1000). Upon
13 receipt of such notice the LRS shall have three (3) Business Days to provide such Credit
14 Assurance to NS Power. In the event that the LRS fails to provide such Credit Assurance
15 acceptable to NS Power within three (3) Business Days of such request, then a default
16 will be deemed to have occurred in accordance with Section 16.1(b).

17

18 18.3 NS Power shall be entitled to draw upon or otherwise realize upon the Credit Assurance
19 in the event of any default pursuant to Section 15 or Section 16 herein and apply such
20 funds against the LRS's payment obligations until such time as all of the LRS's
21 obligations have been satisfied. If the Credit Assurance is insufficient to satisfy the
22 LRS' payment obligations, the LRS shall remain liable to NS Power for the balance of
23 the amount owing. If NS Power draws upon or otherwise realizes upon the Credit
24 Assurance as permitted hereunder, then the LRS shall provide additional or replacement
25 Credit Assurance which is sufficient to maintain the Credit Assurance in an amount
26 determined by NS Power as set out herein.

27

1 18.4 Costs of a Letter of Credit shall be the responsibility of the LRS and not NS Power. To
2 the extent that a Letter of Credit introduces a lag time and there are additional costs to NS
3 Power, these costs will be paid by the LRS.
4

5 18.5 To the extent the LRS delivers Credit Assurance hereunder in the form of cash to NS
6 Power, the LRS shall be deemed to have pledged and assigned to NS Power, as security
7 for the payment and performance of such LRS's obligations owing to NS Power, a
8 present and continuing security interest in, and lien on (and right of setoff against), all
9 such cash collateral and any and all proceeds resulting therefrom or the liquidation
10 thereof, whether now or hereafter held by, on behalf of, or for the benefit of NS Power.
11 The LRS shall also take such action as NS Power reasonably requires in order to perfect
12 NS Power's security interest in, and lien on (and right of setoff against), such collateral
13 and any and all proceeds resulting therefrom or from the liquidation thereof.
14

15 18.6 All cash held by NS Power as Credit Assurance shall be held without interest.

1 **19.0 FORCE MAJEURE AND INDEMNIFICATION**

2
3 19.1 Force Majeure

4
5 19.1.1 Force Majeure is any cause beyond the reasonable control of NS Power including,
6 without limiting the generality of the foregoing, an act of God, failure of facilities or
7 equipment, flood, earthquake, storm, nuclear disaster, lightning, fire, epidemic, war, riot,
8 civil disturbance, labour trouble, strike, sabotage, terrorism and restraint by court or
9 public authority which by exercise of Good Utility Practice NS Power could not be
10 expected to reasonably avoid. If NS Power is rendered unable to fulfill any obligations
11 by reason of Force Majeure, it shall be excused from performing to the extent it is
12 prevented from so doing but it shall exercise Good Utility Practice to correct such
13 inability with all reasonable dispatch, and it shall not be liable for any injury, damage or
14 loss resulting from such inability. However, settlement of strikes and labour disturbances
15 shall be wholly within the discretion of NS Power.

16
17 19.2 Indemnity by LRS

18
19 19.2.1 The LRS shall at all times indemnify, defend, and save NS Power harmless from, any and
20 all damages, losses, claims, including claims and actions relating to injury to or death of
21 any person or damage to property, demands, suits, recoveries, costs and expenses, court
22 costs, legal fees, and all other obligations by or to third parties, including, without
23 limitation the RtR Customer, arising out of or resulting from NS Power's performance of
24 its obligations on behalf of the LRS in respect of the LRS Tariffed Services on behalf of
25 the LRS, except to the extent such claim, loss or damages results from the gross
26 negligence or willful misconduct of NS Power.
27

1 **20.0 APPENDIX A**

2

3

RTR CUSTOMER TRANSACTION REQUEST APPLICATION FORM

4

[TO BE DEVELOPED DURING IMPLEMENTATION]

5

6

7

1 **21.0 APPENDIX B**

2

3

LRS PARTICPATION AGREEMENT

4

5

Regulations

Nova Scotia Power Inc.
Tariffs & Regulations
Approved by the Nova Scotia Utility and Review Board
pursuant to The Public Utilities Act,
R.S.N.S., 189,c.380 as amended

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- 7.1 Schedule of Charges
- 7.2 Schedule of Wiring Inspection Fees
- 7.3 Schedule of Load Research Monitoring, Reporting and Analytical Charges

Section 8 Other Services

- 8.1 Mersey System
 - 8.1.1 Delivery and Metering
 - 8.1.2 Power Factor
 - 8.1.3 Billing
 - 8.1.4 Other

1.1 INTERPRETATION AND DEFINITIONS

Interpretation	<p>In these regulations unless the context requires otherwise:</p> <p>Words importing male persons include female persons and corporations.</p> <p>Words importing the singular include the plural and vice versa.</p> <p>Marginal notes and appended citations form no part of these regulations and are deemed to have been inserted for convenience of reference only.</p> <p>In these regulations unless the context requires otherwise:</p>
“Board”	“Board” means the Nova Scotia Utility and Review Board;
“Company”	“Company” means the Nova Scotia Power Incorporated;
“Customer”	“customer” includes a person who is receiving, intends to receive, or has received electrical energy or electric services from the Company. For greater certainty, this includes an RtR Customer receiving Distribution System Access;
“Demand”	“demand” means the maximum kW/kV.A recorded over a specified time period;
“Distribution System Access”	The services provided by the Company under the Distribution Tariff to provide for the connection of the RtR Customer to the Company’s distribution system, but does not include the provision of electricity. These services are comprised of delivery of electricity on the distribution system and related services including connections, disconnections, line and service extensions, inspection services, meter services, power restoration, meter reading, and customer service, all in accordance with the applicable Regulations;
“Farming or Fishing Unit”	“farming or fishing unit” means a farming or fishing business at one location, whether a single or family

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operation, partnership, or incorporated business;

“Licenced Retail Supplier (LRS)”

A Retail Supplier who:
 (a) holds a valid Retail Supplier Licence; and
 (b) has a valid LRS Participation Agreement executed with the Company.
 For certainty, a Wholesale Customer is not a Licenced Retail Supplier;

“Load”

“load” means power and energy with the power measured in kW/kV.A and the energy in kW.h;

“LRS Participation Agreement”

“LRS Participation Agreement means the agreement (and any amendments or supplements thereto) between a Licenced Retail Supplier and the Company with respect to the sale of renewable low-impact electricity by the LRS in the form approved by the Board;

“Meter”

“meter” means an electric meter, and includes a machine, apparatus or instrument used for making electrical measurements, and any device utilized for the purpose of obtaining the basis of a charge for electricity;

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“Meter seal”		"meter seal" means either the seal placed on the meter by Industry Canada to prevent fraudulent interference with the passage of electricity through the meter or the seal placed by the Company on the terminal plate or the meter band securing the meter to the base, and includes a seal placed on the demand reset where demand indicating meters are involved and other installations as required;
“Mobile home”		"mobile home" means any portable dwelling having no permanent foundation and supported by wheels, jacks or similar supports, used or so constructed as to permit its being used as a conveyance upon public streets or highways and designed and constructed to permit occupancy for dwelling or sleeping quarters. This does not include travel trailers, tent trailers or trailers otherwise designed;
“Normal hours”	business	“normal business hours” means 0830 hrs to 1630 hrs, Monday to Friday inclusive excluding Statutory holidays;
“Occupant”		“occupant” means any person who has the right to occupy any premises;
“Overhead extension”	line	"overhead line extension" means any above ground extension from existing Company distribution facilities required to supply electric power for one or more customers adjacent to a public road, and/or for two or more customers not adjacent to a public road, and any such extension shall be deemed to terminate where the line ceases to be common to more than one customer;
“Overhead extension”	service	"overhead service extension" means any above ground extension across private property or along a private road required to serve only a single customer;
“Owner”		“owner” is any person having title to the whole or any part of any premises and may include a joint owner, tenant-in-common, or joint tenant;

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“Permanent Service”	"permanent service" is one terminated on a permanent structure and which can be expected to remain in place without alteration for the useful life of the service. It may serve a conventional building, mobile home, or recurring seasonal service;
“Person”	"person" includes a government and a department, agency or commission thereof, corporation, partnership, firm, association, society, unincorporated entity and the heirs, executors, administrators or other legal representatives of a person;
“Power”	“power” means the time rate of generating or using electric energy, normally expressed in kilowatts;
“Power factor”	“power factor” means the ratio of real power, (kW) to apparent power (kV.A) for any given load and time. Generally it is expressed as a percentage ratio;
“Premises”	"premises" means a premises that is provided with electricity through a single meter and, as the context requires, either <ul style="list-style-type: none"> (a) a complete building such as an office building, factory or house; or (b) a part of a building such as a suite of offices in an office building or an apartment in an apartment building, and in such cases the part of the building occupied must be contiguous and include no space not controlled by the customer; or (c) a group of buildings served by one electric service and at its discretion accepted by the Company as one customer for billing purposes;
“Primary metering”	“primary metering” means metering on the high voltage side of the transformer supplying the customer;
“Public Road”	“public road” includes any rural road listed and maintained by the Department of Transportation or any road maintained by a municipality;

1.1 INTERPRETATION AND DEFINITIONS

“Retail Supplier”	“Retail Supplier” has the same meaning as under the <i>Electricity Act</i> , S.N.S. 2004, c. 25.
“Retail Supplier Licence”	“Retail Supplier Licence” means a Retail Supplier licence issued by the Board in accordance with the <i>Electricity Act</i> , S.N.S. 2004, c. 25 and regulations made thereunder, which permits a person to sell renewable low-impact electricity generated within the Province.
“RtR Customer”	“RtR Customer” means a Retail Customer who is acquiring renewable low-impact electricity from an LRS at an individual premises and is not receiving Bundled Service from NS Power at that premises.
“Residential Customer”	"residential customer" means any individual non-commercial customer receiving service under the Domestic Service Rate at his/her permanent or temporary place of residence;
“Secondary metering”	"secondary metering" means metering on the low voltage side of the transformer supplying the customer;
“Service line allowance”	"service line allowance" is the distance from the centre line of the road or existing line, whichever is nearer to the nearest point of attachment to the customer's electric service as determined by the Company;
“Temporary electric service”	"temporary electric service" includes any service supplied for a temporary purpose, and without limiting the generality of the foregoing includes picnics, concerts, sporting events, rallies, conventions, circuses, exhibitions and construction sites and facilities which will not result in permanent service connections, and any service required for less than one month;

1.1 INTERPRETATION AND DEFINITIONS

“Unmetered”	“unmetered” means a supply of electricity for which no metering device is employed to record either the power or energy supplied.
“Wholesale Customer”	“Wholesale Customer” has the same meaning as under the Electricity Act, S.N.S. 2004, c. 25.

1.2 NO CONTRARY REPRESENTATION BINDING ON THE COMPANY

No agent, employee or representative of the Company shall have the authority to make any promise, agreement or representation, whether verbal or otherwise, which is inconsistent with these Regulations and no such promise, agreement or representation if made or given shall be binding on the Company.

1.3 INFRINGEMENT OF REGULATIONS

The Company may disconnect electric service, remove its property from a customer's premises, and terminate any agreement for the supply of electric power and energy or discontinue the provision of Distribution Access Service if the customer fails to comply with these regulations as amended from time to time or any other relevant statutory provision.

Any use of electricity in breach of these regulations disentitles the customer to all extended service considerations provided with the procedures for disconnection, removal of Company property, and termination of any agreement.

2.1 APPLICATION FOR ELECTRIC SERVICE

The Company shall only supply electric service to a Customer who is the owner, or occupant, of premises for which electric service is required. The supply of such electric service shall be in accordance with these Regulations, and at such Rates as may be applicable, from time to time.

RESIDENTIAL ELECTRIC SERVICE CUSTOMERS

Before supplying electric service to a Residential Customer, the Company may require the owner or occupant of the premises to complete an Electric Service Contract. If such person refuses to complete the Electric Service Contract, the Company may refuse to supply electric service to the premises or may discontinue the supply of electric service to the premises.

The Company may also refuse to provide electric service to the premises if:

- (a) the person applying for electric service has an outstanding electric service account and satisfactory arrangements for settlement have not been made, or
- (b) the person applying is an agent for another person, and that other person has an outstanding electric service account and satisfactory arrangements for settlement have not been made, or
- (c) an occupant of the premises has an outstanding account incurred when occupying any premises at the same time as the person applying for service and satisfactory arrangements for settlement have not been made.

In situations where the Company does not require the Customer to complete an Electric Service Contract, the Customer may request that an Electric Service Contract be completed prior to the supply of electric service.

NON RESIDENTIAL ELECTRIC SERVICE CUSTOMERS

Electric service will only be rendered to a Non Residential Electric Service Customer upon the completion of an Electric Service Contract. This Electric Service Contract must be signed by an authorized officer of such non residential customer. If the Customer refuses or neglects to complete an Electric Service Contract, the Company may refuse to supply electric service or may discontinue the supply of electric service.

The Company may refuse to supply electric service if the Customer has an outstanding electric service account.

2.2 AGREEMENT

An Agreement is deemed to exist between a customer and the Company for the supply of electric power and energy or for the provision of Distribution System Access, as applicable, at appropriate rates and payment therefore in accordance with these regulations by virtue of:

- (a) the customer applying and receiving approval for electric service; or
- (b) the customer consuming or paying for electric service from a date that the customer who is a party to an agreement pursuant to clause (a) (the customer of record) moves out of the premises, in which case the customer of record shall remain jointly and severally liable for the electric service account up to the date the Company is notified that the customer of record wishes to terminate the supply of electric service to the customer.

For certainty, the provision of Distribution System Access is deemed to constitute an electric service from the Company.

2.3 CONNECTION OF ELECTRIC SERVICE

The customer shall be charged a fee for the connection or reconnection of electric service as set forth in the Schedule of Charges.

In cases where no physical connection (meter installation or seal removal) of electric service is required, but a new account is added to the Company's billing system, the customer shall be charged a standard connection fee in accordance with these Regulations for establishing his account and/or taking a reading from the meter.

The Company shall perform connections or reconnections of electric service during the Company's normal business hours. The Company may perform such connections or reconnections at other than normal business hours at an additional fee if requested to do so by the customer.

The customer is not to be charged the connection fee where the connection or reconnection is occasioned by a failure of the Company to comply with the Regulations.

2.4 ASSIGNMENT OF ELECTRIC SERVICE CONTRACT OR ACCOUNT

A purported assignment of an electric service contract or an electric service account is null and void unless such assignment is authorized and approved by the Company.

2.5 POINT OF SUPPLY AND POINT OF SERVICE

The Company shall determine the point of supply and the point of service to any customer.

Any additional costs incurred as a result of the customer's special electric service requirements shall be borne by the customer.

2.6 OVERHEAD LINE AND SERVICE EXTENSIONS

Line and service extensions shall be erected and owned by the Company. Where it is necessary to build on private property other than the customer's property, the customer is responsible for obtaining a registerable right-of-way in the Company's name and in a form satisfactory to the Company. Where it is necessary to build on the customer's property, the customer must grant to the Company a registerable easement in a form satisfactory to the Company.

In all cases involving private property, the customer is responsible for having the right-of-way suitably cleared of trees, bushes and undergrowth to the Company's satisfaction.

The Company will normally provide to its customers, a maximum of 92 metres of line or service extension, or 92 metres of line and service combined. The Company shall provide to a year round residence, which the Company is satisfied is the customer's permanent, primary, or principal residence, an additional 100 metres of line extension along a public road for each year that the residence has been continuously occupied prior to the request for service, to a maximum of 1,600 metres. The customer shall contribute to the cost of all extensions over and above these provisions.

However, in an area where line and/or service provisions previously existed, the Company shall provide a similar new extension at a reduced cost to the customer, based on the following formula wherein the indicated timeframes represent that period of time which has elapsed since the previous line/service facilities were removed.

<u>Elapsed Time</u>	<u>Percent Customer Contribution</u>
Up to 1 year	0
Year 1-2	20%
Year 2-3	40%
Year 3-4	60%
Year 4-5	80%
After 5 Years	100%

Where the new requirement represents or indicates an expansion or upgrade of the prior facilities, the reduced contribution will only be applicable to costs associated with an equivalent service provision.

2.6 OVERHEAD LINE AND SERVICE EXTENSIONS

A service extension is normally terminated on the customer's building. Should it be necessary to terminate a service on a pole, or if the customer, for any other reason, requires that the Company provide an additional pole not normally required in the opinion of the Company, the customer will be required to make a capital contribution towards the cost of a pole supplied, installed and owned by the Company. The customer must supply the weatherhead, conduit and meter base necessary to receive service.

2.7 ELECTRIC SERVICE AVAILABILITY AND STANDARD VOLTAGES

The Company shall maintain electric service to customers by providing distribution facilities and services designed and constructed to accepted Utility Engineering Standards, including one supply to each building.

Customers shall not use these facilities in a manner that will cause unacceptable interference to the Company's system, and/or adversely affect other customers served from the same facilities.

The following electric service voltages are to be considered as standard within the low voltage classification:

- Single-phase, 3-Wire, 120/240 volts
- Three-phase, 4-Wire, 120/208Y volts
- Three-phase, 4-Wire, 347/600Y volts

In addition, three-phase electric service may be provided at other voltages with special permission. Customer contributions will be required if additional costs are incurred.

For voltage variation limits, refer to C.S.A. standard - CAN-C235-83 or any subsequent revision.

Customers requiring three-phase electric service with connected load of 15 kW and under will be required to pay to the Company a capital contribution, as set forth in the Schedule of Charges, to cover the extra cost of transformers that must be installed to serve the three-phase load. Such contribution is in addition to that assessed to cover required line extensions. Should the necessary line and transformer facilities already exist at the location in question, no contribution will be required.

The electric service voltage provided under the Domestic rate to self-contained dwelling units, duplexes, condominiums and small apartment buildings shall be 3-Wire, 120/240 volts, except where there is a legitimate requirement for three-phase electric service.

Electric service shall normally be limited to one secondary voltage supply per duplex or other multi-unit residential building.

Under Regulation 2.11, the Company may require an underground primary voltage supply to serve such a building.

2.7 ELECTRIC SERVICE AVAILABILITY AND STANDARD VOLTAGES

Commercial loads which can be adequately supplied by a 30 ampere, 2-Wire supply may be served 2-Wire, 120 volts.

The Company may, at no charge to the customer, install a recording instrument to check a customer's voltage at the customer's supply point.

If the Company is satisfied with the customer supply voltage and if the customer for the customer's own purposes requests a recording instrument be installed, a charge for the installation of such recording equipment shall be applied as set forth in the Schedule of Charges.

2.8 ELECTRICAL INSPECTION OF INSTALLATIONS

Every electrical installation within NSPI's service area shall be made in conformity with the Electrical Installation and Inspection Act (and regulations made thereunder), and Company standards. A wiring permit shall be obtained from NSPI before work is commenced with respect to new or existing installations. NSPI shall not be required to make a connection to any installation until it is satisfied that such installation is in compliance with all applicable regulations and standards and shall have the right to re-inspect any premises.

The appropriate charges shall be applied in accordance with the fees set out in Regulation 7.2 Schedule of Wiring Inspection Fees.

2.9 TEMPORARY ELECTRIC SERVICE

A customer requiring temporary electric service shall pay the Company for the electric service at the applicable rate and shall pay in advance the cost of installing and removing the electric service connection and any other related connection and reconnection costs, as set forth in the Schedule of Charges.

The minimum term temporary electric service for billing purposes, shall be one month; if the period of use in excess of one month includes a part of a month, the base charge and energy charge for the fraction of the month shall be billed to the exact day.

The Company shall have the right to limit the term of temporary electric service. This shall include the right to review the temporary aspect of the electric service and to determine if the electric service should be disconnected, retained as temporary or changed to a permanent electric service.

2.10 TRANSFORMER INSTALLATION

When in the Company's opinion, it is impractical to provide the customer's electrical requirements from existing Company facilities the customer must, on the request of the Company, provide suitable transformer(s) space on the customer's premises for the necessary transformers. The type and location of primary service equipment must be approved by the Company for each installation.

2.11 UNDERGROUND ELECTRIC SERVICES

Distribution Systems - The Company may supply, install, maintain and own underground distribution systems. A party requesting the installation of an underground distribution system will be required to make a capital contribution to the Company, equivalent to the difference in cost between the underground system installed and overhead distribution facilities it would otherwise provide.

Conversion of Existing Overhead Distribution Systems To Underground - A party requesting the conversion of an existing overhead system to underground shall be required to make a capital contribution to the cost of the conversion.

Secondary Services - The Company is not required to install underground secondary voltage services; however, in the event the Company installs an underground distribution system, consideration will be given towards the supply and installation of such electric services by the Company, at the customer's expense. The customer will be responsible for ownership, maintenance and replacement when necessary, except that in special circumstances such as may be encountered in a total underground urban system, it may be practical for the Company to own and maintain the total system including the secondary services. In the case of an individual underground residential service from a normal overhead system; the Company will allow the customer credit for the equivalent cost of an overhead service it would otherwise provide.

Primary Services - The Company will normally own the primary voltage cable in a customer-owned duct system. In the event that a primary service must be replaced, extended or repaired, the customer is responsible for any and all costs associated with the duct system. In this event, the Company will maintain service by temporary means but if it is deemed that service interruption results from failure of the duct system, such as might be caused by excavation in the area of the duct system, the customer will be responsible for temporary service costs as well as all costs associated with repairs to the service.

Replacement of Existing Systems - The Company will be responsible for costs associated with the best (generally lowest cost) supply option should an underground system (or any part thereof) have to be replaced. Where this option is another underground system the existing system would be replaced in kind. However, should the best option be overhead supply, and the customer wishes to continue to be served with underground service, the customer(s) will be required to make a new capital contribution, equivalent in cost to the difference between the overhead supply and the underground system.

2.12 REFUNDS OF CAPITAL CONTRIBUTIONS

Line/Service Extensions Less Than 184m

Customers will be provided with 92 metres of line/service extension at no cost, as provided for under Regulation 2.6. Any line/service extensions in excess of 92 metres will be at the cost of the customer. If any additional customers are connected to a contributed line/service extension, they will not be required to contribute to the shared portion of line, but will be responsible for the cost of any service extensions in excess of 92 metres. For each additional customer connected to a contributed portion of line within ten years from when the line was made available, the person who made the contribution will be entitled to 46 metres of equivalent line cost minus a 10% administration fee to a maximum of 90% of the total contribution.

Line/Service Extensions Longer Than 184m

Customers will be provided with 92 metres of line/service extension at no cost. Any line/service extensions in excess of 92 metres will be at the cost of the customer. If any additional customers are connected to a contributed line/service extension, they will be expected to contribute to the cost of any shared line plus contribute the cost of any dedicated line minus a credit for 92 metres of equivalent line cost.

Customers who have paid a capital contribution will be entitled to a refund each time additional customers are connected to the line within ten years of the date of the customer's capital contribution. The refund will be the difference between the net capital contribution paid to date and what would have been required if the additional customers had attached at the time the contribution was paid. Any refunds will be reduced by 10% as an administration fee. The maximum refund a customer can receive is 90% of the original contribution.

Notwithstanding the above, no refunds of capital contributions associated with any line/service extension will be made after such line/service extension is more than fifteen years old.

3.1 FARMING OR FISHING LOAD THAT MAY QUALIFY FOR THE DOMESTIC SERVICE RATE

Farming or fishing units may receive electric service at the domestic rate providing the following conditions are met:

- (a) each unit may have connected up to 200 amps single or combined service capacity, at voltages up to 240 volts, billed on the domestic rate; service capacity in excess of the 200 amp allowance will be billed at the applicable Non Domestic rate; and
- (b) the service capacity must be served by no more than three separately metered services.

The residence or residences will be metered separately for the purpose of this regulation.

A single metered service with capacity in excess of 200 amps will be billed on the applicable Non Domestic rate.

Service capacity of an accessory farm or fishing building served through the residence meter will be considered part of the unit total.

3.2 PREMISES JOINTLY USED FOR RESIDENTIAL AND COMMERCIAL PURPOSES

When a customer uses part of his premises as a residence and part for a small store or office, or other commercial use, the Domestic rate shall be applied to the entire premises, provided the connected load in the commercial portion, excluding space heating and air conditioning, is not greater than 3kW. Otherwise, the applicable Non Domestic rate shall be applied to the entire premises, or, at the customer's option, the residential electric service and the commercial electric service shall be separated and the Company shall install one meter for each, at which time the residential electric service shall be billed at the Domestic Service rate and the commercial electric service at the applicable Non Domestic rate.

3.3 SEASONAL ELECTRIC SERVICE

The contract period for all seasonal accounts is from May 1 to October 31, in any calendar year. Electric service to seasonal customers will remain connected during the winter period from November 1, to the following April 30 and the base charge will not be billed during these winter months, nor will bills be rendered. Energy used beyond October 31 will be billed on the first regular billing after May 1, or the final bill, whichever comes first. A disconnection charge, as set forth in the Schedule of Charges, will be applied when the seasonal electric service is physically disconnected at the request of the customer. The standard connection charge will apply if electric service is subsequently reconnected.

Seasonal domestic electric service will apply to any self-contained electric service (i.e. summer homes, cottages, hunting or fishing camps), occupied on an intermittent basis, and the Company is satisfied that it is not the customer's permanent or primary residence.

Seasonal commercial electric service will apply to self-contained seasonal commercial businesses (i.e. campgrounds, ice cream barns, tourist bureaus, fixed and mobile canteens, kiosks, and federal/provincial park entrance booths). Seasonal commercial service is only available to customers taking service under the Small General Rate and the Company is satisfied that the electric service is being used on a seasonal basis, not year round.

3.4 ELECTRIC SERVICE TO MOBILE HOMES

Mobile Homes will only be supplied with permanent electric service (other than when used in conjunction with construction projects).

The Mobile Home owner must satisfy the Company that he has obtained all required Municipal approvals for the location and occupancy of the Mobile Home.

3.5 STREET AND AREA LIGHTING

The Company may on request supply and maintain standard street and area lighting units including fixtures, automatic switch, all electric energy and any brackets and hardware required for regular mounting of the lighting unit on an existing pole or suitable mounting location. The Customer will be responsible for any cost in excess of those specified and for providing any easements required for private property.

An individual customer requesting street and area lighting services must agree to a minimum term of one year.

When a customer requests that street lighting be changed to provide higher illumination or improved luminous efficiency, he shall be required to pay the advancement cost of replacement and, in the case where the original fixture cannot be reused, the cost of the remaining life value as determined by the Company.

Where the existing lighting is fully depreciated but where there is useful life remaining, the Company may after taking all relevant circumstances and costs into account, delay the replacement of such lighting.

Street and area lighting rates will be billed along with the regular electric service account.

Costs incurred by the Company for repairs and replacement due to vandalism will be charged to the customer. Where a customer refuses to pay such costs, the Company may refuse to install a replacement fixture at that location.

3.6 NET METERING SERVICE

3.6.1 Definition

Net Metering service is a metering and billing practice that enables electricity consumers to generate electricity from renewable, low-impact, generators to offset part or all of their own electrical requirements. Excess self-generation, over a customer's own-consumption needs, is credited against purchased energy for billing purposes over a period of one year. Any surplus generation remaining at the end of a one year period will be purchased by the utility at the appropriate retail rate. Customers taking this service will be referred to as "customer-generators".

3.6.2 Availability

- I. Net Metering Service is available to all NSPI bundled service customers who are served from NSPI's Distribution system (ie: 24,940 volts or less), who are billed under NSPI's metered service rates, who install a qualifying generating facility, as defined under item b) in the Special Conditions Section 3.6.6. The maximum capacity of the customer's generating facility will be sized to meet the expected annual consumption of the customer and will fall into one of two classes of service.
 - i. Class 1 Net Metering Service means a generating facility of aggregate nameplate capacity of up to 100 kW
 - ii. Class 2 Net Metering Service means a generating facility of aggregate nameplate capacity of more than 100 kW but less than or equal to 1000 kW.
 - b) Net Metering is not applicable for Unmetered services.
 - c) The customer must provide a written request to take the Net Metering service.

The service is available on a first-come, first-serve basis. For certainty, Net Metering Service is not available to a Customer who is acquiring renewable low-impact electricity from an LRS.

3.6.3 Applicability

The service is applicable to any metered electric service accounts which are electrically connected to the same NSPI Distribution Zone as the generator, and which are owned by the same customer.

3.6 NET METERING SERVICE

3.6.3.1 Distribution Zone

The Distribution Zone is defined as all NSPI distribution feeders emanating from a single distribution supply transformer within a substation. The Company reserves the right to broaden this definition if in the opinion of the Company this is justified by a customer-specific circumstance and is consistent with the spirit of the intent of this regulation.

3.6.3.2 Customer

For the purpose of the Net Metering regulation “customer” is defined as a single legal entity, and does not include a Customer who is acquiring renewable low-impact electricity from an LRS.

3.6.4 Billing

- a) Customer-generators will be billed under the otherwise-applicable metered rate schedules.
- b) If in a given billing period the electricity supplied to NSPI’s grid by the customer-generator exceeds that supplied to the customer by NSPI, the customer shall be billed only for the applicable non-KWh monthly charges and shall have the excess self-generation “banked” as energy credits to be applied against future bills over a period not exceeding 12 calendar months..

Banked Excess Self-generation = Self-generation supplied to NSPI - Purchased energy from NSPI.

- c) If in a given billing period the combined total of the electricity supplied to NSPI’s grid by the customer-generator and the “banked” energy credits from the previous billing periods is less than the electricity supplied to the customer by NSPI, NSPI will bill the customer for the Net Purchased Energy Requirement and for the applicable non-KWh monthly charges.

Net Purchased Energy Requirement = Purchased energy from NSPI – (Self-generation supplied to NSPI + “Banked” energy credits).

- d) “Banked” excess self-generation will create an energy credit to be held by the customer-generator and will carry over until the customer’s annual anniversary date at which time the energy credit will be set to zero with compensation to the customer-generator priced at the appropriate retail rate. Where the customer rate structure includes only one energy charge, the surplus credit will be priced at that energy charge. Where the customer rate structure declining block energy charges,

3.6 NET METERING SERVICE

the surplus energy will be priced at the energy charge applicable to the additional kilowatt hours. Compensation will be exclusive of any amount representing Demand Side Cost Recovery Rider charges. The customer-generator will set a permanent annual anniversary date at the time of subscription to the Net Metering service. No changes to the annual anniversary date will be permitted once set. If service is discontinued, any outstanding banked energy credits will be priced in the same manner as those at the time of the annual anniversary date and paid back to the customer-generator.

- e) Any interim energy credit balances on a customer-generator's account other than those covered under item d) will not have any cash value or be convertible to cash.
- f) Should a customer-generator be billed under more than one electric account connected to the same Distribution Zone as the generating facility, the customer will propose a method to apportion its surplus generation against its consumption under multiple accounts for billing purposes. The customer will either designate the order in which the apportionment of surplus generation is to be applied to individual accounts or nominate the fraction of surplus generation to be apportioned to each account or choose a combination of both approaches. Should a customer generator subscribe to more than one net metering application within the same Distribution Zone, each account will have only one generating facility assigned to it for billing purposes. The proposed method of surplus allocation and the account assignment to generating facilities will be approved upon the subscription to the Net Metering service and will stay in effect until such a time when customer submits a written request for change. NSPI may, at its sole discretion, approve such changes provided they remain in place for a minimum of 12 months
- g) For Accounts billed under domestic time-of-day service, NSPI will measure and bank self-generation sold to the grid by distinct time-of-use periods for billing purposes. Any surplus generation remaining at the time of the annual anniversary date or at the time the service is discontinued will be compensated by distinct time-of-use period at the appropriate time-of-use energy charges.
- h) Any environmental credits which may be created through the generation of energy through Net Metering will be held by NSPI.

3.6 NET METERING SERVICE

3.6.5 Metering

- a) Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in two directions as approved by Measurement Canada. If the eligible customer-generator's existing electrical meter is not capable of measuring the flow of electricity in two directions, the customer-generator shall be responsible for incremental meter costs and any other related costs.
 - i. If NSPI determines that the flow of electricity in both directions cannot be reliably or safely determined through use of a single meter, NSPI may require that separate meters be installed. Such metering will be at the customer's cost.
- b) In addition to a), for Class 2, Net Metering an additional metering system dedicated exclusively to measuring the generator's output is required.

3.6.6 Special Conditions

- a) Special conditions in this regulation do not supersede, modify or nullify special conditions accompanying the otherwise-applicable metered rate schedules.
- b) A Qualifying generating facility must meet the following requirements:
 - i. Utilizes only a renewable, low-impact source of energy as defined in the Renewable Electricity Regulation for the purposes of section 3A of Chapter 25 of the *Electricity Act*.
 - ii. Has a manufacturer's nameplate rating of not more than 1,000 Kilowatts, which NSPI has the right to verify through inspection or testing.
 - iii. Is located within the same Distribution Zone as all of the customer's premise(s) for which the customer is requesting Net Metering electric service in conjunction with this facility.
 - iv. Subject to special condition b) iii), at the discretion of the customer, the generator may be connected to the grid either at any of the existing points of delivery of purchased power from NSPI or at a separate point if approved by NSPI. If a separate point of delivery is used, all additional costs will be the responsibility of the customer-generator.

3.6 NET METERING SERVICE

- v. Net Metering facility shall meet all applicable safety and performance standards established by Measurement Canada, the Canadian Electrical Code, and NSPI's guidelines.

4.1 INSTALLATION AND ACCESS TO METERS

Representatives of the Company shall have the right of access to connect, remove, read or test meters or other appurtenances at all reasonable hours. When suitable arrangements cannot be made for the Customer's meter to be read at the normal reading time the Company may require the installation of an outside meter. The cost of such installation shall be borne by the Customer.

If in the Company's opinion the meter is located in such a position that it is subject to damage, the Company may instruct the Customer to suitably protect the meter or move the meter to a new location, and the cost thereof shall be borne by the Customer. If the Customer fails to follow the Company's instructions, the Company may take the necessary steps to protect the meter. The Customer shall reimburse the Company for any costs so incurred by the Company.

In all new residential premises entrance wiring shall be installed so that an outdoor meter may be used.

Any Customer with an existing indoor meter in a residential premises, who makes a change in the electric service entrance conduit and wiring, is required to arrange for an outdoor meter unless permission is granted by the Company to do otherwise.

When an addition to premises results in an outdoor meter being located inside the building, then the meter must be relocated outside.

Provision must be made by the Customer for the use of socket-base meters in all cases.

If, in the opinion of the Company, any Customer has failed to comply with these requirements the Company shall, after written notice to the Customer, discontinue electric service to such Customer. The standard connection charge will apply if service is subsequently reconnected.

4.2 METERED ELECTRIC SERVICE - UNMETERED ELECTRIC SERVICE

The consumption of electric service supplied by the Company shall be recorded by the use of the appropriate meters, provided however that the Company may provide unmetered electric service in those instances where consumption is low, constant and readily determined.

REGULATION*Page / 35***4.3 MULTIPLE METERING POINTS**

Where, because of the customer's requirements, it is necessary to use more than one metering point, then the power and energy recorded on each meter shall be billed separately and at the rate applicable to the loads served at each meter.

4.4 PRIMARY METERING

Metering will normally be at the secondary side of the transformer. Should the customer's requirements make it necessary for the Company to provide primary metering, then the customer will be required to make a capital contribution equal to the additional cost of the primary metering.

4.5 CONVERSION OF SINGLE FAMILY RESIDENCE

If a Domestic Service customer permits additional living quarters for other parties in the same premises or a separate establishment to be connected through his meter, the Company has the option of multiplying the base charge, where applicable, and the kilowatt hours in each block by the number of dwelling units involved at the rate applicable to the main electric service, or disconnecting the electric service supplying the customer until the electric service to the other parties has been connected through an additional meter in the regular way.

4.6 THEFT OF ELECTRIC POWER AND ENERGY

Where there is evidence of theft of electric power and/or energy, the customer's electric service may be disconnected. Such person or persons responsible may be liable for prosecution under the Criminal Code of Canada.

In such cases, customers with indoor meters may be required to move the meter to an outdoor location.

4.7 POWER FACTOR CORRECTION

When charges are based on maximum demand measured in kilowatts, the customer shall maintain a power factor of not less than 90%.

Where the Company determines that a customer's power factor is less than acceptable, the Company shall have the right to meter the customer in kV.A demand and to calculate a kW billing demand based on a power factor of 90%.

4.8 INSPECTION OF CONNECTED LOAD

Representatives of the Company shall have the right to enter the premises of all customers during all reasonable hours for the purpose of inspecting connected load.

4.9 COMPANY'S RIGHT TO REFUSE PROVISION OF ELECTRIC SERVICE

Notwithstanding any other provision of these Regulations, the Company may refuse to provide electric service, or may disconnect the supply of any electric service at such times, and for such lengths of time, as the Company may deem to be appropriate if:

- (1) in the Company's opinion a state of emergency exists; or
- (2) in the Company's opinion such action may be necessary to avoid injury or damage to persons or property, whether such property be the property of the Company, Customers of the Company, or otherwise.

5.1 METER READING

When reasonably possible, meters shall be read bi-monthly; however, the Company may read meters on a monthly basis.

POST CARD METER READING

In the event that the Company is unable to obtain meter readings, for billing purposes, during the Company's normal business hours, having exercised due diligence in the usual practice of meter reading, it may leave a prepaid postage card on the premises which will indicate the normal reading date, and upon which the Customer shall without delay record the reading of the meter, thereafter immediately returning the card to the Company.

ESTIMATED METER READING

If the Company is unable to obtain a meter reading due to circumstances beyond its control, or due to the failure of the Customer to return a post card reading, then the amount of power and energy used by the Customer shall be estimated by the Company using the best available data. In the event that estimated meter readings are required five (5) consecutive times, then the Customer shall make suitable arrangements to ensure that the meters are read by the Company during the Company's normal business hours. Should the Customer fail to make such suitable arrangements, the Company may disconnect the supply of electric service to the Customer or may require that the Customer relocate the meter in accordance with the Regulation 4.1.

In the event that actual meter readings are obtained subsequent to estimated readings, the Company shall make the necessary adjustments.

METER READING IN RURAL AREAS

Where electric service is supplied to a Customer in a rural area, the Company may adopt a post card meter reading system of monthly or bi-monthly meter reading. Under such system, the Company shall supply the Customer with prepaid postage cards upon which the Company shall indicate the date upon which the meter shall be read by the Customer ("reading date"). The Customer shall record on the postcard the reading showing on the meter as of the reading date and shall immediately return the card to the Company. In these circumstances, the Company may consider postcard meter reading to be actual meter readings.

5.1 METER READING

ESTIMATED METER READINGS IN RURAL AREAS

In those rural areas where the post card meter reading has been adopted, should the Customer fail to return the prepaid postage card, then the amount of power and energy used by the Customer shall be estimated by the Company using the best available data.

Notwithstanding the foregoing, an actual reading must be taken by the Company at least once within a twelve-month period for meters which are read bi-monthly and once within a six-month period for meters which are read monthly.

5.2 BILLING

Except for Domestic Rate Customers who are on the Residential Budget Plan or the Interim Bill Plan, the Company shall render bills on a bi-monthly basis when meters are scheduled to be read or are normally read bi-monthly and on a monthly basis when meters are scheduled to be read or are normally read monthly.

In computing bi-monthly bills, the applicable monthly base and/or demand charge and energy blocks shall be doubled.

Initial and final bills for electric service shall be calculated based on the actual days of service.

Bills which are based on estimated readings shall be identified as such.

5.3 ALTERNATIVE BILLING PLANS

A) BUDGET PLAN (Not available to a Customer who is acquiring renewable low-impact electricity from an LRS)

A customer (excluding a Customer who is acquiring renewable low-impact electricity from an LRS) may make application to the Company, at any time during the year, for the Budget Plan which has a twelve-month budget period. All customers will have a January anniversary date, regardless of their month of entry to the Plan.

A Budget Plan customer shall be billed monthly. The monthly billing shall be based upon the average kilowatt hour usage of the customer at the premises to which the application relates for the preceding budget period, as adjusted for normal weather. If the customer does not have the required budget period history at the premises, the Company shall estimate the amount of the monthly bill.

The Company shall read the meter on a monthly or bi-monthly basis and at the end of the budget period of electric service, the Company shall render a bill which shall show the new budget payment amount for the next twelve months and show the amount owing based on the meter readings less the amounts paid. The new budget payment amount will be increased or decreased by an amount sufficient to eliminate the difference between amount owing based on the meter readings less the amounts paid. Alternatively, if the total of the billing based on the meter readings is greater than the total of the monthly payments, the customer may pay the difference to the Company; or if the total of the monthly payments is greater than the billing based on the readings, the customer may request a refund of the difference.

The Company may refuse to place a customer on the Budget Plan or remove an existing customer from the Plan if the customer has an unsatisfactory credit history. Domestic customers who enter into a Payment Agreement with the Company are eligible to be placed on the Budget Plan with blended payments consisting of monthly usage and arrears. The Company will issue information to the customer on a monthly or bi-monthly basis, calculated on the readings. Such information shall be for the purpose of informing the customer of the actual charges which may be applicable to the customer's account.

B) GROUP BILLING PLAN (Not available to a Customer who is acquiring renewable low-impact electricity from an LRS)

A customer (excluding a Customer who is acquiring renewable low-impact electricity from an LRS) may request billing under the Group Billing Plan at any time.

5.3 ALTERNATIVE BILLING PLANS

Under this plan the customer will be issued a group bill on Tuesday of each week (Wednesday, if Monday is a holiday). This group bill will contain all of that customer's accounts that were regularly billed during the previous seven days.

Group bills are due on the billing date. Those that are not paid within seventeen (17) days are subject to an interest charge in accordance with Regulation 7.1 (h).

In the case of a dispute regarding any part of the group bill, the undisputed portion must be paid in full. Adjustments would be made as appropriate where the disputed amount is resolved in the customer's favour.

5.4 PAYMENT OF ACCOUNTS AND INTEREST CHARGES

PAYMENT OF ACCOUNTS

Bills are due on the billing date. Service to a customer whose bill remains unpaid for a period of thirty days after the billing date is subject to disconnection for non payment. Payments on accounts in arrears shall be credited first to the most outstanding of these amounts. Where such a payment only reduces the outstanding balance due, a customer must make satisfactory arrangements for payment of the balance prior to the expiry of a collection notice in order to avoid disconnection without further notice.

Bills may be paid by mail, at any Chartered Bank and most Credit Unions (in person, by telephone banking or electronically), at designated Company offices or through authorized payment agents.

In addition, the Company may permit the customer to have bills sent directly to the customer's bank for payment under the terms of a Pre-Authorized Payment Plan. NS Power may also permit payment by credit or debit card (plus any applicable fees) through an authorized payment agent.

AUTOMATIC PAYMENT PLAN (PAY SMART)

A customer may make application to the Company at any time to be placed on the Automatic Payment Plan. Under the Automatic Payment Plan, the Company withdraws funds from the customer's designated account based on the due date to cover the billed amount. The customer will be removed from the Automatic Payment Plan if there have been two occurrences of insufficient funds on the account.

BI-MONTHLY BILLS - INTEREST CHARGES

Bills which are issued on a bi-monthly basis and which are not paid within thirty (30) days after the billing date shall be subject to an interest charge as set forth in the Schedule of Charges. The amount due within the thirty (30) day period and the effective date of the interest charge shall be clearly shown on the bill.

NOTICE TO CUSTOMERS IN ARREARS

NSPI must provide notice to customers who have bills thirty days overdue, and the notice may be automated and must be postmarked no later than the day the bill becomes 30 days overdue stating:

Your account is in default. Options for repayment and a payment plan are available to you. As soon as possible, contact us to find out what your options are @ [NTD insert proper email address and phone number.

5.4 PAYMENT OF ACCOUNTS AND INTEREST CHARGES

MONTHLY BILLS INCLUDING RESIDENTIAL BUDGET PLAN - INTEREST CHARGES

Bills which are issued on a monthly basis, including those rendered under the Residential Budget Plan, and which are not paid within twenty (20) days after the billing date shall be subject to an interest charge as set forth in the Schedule of Charges. The amount due within the twenty (20) day period, and the effective date of the interest charge shall be clearly shown on the bill.

INTERIM BILLS - INTEREST CHARGES

The interest charges shall not be applicable on interim bills issued under the Interim Bill Plan.

5.5 BILLING ADJUSTMENTS

When a customer disputes the amount of electricity consumed from the meter, the Company shall:

- a) Initiate a check on the meter reading to ensure the original reading was correct and advise the customer.
- b) If the customer is not satisfied, the Company shall do an "in position" test on the meter to verify the reading is within the allowed tolerances, and advise the customer of the results.
- c) If the Customer is still not satisfied, the Company will advise the Customer he/she may request an independent meter test to be performed by Industry Canada (see Regulation 6.7).

CUSTOMER UNDERBILLED

Should it be necessary for the Company to make a billing adjustment as a result of a customer being underbilled, for any reason, such adjustment for the amount of electric power and energy consumed in excess of that recorded on the meter, shall be estimated by the Company. The customer shall be responsible for payment of such amount, provided however, the billing adjustment shall be limited to a period not in excess of six (6) months prior to the last scheduled regular meter reading date.

Notwithstanding the above, in the event that a billing adjustment is a result of the customer's illegal or wilful interference with, or damage to, equipment used to record the consumption of electric power and energy, then the billing adjustment shall not in such circumstances be limited to a six (6) month period prior to the last scheduled meter reading date; rather, the customer shall be responsible for payment of such amount from the date of such interference or damage.

CUSTOMER OVERBILLED

Should it become necessary for the Company to make a billing adjustment as a result of a customer being overbilled, the following time frames for the adjustment are used to calculate the overbilling as per the Electricity and Gas Inspection Act, R.S.C. 1985, c.E4 as amended.

5.5 BILLING ADJUSTMENTS

1. Where the error is caused by a meter registering outside allowable limits, the overbilling is calculated from the beginning of a 3 month period prior to the customers request to Industry Canada to test the meter or from the date on which the meter was last sealed if the sealing occurred within that period.
2. Where the overbilling is identified and the meter is more than 3 months past due for reverification, the overbilling shall be calculated from the date when reverification was due.
3. Where the overbilling has been caused by an incorrectly installed meter, or an incorrect use of registering the meter or an incorrect multiplier; the overbilling is to be calculated from the date of installation. This type of overbill situation takes precedence over 1 and 2 above.

6.1 DISCONNECTION OF ELECTRIC SERVICE

(a) REASONS FOR DISCONNECTION

Subject to the requirements of these regulations the Company may disconnect service to a customer for one or more of the following reasons:

- (1) non-payment of a delinquent account;
- (2) unauthorized interference with or diversion of use of the Company's service situated or delivered on or about the customer's premises;
- (3) failure to comply with the terms and conditions of a Payment Agreement;
- (4) refusal to grant access at reasonable times to equipment installed upon the premises of the customer for the purpose of inspection, meter reading, maintenance and replacement;
- (5) misrepresentation of identity for the purpose of obtaining utility service;
- (6) refusal of service according to regulation 2.1;
- (7) violation of any other rules of the Company on file and approved by the Board which adversely affects the safety of the customer or other persons or the integrity of the Company's energy delivery system;
- (8) failure to pay a deposit as requested.

(b) NOTICE REQUIREMENT

- (1) Electric service to a customer may be disconnected twelve (12) days after service upon the customer of a written notice of disconnection. Service of such notice may be by personal service, leaving a notice at the last known address of the customer or by first class mail. Where service is by first class mail such service shall be deemed complete upon the second day following the date of mailing.
- (2) The customer shall be entitled to discuss the matter with the appropriate Company personnel before disconnection.
- (3) If a customer, who has outstanding arrears from an electric service account, applies for and receives electric service, the Company may, upon

6.1 DISCONNECTION OF ELECTRIC SERVICE

giving twelve (12) days notice of disconnection, as aforesaid, disconnect the customer's active electric service.

- (4) If a customer fails to pay a deposit or make satisfactory arrangements to pay a deposit, the Company may, upon giving twelve (12) days notice of disconnection, as aforesaid, disconnect the customer's active electric service.

(c) CONTENTS OF NOTICE

The notice of disconnection shall state the following:

- (1) in bold-face at the top of the notice, "Disconnection Notice";
- (2) the date on or after which disconnection will occur;
- (3) that if the customer disputes the reason for disconnection a complaint may be made to the Dispute Resolution Officer and that the Board will hear an appeal from his decision;
- (4) the address and telephone numbers of the Dispute Resolution Officer and the Board;
- (5) that, if the customer is unable to pay the full amount shown before the date set out in the notice, the customer may be entitled to enter into a Payment Agreement with the Company.

6.2 RULES GOVERNING DISCONNECTION

A) TIME OF DISCONNECTION

The Company may disconnect the electric service to a customer on, or after, the date specified in the notice of disconnection and only during normal business hours.

Electric service shall not be disconnected on a day, or a day immediately preceding a day when the general services of the Company are not available to the public for the purpose of reconnecting a disconnected electric service.

The Company shall not disconnect electrical service to a domestic customer when the weather temperature is 0 degrees Celsius or below or forecast to be 0 degrees Celsius or below anytime in the week following the planned disconnection.

B) MANNER OF DISCONNECTION

Prior to the proposed date of disconnection the Company shall make reasonable efforts to contact the customer, to determine whether the customer has satisfied the outstanding account or is willing to make satisfactory arrangements to settle the outstanding account. If such contact is made and payment is not or has not been made and satisfactory arrangements for payment have not been made, the Company may disconnect the electric service. If such contact cannot be made the Company shall attempt to contact the customer or other responsible adult upon the premises served by the electric service account. If the Company is unable to contact such persons upon the premises, a written notice shall be left in a conspicuous location or the written notice shall be delivered by priority mail requiring signature. Either notice shall state the date and time after which electric service will be disconnected unless the amount, specified for the outstanding account is satisfied or satisfactory arrangements made to settle the outstanding account and thereafter the Company may disconnect the existing electric service.

When either notice is given, the customer will be charged the appropriate collection charge as set forth in the Schedule of Charges.

Should it be necessary for a Company representative to visit the customer for the purpose of disconnecting electric service and the service is not then disconnected the customer will be charged the standard collection charge as set forth in the Schedule of Charges, for each such visit.

When electric service is disconnected and the Company has not established contact with the customer, or other responsible person, the Company

6.2 RULES GOVERNING DISCONNECTION

representative shall leave a notice upon the premises advising the customer of the fact that electric service has been disconnected and stating the address and phone number of the Company's office which should be contacted by the customer.

6.3 MEDICAL EMERGENCY

The Company shall postpone disconnection of electric service to a customer for a period not to exceed 14 days after the disconnection would normally be permitted under these Regulations if the customer produces a physician's certificate, stating that disconnection will aggravate a serious medical condition of the customer, a member of the customer's family or a permanent resident of the premises where electric service is to be disconnected.

6.4 DISPUTED BILLING FOR ELECTRIC SERVICE

- (1) Where a customer advises the Company that all or a portion of his bill or any matter relating to the provision of electric service is in dispute, the Company shall:
 - (a) record the date, time and place where the complaint is made;
 - (b) promptly investigate the matter in dispute;
 - (c) upon completion of the investigation, advise the customer of the results thereof; and
 - (d) attempt to resolve the matter in an informal manner.
- (2) In the event that a customer disputes a portion of a billing, then the customer shall pay or make satisfactory arrangements to pay the amount of arrears which is not in dispute, to the Company, within five days of the date upon which the customer advises the Company of the dispute or the due date, whichever is later. Failure of the customer to pay or make satisfactory arrangements to pay to the Company the amount of arrears which is not in dispute, as set out above, shall constitute a waiver of the customer's rights to dispute the matter, and the Company may then proceed to disconnect the electric service provided in accordance with these regulations. Should the customer and the Company be unable to accurately determine the amount which is not in dispute then the entire amount of the bill, or bills, at issue shall be deemed to be in dispute.
- (3) If the Company and the customer are unable to resolve a dispute in a mutually satisfactory manner, the customer may contact the Company's Dispute Resolution Officer or his designate. The Dispute Resolution Officer shall be appointed by the Company and have no direct line responsibility for billing, credit, collection or electrical supply to the customer.
- (4) The Dispute Resolution Officer shall consider both sides and after review, render his decision promptly. The customer has 12 days from notification of the decision to appeal, in writing, to the Board. No disconnection in relation to a disputed bill shall be made until twelve days after the decision of the Dispute Resolution Officer is given and the customer is notified thereof.

6.5 PAYMENT AGREEMENT

- (1) In those cases where the customer does not dispute liability for the amount in arrears, or where the Company and the customer arrive at a settlement of the dispute, the Company may, if the customer is unable to pay the amount in arrears, permit the customer to pay the full amount over a period of time.
- (2) **DOMESTIC CUSTOMERS**
- (a) In those cases where a domestic customer does not dispute liability for the amount in arrears and the domestic customer is unable to pay the amount in arrears, the Company shall offer the customer the opportunity to enter into a Payment Agreement that provides for reasonable terms and conditions of repayment over time of the amount in arrears, consistent with the customer's ability to pay.
- (b) Where the Company and the customer agree to terms and conditions of repayment of the amount in arrears within 30 days, no written agreement is required. Where payment arrangements extend beyond 30 days, the Company shall offer the customer a written Payment Agreement. A domestic customer is eligible for a Payment Agreement to be extended to 24 months. The Company shall communicate to the customer that a Payment Agreement for repayment of arrears over 24 months is available depending on the amount of arrears, whether there have been previous defaults upon Payment Agreements entered into pursuant to these Regulations within the last 24 months, and the customer's ability to pay. No further notice of disconnection shall be sent to the customer unless the customer fails to comply with the terms and conditions of the Payment Agreement or is otherwise liable to disconnection for any of the reasons under Regulation 6.1(a), in which case, if the Company decides to disconnect, the Company shall serve a written notice of disconnection as provided for in Regulation 6.1(b).
- (c) Once a Payment Agreement has been entered into, further interest, starting from the date the negotiations with respect to the Payment Agreement began, will not accrue on a domestic customer's account so long as the terms of the Payment Agreement are being met.
- (d) A Payment Agreement may be amended between a domestic customer and the Company, except where:
- i. The account is in arrears for an amount equivalent to more than 6 months usage;
 - ii. There has been no payment on the account for 3 months; or

6.5 PAYMENT AGREEMENT

iii. The customer has not made the 2 most recent payments required under the Payment Agreement.

(3) FORM OF PAYMENT AGREEMENT AND PROCEDURE

Every Payment Agreement shall be in writing and shall be signed by the customer and an authorized representative of the Company. The Payment Agreement shall be prepared by the Company and shall contain a schedule of payments calculated to eliminate the liability of the customer. The Payment Agreement shall contain the following in bold face type, in print at least two sizes larger than any other print on the Agreement, and in the space immediately preceding the space for the customer's signature;

6.5 PAYMENT AGREEMENT

"IF YOU ARE NOT SATISFIED THAT THIS PAYMENT AGREEMENT ACCURATELY REFLECTS THE TERMS OF THE AGREEMENT REACHED WITH NOVA SCOTIA POWER, DO NOT SIGN.

IF YOU DO SIGN THIS PAYMENT AGREEMENT YOU WAIVE YOUR RIGHT TO DISPUTE THIS MATTER FOR ANY REASON EXCEPT THE NOVA SCOTIA POWER'S FAILURE OR REFUSAL TO FOLLOW THE TERMS HEREOF.

FAILURE TO COMPLY WITH THE TERMS OF THIS AGREEMENT MAY RESULT IN DISCONNECTION OF ELECTRIC SERVICE."

6.6 DEPOSITS

When requested by the Company, a customer shall deposit with the Company a sum equal to estimated charges for three months' service when billed bimonthly, and approximately two months' when bills are rendered monthly. This deposit is to be held by the Company as security for the payment of its bills. When the customer ceases to use the service and pays all bills, or the Company deems a deposit is no longer required, the deposit with interest is to be returned to the customer, as set forth in the Schedule of Charges. The Company shall review its customer deposits every two years with a view to determining whether or not a deposit is still required.

The Company shall inform the customer that the requested deposit can be made in equal monthly installments and paid over 12 months.

If a customer does not pay a deposit as requested by the Company, the Company may refuse to provide service or disconnect the customer's service.

RESIDENTIAL ELECTRIC SERVICE

The Company shall not require a deposit from a residential customer, unless one of the following conditions has occurred within the last two years of service from the Company:

- (a) The customer does not have a previous credit history with the Company and does not have an acceptable external credit rating.
- (b) The customer's service has previously been disconnected for non-payment.
- (c) The customer refuses to supply necessary customer data to meet our requirements.
- (d) The customer has obtained or attempted to obtain service through misrepresentation, tampering, theft, interference, or any other related illegal means.
- (e) The customer has been delinquent requiring disconnection communication and/or field collection visits or has presented cheques that were returned noted N.S.F.
- (f) The customer has a record of moving without notice.
- (g) The customer has filed for bankruptcy and has chosen to claim his electric service account in the bankruptcy.

6.6 DEPOSITS

- (h) Customers receiving social assistance or other similar types of income security payments shall not be required to make deposits unless they have a history of a bad credit relationship with the Company

Notwithstanding items (a)(h) above, if the customer is unable to pay a deposit, the Company will waive the requirement for a deposit. A deposit will be required if, following a waiver of the deposit, the customer has a subsequent default in payment, or is seeking reconnection following having been disconnected for non-payment and having had a security deposit previously waived with respect to the account that was disconnected.

NON RESIDENTIAL ELECTRIC SERVICE

When a non Residential customer applies for service, the Company will normally require a deposit. This includes non residential customers on the Domestic Service Rate.

A deposit from a Business or Commercial customer may not be required if any of the following conditions apply:

- (a) The customer has existing accounts which have been paid satisfactorily for a period of not less than two years, in which case the account(s) are considered to be established as credit worthy.
- (b) The customer is a subsidiary of an established existing customer and that parent organization has guaranteed payment of the account and has been approved by the Credit & Collections Department.
- (c) The customer is a Federal, Provincial or Municipal Government body with whom we have had no recent collection activity or difficulties.

6.7 DISPUTE TEST

Upon notice from Industry Canada, the Company will remove the meter and ship it to Industry Canada (seal intact) for testing. If the meter, when tested, is found to be accurate, the customer is responsible for any outstanding amount. Also, if the meter is found to be accurate, the Company will charge the customer a fee as outlined in the Schedule of Charges 7.1, Section 1.

6.8 RETURNED CHEQUE CHARGE

A returned cheque charge as set forth in the Schedule of Charges shall be applicable to the customer's account when:

- a) a cheque tendered to the Company in payment of an account is returned by the bank/financial institution uncleared; or
- b) payment through a pre-authorized or automatic payment plan has been reversed or dishonoured by the bank/financial institution.

Where it is established that the cheque, pre-authorized or automatic payment has been returned, reversed, or dishonoured as a result of an error on behalf of the bank/financial institution or the Company, the charge shall not apply.

7.1 SCHEDULE OF CHARGES

The following charges shall apply:

- | | | |
|-----|---|--|
| (a) | Connection or reconnection of electric service, whether metered or unmetered, to any premises during the Company's normal working hours. | \$28.00 standard charge |
| (b) | Connection or reconnection of electric service, whether metered or unmetered, to any premises after the Company's normal working hours, if requested by the Customer and is not a reconnection for non payment. | \$28.00 standard charge plus \$75.00 charge for additional costs. |
| (c) | Reconnection of electric service, whether metered or unmetered, to any premises after the Company's normal working hours, if requested by the Customer and is a reconnection associated with non payment. | \$28.00 standard charge plus \$75.00 charge for additional costs. |
| (d) | Connection or reconnection of electric service to any premises serviced by temporary service in accordance with these Regulations. | \$28.00 standard charge plus all other costs incurred by the Company in connecting or reconnecting service |
| (e) | Disconnection-Seasonal Electric Service | \$30.00 standard charge |
| (f) | Returned Cheque Charge | \$23.00 |
| (g) | Interest on Overdue Accounts | 1.5% per month or part thereof, or a maximum of 19.56% per annum |
| (h) | Interest on Deposits | Interest Rate based on Royal Bank prime rate minus 1%; set January 1 st of each year |

REGULATION*Page / 65***7.1 SCHEDULE OF CHARGES**

(i)	Dispute Test Fee re satisfactory meter	\$38.00
(j)	Standard Contribution for three-phase service 15 kW and under	\$1,235.00
(k)	Charge for installation of Recording Equipment	
	• 240 volt single phase voltage recorder	\$25.00
	• all other recording equipment	Actual Costs incurred by the Company
(l)	Service Charge for any miscellaneous requests.	Actual Costs incurred by the Company
(m)	All pole attachments for telecommunication common carriers, or broadcasters, exclusive of those under joint use agreements.	\$14.15 per pole per year
(n)	Access to NSPI Mobile Radio Network	Monthly Charge
	- Basic Dispatch Service	\$26.00
	- Individual/Group Call Feature	\$21.00
	- Networking Features	\$11.00
	- Interconnect Facility (PSTN) Access	\$41.00

7.2 SCHEDULE OF WIRING INSPECTION FEES

7.2.1 Permits and Inspections

Permits and inspections will normally be of three types:

- a) Regular Permits and Inspections
- b) Annual Permits and Inspections
- c) Special Permits and Inspections

a) Regular Permits and Inspections

All persons, firms or corporations within Nova Scotia Power's inspection authority who are eligible to install electrical installations for the use of electrical energy shall, before commencing or doing any electrical installation of new equipment, or repairs, or altering or adding to any electrical installation or equipment already installed, submit and obtain approval in a manner prescribed by the inspection authority.

Individual permits shall be required for temporary and individual miscellaneous services and each dwelling unit of a single, duplex or row type housing, etc., whether supplied via an individual or multi-position metering devices.

Apartment type buildings, multi-tenant industrial and commercial installations shall be performed under one permit.

Permits are not transferable.

Permits shall be issued only to the firm or persons performing the work described on the Permit and in compliance with Section 4, "Permit" of the regulations made by the Fire Marshall pursuant to the Electrical Installation and Inspection Act.

Permit holders shall immediately notify the Electrical Inspection Authority upon the completion of an electrical installation requesting a FINAL inspection.

The fee for a Regular Permit and Inspection will be based on the Installed Value, including labour, material and sundries of the electrical installation, alteration, upgrade, repair or extension.

7.2 SCHEDULE OF WIRING INSPECTION FEES

When a dispute arises regarding the cost of an electrical installation the permit applicant may be required, at the Inspection Authority discretion, to supply a letter from the owner indicating the value of the contract and/or a bill of materials for the project.

The fees for a Regular Permit and Inspection, including the number of Inspection Visits, shall be based on the Installed Value of the installation as shown in the Inspection Fee Schedule.

b) Annual Permits and Inspections

An annual maintenance permit shall be issued for an establishment to cover all minor repairs as required under sections 4(a) (B), (2) and (3) of the regulations made by the Fire Marshal pursuant to the Electrical Installation Act.

Such a permit does not entitle the holder to effect major electrical alterations or additions.

The number of inspection visits shall be at the discretion of the Inspection Authority. Notwithstanding the above, at least one inspection visit shall be made in the year for which the permit is issued.

c) Special Permits and Inspections

Where the fee for a Regular Permit and Inspection are inappropriate the special permit and inspection fee shall apply. (Ex. carnivals and travelling shows).

7.2.2 Late Application Fee

Where an electrical contractor fails to obtain an electrical wiring permit prior to commencing the electrical work, an additional fee shall be payable in the amount of fifty (50) percent of the regular fee, up to a maximum additional fee of \$100.00.

7.2 SCHEDULE OF WIRING INSPECTION FEES

7.2.3 Payment of Fees

Fees for permits and inspections shall be paid at the time of requesting the permit unless otherwise indicated by the inspection authority. Permits having fees in arrears in excess of 120 days shall be subject to cancellation and at the discretion of the inspection authority, no additional permits shall be issued to the holder of the unpaid permits until such time the outstanding fees have been adequately dealt with.

7.2.4 Refund of Fees

The holder of a permit may apply to the inspection authority for a refund less a \$10.00 non-refundable portion of the permit fee with respect to a cancelled or unused permit. No refund shall be issued for a permit where an inspection call has been made at the request of the permit holder.

7.2.5 Expiry of Permits

A permit for electrical work is valid for 12 months from the date of issue in respect of residential and 24 months in respect of all others unless otherwise noted on the permit. Upon expiry, a renewal fee to a maximum of 50% of the cost of the original permit shall be charged.

7.2.6 Review of Plans and Specifications

The Inspection Authority may, prior to issuing a permit, request the submission of plans and specifications for any proposed electrical installation. Plans shall be submitted for all commercial, industrial institutional installations exceeding 250 volts or 250 amperes.

7.2 SCHEDULE OF WIRING INSPECTION FEES

7.2.7 Inspection Fee Schedule

a) **Regular Permits and Inspection**

The fee for a regular permit and the maximum number of inspection visits, with respect to an installation will be calculated, as follows.

b) **Annual Permit and Inspection**

The fee for an annual permit and inspection for any one establishment shall be the appropriate hourly rate.

c) **Special Permit and Inspection**

The fee for a special permit and inspection for any one project shall be the appropriate hourly rate.

d) **Plans Examination**

The fees for the examination of electrical plans and specifications shall be per review:

0 – 1,000 amps	\$ 115.00
Greater than 1,000 amps	\$ 115.00

e) **Primary Services**

The fees for the inspection of a primary service (padmount, vault, etc.) shall be per installation. \$124.00

f) **Letter of Acceptance**

The fees for a Letter of Acceptance shall be..... \$ 32.00

7.2 SCHEDULE OF WIRING INSPECTION FEES

INSPECTION FEE SCHEDULE

INSTALLED VALUE OF ELECTRICAL INSTALLATION	INSPECTION VISITS	PERMIT FEE
\$ 0,000 to \$ 2,000	1	\$ 69.00
\$ 2,001 to \$ 4,000	2	\$ 138.00
\$ 4,001 to \$ 6,000	2	\$ 233.00
\$ 6,001 to \$ 8,000	2	\$ 284.00
\$ 8,001 to \$ 10,000	2	\$ 330.00
\$ 10,001 to \$ 15,000	3	\$ 462.00
\$ 15,001 to \$ 25,000	3	\$ 587.00
\$ 25,001 to \$ 50,000	3	\$ 850.00
\$ 50,001 to \$ 100,000	3	\$1,206.00
\$100,001 to \$ 300,000	4	\$1,893.00
\$300,001 to \$ 500,000	5	\$2,365.00
\$500,001 to \$750,000	6	\$2,839.00
\$750,001 to \$1,000,000	8	\$3,785.00
+ \$1,000,000	10	\$4,626.00
		+ 0.15% of cost in excess of \$1,000,000

New Installations are subject to the following minimum inspection fees:

RESIDENTIAL-ALL INSTALLATIONS	\$138.00
COMMERCIAL/INDUSTRIAL INSTITUTIONAL	
Up to 100 AMPS	\$138.00
Over 100 to 400 AMPS	\$330.00
Over 400 to 800 AMPS	\$462.00
Over 800 to 1000 AMPS	\$587.00
Over 1000 AMPS	\$850.00

7.2 SCHEDULE OF WIRING INSPECTION FEES

g) Hourly Rate Inspections

Note: All fees are per inspection visit.

Normal Working Hours:

i)	For the first hour or fraction thereof	\$ 68.00
ii)	For each additional half-hour or fraction thereof.....	\$ 28.00

Outside Normal Working Hours:

Extension of a regular work day (before or after)

i)	For the first hour or fraction thereof.....	\$ 91.00
ii)	For each additional half-hour or fraction thereof.....	\$ 39.00

Weekends and Statutory Holidays:

Scheduled inspections on weekends (Saturday, Sunday) and statutory holidays:

i)	For the first hour or fraction thereof.....	\$151.00
ii)	For each additional half-hour or fraction thereof.....	\$ 54.00

h) Inspections in Excess of Maximum Number of Visits

For an inspection visit, in excess of the maximum number of visits permitted under the Regular Permit and Inspection Fee the Special Permit and Inspection Fee shall apply.

7.3 SCHEDULE OF LOAD RESEARCH MONITORING, REPORTING AND ANALYTICAL CHARGES

The following schedule of charges shall apply to customers requesting Load Research information. (Note: Customers must provide access to a shared phone line for data collection via automatic meter reading equipment):

- a) **Recovery of the Capital Cost of Installed Equipment** will be the actual costs incurred by the Company.
- b) **Setup for Load Research** will be the actual cost incurred by Company plus a 25% markup.
- c) **Analysis and Reporting Charges** will be the actual costs incurred by the Company plus at 25% markup.
- d) **Specialized Customer Analysis** will be the actual costs incurred by the Company plus at 25% markup.

SCHEDULE OF LOAD RESEARCH CHARGES

	ONE TIME
1.0 Recovery of Capital Cost of Meter Equipment	The capital costs of metering equipment to be recovered will be the incremental cost of the AMR meter installed compared to an equivalent non-AMR meter.
2.0 Recovery of Installation Charges	When organizes and paid by NSPI, recovery of telephone line installation charges will be at cost.
Single Phase Service Self-Contained	\$44.00
Single Phase Service, Transformer Rated and Three Phase Service	\$119.00
3.0 Recovery of Operational Charges	\$186.00
4.0 Load Research Setup	\$47.00

7.3 SCHEDULE OF LOAD RESEARCH MONITORING, REPORTING AND ANALYTICAL CHARGES

5.0	Analysis and Reporting Base Package	See Charge per Billing Period
	Load profile for peak day billing period plus times and magnitude of six highest peaks	33.00
	Options	
	Data File	33.00
	Load profile for each day for each billing period	33.00
	Power factor for plot for peak day (kVA billed cust. only)	33.00
	Power factor plot for each day (kVA billed cust. only)	11.00
	Reports of billing period average load profile for each day of the week	33.00
	Report of billing period average load profile for an specific day of the week	11.00
	Daily summary	11.00
	Monthly summary	11.00
	Weekly or monthly detail	11.00
	Daily comparison: Any two customers specified days	11.00
	Load duration plot	11.00
	Daily consumption plot	11.00
	Complete package (all of the above options)	180.00
6.0	Specialized Analysis	
	Hourly Rate	80.00

8.1 MERSEY SYSTEM

8.1.1 Delivery and Metering

The power and energy under this rate shall be metered, at the bus bars of the Mersey System Milton terminal station, and delivered, less losses, to customer substations.

8.1.2 Power Factor

The power factor of the customer's load shall not be lower than 95% lagging.

8.1.3 Billing

Bills shall be rendered monthly for 1/12 of the estimated charges for the current fiscal year under this rate.

Following the final fixing and apportionment of costs of the Mersey System, an adjustment account shall be rendered.

8.1.4 Other

Further conditions and operating rules may be desirable to optimize benefits of the Mersey System. Such conditions and rules, if approved by the Board, shall have the force and effect of regulations under this rate.



**STANDARD GENERATOR
INTERCONNECTION PROCEDURES (GIP)**

As Revised •

(Applicable to Generating Facilities
Connected to or Impacting the Transmission System
at Voltages of 69 kV and above)

As approved by the UARB •, 2016

NSPI Revised Standard Generator Interconnection Procedures

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SECTION 1. DEFINITIONS

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate - for the purposes of these Standard Generator Interconnection Procedures, the term "affiliate" shall be interpreted in accordance with Sections 2(2), 2(3), and 2(4) of the Nova Scotia Companies Act¹.

1 Deemed affiliate

2(2) A company shall be deemed to be an affiliate of another company if one of them is the subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same person.

Deemed control

2(3) A company shall be deemed to be controlled by another person or by two or more companies if

- (a) voting securities of the first-mentioned company carrying more than fifty per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or by or for the benefit of the other companies; and
- (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned company.

Deemed subsidiary

2(4) A company shall be deemed to be a subsidiary of another company if

- (a) it is controlled by
 - (i) that other, or
 - (ii) that other and one or more companies each of which is controlled by that other, or
 - (iii) two or more companies each of which is controlled by that other; or
- (b) it is a subsidiary of a company that is that other's subsidiary. R.S., c. 81, s. 2; 1990, c.15, s. 2.

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

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

Applicable Reliability Council shall mean the Northeast Power Coordinating Council or any successor thereto.

Applicable Reliability Standards shall mean the requirements and guidelines of the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected, and the NSPI Interconnection Guidelines and Standards as set out in Appendix D to this document.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Board shall mean the Nova Scotia Utility and Review Board.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Generator Interconnection and Operating Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Generator Interconnection and Operating Agreement.

Business Day shall mean Monday to Friday, inclusive, excluding holidays. The regular business hours on a Business Day are from 08:30 to 16:30 Atlantic Time.

Calendar Day shall mean any day including Saturday, Sunday or a holiday.

Commercial Operation Date shall mean the date on which Interconnection Customer commences commercial operation of the unit at the Generating Facility after Trial Operation of such unit has been completed as confirmed in writing substantially in the form shown in Appendix E of the Standard Generator Interconnection and Operating Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, as well as any information relating to a Party's technology, research and development, business affairs and pricing whether such information is supplied prior to or after the execution of the GIA which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electric system or group of systems that meet(s) the requirements of the NPCC Control Area Certification Process.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Generator Interconnection and Operating Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to distribute electricity to ultimate usage points such as homes and industries either directly from nearby generators or from interchanges from the Transmission System.

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

Effective Date shall mean the date on which the Standard Generator Interconnection and Operating Agreement becomes effective in accordance with Article 2.1 of the Standard Generator Interconnection and Operating Agreement.

Emergency Condition shall mean a condition or situation:

- (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or
- (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or
- (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Generator Interconnection and Operating Agreement to possess black start capability.

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

Engineering & Procurement (E&P) Agreement shall mean an agreement that authorizes the Transmission Provider to begin engineering and procurement of long lead-time items necessary for

the establishment of the interconnection in order to advance the implementation of the Interconnection Request.

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Force Majeure shall mean an event, condition, occurrence or circumstance beyond the reasonable control and not attributable to the fault or negligence of the Party claiming Force Majeure, which, despite all reasonable efforts at a reasonable cost of the Party claiming the Force Majeure to prevent its occurrence or mitigate its effects, causes a delay or disruption in the performance of any obligation (other than the obligation to pay monies due) imposed on such Party hereunder, including, without limitation, any act of God, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment if caused by an event which would constitute Force Majeure, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control.

Generating Facility shall mean Interconnection Customer's device for the production of electricity for interconnection to the Transmission System at voltages 69 kV and above as identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

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

Good Utility Practice shall mean those practices, methods or acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in North America) that at a particular time, in the exercise of reasonable judgment, would have been expected to accomplish the desired result in a manner consistent with regulations, reliability, safety, environmental protection, economy and expedition as applied and practiced in the utility industry with respect to power generation, delivery, purchase and sale.

Governmental Authority shall mean any national, international, federal, provincial, state, municipal, county, regional or local government, organization or duly constituted authority having jurisdiction, and includes:

- (a) any department, commission, bureau, board, administrative agency or regulatory body of any government having jurisdiction; and
- (b) any person or corporation acting as an authorized agent thereof.

Grouped Study(ies) shall mean the process whereby a group of Interconnection Requests is studied together, instead of serially, for the purpose of conducting the Interconnection System Impact Study.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially electrically connected to, and energized by, the Transmission System and upon which Trial Operation begins.

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

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

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

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

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

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

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

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of (except for increases in capacity permitted by Section 2.6 of these Standard Generator Interconnection Procedures), or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

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

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

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Generator Interconnection Procedures.

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

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

Load Serving Entity shall mean one of the following:

- (i) Nova Scotia Power Inc. (NSPI), or
- (ii) a Nova Scotia municipal electric utility.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Generator Interconnection and Operating Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

Market Participant shall mean a person who has executed a Participation Agreement with the Nova Scotia Power System Operator (NSPSO), and Nova Scotia Power Inc. itself as specified in the Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules: Chapter 1.

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

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Generator Interconnection and Operating Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Network Resource shall mean that portion of a Generating Facility that is integrated with the Transmission Provider's Transmission System, designated as a Network Resource pursuant to the terms of the Tariff, and subjected to redispatch directives as ordered by the Transmission Provider in accordance with the Tariff.

Network Resource Interconnection Service (NR Interconnection Service) shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's Transmission System

- (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or
- (2) in an RTO or ISO with market based congestion management, in the same manner as Network Resources.

Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Customer interconnects to the Transmission Provider's Transmission System to accommodate the interconnection of the Generating Facility to the Transmission Provider's Transmission System.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Generator Interconnection and Operating Agreement or its performance.

Operating Area shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (2) maintain scheduled interchange with other Operating Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

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

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

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

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Generator Interconnection and Operating Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Progression Milestone(s) shall mean the prerequisite requirements required to enter the Interconnection System Impact Study stage, as itemized in Section 7.2.

Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is initially established based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider, and as altered in accordance with Section 4.1 of the Standard Generator Interconnection Procedures.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Generator Interconnection and Operating Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Renewable Energy Standard shall have the meaning set out in Nova Scotia's Energy Standards Regulations or any successor legislation or regulations.

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

Site Control shall mean documentation reasonably demonstrating:

- (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; or
- (2) an option to purchase or acquire a leasehold site for the purpose of constructing the Generating Facility

Stand Alone Network Upgrades shall mean Network Upgrades that the Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Generator Interconnection and Operating Agreement.

Standard Generator Interconnection and Operating Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility, that is included in the Transmission Provider's Tariff.

Standard Small Generator Interconnection and Operating Agreement (SSGIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility, that is interconnected to the Transmission Provider's Distribution System.

NSPI Revised Standard Generator Interconnection Procedures

Standard Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility that are included in the Transmission Provider's Tariff.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect:

- (1) the Transmission System from faults or other electrical disturbances occurring at the Generating Facility and
- (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission System or on other delivery systems or other generating systems to which the Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the Board, and as amended or supplemented from time to time, or any successor tariff.

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

Transmission Provider shall mean Nova Scotia Power, Inc.

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

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

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

SECTION 2. SCOPE AND APPLICATION

2.1 Application of Standard Generator Interconnection Procedures (GIP)

Sections 2 through 13 apply to processing an Interconnection Request pertaining to a Generating Facility. The GIP specifically applies when one of the following is proposed by an Interconnection Customer:

- (i) a new Generating Facility at a new Point of Interconnection to the Transmission System, or interconnecting to the Distribution System when such interconnection is anticipated to impact the Transmission System, or
- (ii) additional generation at an existing Point of Interconnection that does not meet the criteria set forth in Sections 2.6 (a) or (b), or
- (iii) an increase in the capacity of an existing Generating Facility that does not meet the criteria set forth in Sections 2.6 (a) or (b).

2.2 Comparability

The Transmission Provider shall process and analyze all Interconnection Requests it receives in a timely manner as set forth in this GIP. The Transmission Provider will use the same Reasonable Efforts in processing and analyzing Interconnection Requests from all Interconnection Customers, whether the Generating Facilities are owned by Transmission Provider, its subsidiaries or Affiliates or others.

2.3 Base Case Data

Transmission Provider shall provide base power flow, short circuit and stability databases, including all underlying assumptions, and contingency list upon request subject to confidentiality provisions. Such databases and lists, hereinafter referred to as Base Cases, shall include all (i) generation projects and (ii) transmission projects, including merchant transmission projects that are proposed for the Transmission System for which a transmission expansion plan has been submitted and approved by the applicable authority.

2.4 No Applicability to Transmission Service

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

2.5 Expedited Process for Small Generating Facilities

In assessing whether the interconnection process can be expedited, the Transmission Provider will consider the capacity of the Generation Facility, the Point of Interconnection requested, and the results of any previously completed System Impact Studies that may be relevant.

To expedite the process, the Transmission Provider will consider the following options:

- Forego the Interconnection Feasibility Study
- Combine the Interconnection System Impact Study and the Interconnection Facilities Study
- Eliminate the requirement for coordination with Affected Systems
- Modify the Interconnection System Impact Study scope to exclude stability analysis.

2.6 Procedures for Assessment of Proposed Non-Material Additions or Modifications

For purposes of determining whether or not a proposed addition or modification to a generation facility is to be deemed a new Interconnection Request and therefore subject to the GIP, the following shall apply:

- Any proposed generation project addition is presumed by the Transmission Provider to be a new Interconnection Request and therefore subject to the requirements the GIP.
- The Generating Facility owner may request, in writing, that the Transmission Provider waive the requirement for submission of a new Interconnection Request based on an assessment performed by the Transmission Provider of the impact of the proposed addition or modification on the Transmission System.

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- The Transmission Provider will only assess requests that comply with the following:
 - a) Project Size: Capacity increase up to 10 % of the aggregate Generating Facility capacity, and
 - b) Point of Interconnection: The new request utilizes the Generating Facility's existing Point of Interconnection with the Transmission System.
- The cumulative increase of all previous additions made to an existing Generating Facility will be considered when assessing the size limit in a) above.
- Upon receipt of a request for assessment within the limits listed in a) and b) above, the Transmission Provider will consider potential system issues including: stability, voltage, power quality, thermal ratings and short circuit levels prior to waiving the requirement for a new Interconnection Request for the addition or modification.
- The Generating Facility shall provide additional technical information requested by the Transmission Provider.
- If in the sole judgment of the Transmission Provider the assessment of the addition or modification indicates no material impact, the requirement for a new Interconnection Request will be waived.
- The Transmission Provider shall use Reasonable Efforts to complete the assessment within thirty (30) Calendar Days.
- The Parties agree to subsequently amend the existing GIA, as applicable to reflect the addition of capacity or modification.

SECTION 3. INTERCONNECTION REQUESTS

3.1 General

An Interconnection Customer shall submit to the Transmission Provider an Interconnection Request in the form of Appendix 1 to this GIP and a refundable deposit of \$15,000. The Transmission Provider shall apply the deposit toward the cost of an Interconnection Feasibility Study. The Interconnection Customer shall submit a separate Interconnection Request for each site and may submit multiple Interconnection Requests for a single site. The Interconnection Customer must submit a deposit with each Interconnection Request even when more than one request is submitted for a single site. An Interconnection Request to evaluate one site at two different voltage levels shall be treated as two Interconnection Requests.

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

3.2 Identification of Types of Interconnection Services

At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource (ER) Interconnection Service or Network Resource (NR) Interconnection Service, as described; provided, however, any Interconnection Customer requesting NR Interconnection Service may also request that it be concurrently studied as an ER Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed. Interconnection Customer may then elect to proceed with NR Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.

3.2.1 Energy Resource Interconnection Service (ER Interconnection Service)

3.2.1.1 The Product

ER Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Transmission System and be eligible to deliver the Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. ER Interconnection Service does not in and of itself convey any transmission service.

3.2.1.2 The Study

The study consists of short circuit/fault duty, steady state (thermal and voltage) and stability analyses. The short circuit/fault duty analysis would identify direct Interconnection Facilities required and the Network Upgrades necessary to address short circuit issues associated with the Interconnection Facilities. The stability and steady state studies would identify necessary upgrades to allow full output of the proposed Generating Facility and would also identify the maximum allowed output, at the time the study is performed, of the interconnecting Generating Facility without requiring additional Network Upgrades.

3.2.2 Network Resource Interconnection Service (NR Interconnection Service)

3.2.2.1 The Product

The Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Generating Facility (1) in a manner comparable to that in which the Transmission Provider integrates its Generating Facilities to serve native load customers; or (2) in an ISO or RTO with market based congestion management, in the same manner as Network Resources. NR Interconnection Service Allows the Interconnection

Customer's Generating Facility to be designated as a Network Resource, up to the Generating Facility's full output, on the same basis as existing Network Resources interconnected to the Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur.

3.2.2.2 The Study

The Interconnection Study for NR Interconnection Service shall assure that the Interconnection Customer's Generating Facility meets the requirements for NR Interconnection Service and as a general matter, that such Generating Facility's interconnection is also studied with the Transmission Provider's Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load on the Transmission Provider's Transmission System, consistent with the Transmission Provider's reliability criteria and procedures. This approach assumes that some portion of existing Network Resources are displaced by the output of the Interconnection Customer's Generating Facility. NR Interconnection Service in and of itself does not convey any transmission service. The Transmission Provider may also study the Transmission System under non-peak load conditions. However, upon request by the Interconnection Customer, the Transmission Provider must explain in writing to the Interconnection Customer why the study of non-peak load conditions is required for reliability purposes.

3.3 Valid Interconnection Request

3.3.1 Initiating an Interconnection Request

To initiate an Interconnection Request, Interconnection Customer must submit all of the following:

- (i) a \$15,000 deposit per Section 3.1;
- (ii) a completed application in the form of Appendix 1;
- (iii) demonstration of ownership of, a leasehold interest in, a right to develop, or an option to purchase or acquire an interest in a land area equal to at least 50% of that required for the purpose of constructing the Generating Facility proposed or a posting of an additional deposit of \$20,000;
- (iv) a defined Point of Interconnection; and
- (v) a one-line diagram of the Generating Facility showing the proposed Interconnection Facilities and the Point of Interconnection.

The deposit provided pursuant to item (i) may, at the Interconnection Customer's option, be delivered by way of a certified cheque or bank draft.

Any deposit provided pursuant to item (iii) shall be applied toward any Interconnection Studies pursuant to the Interconnection Request. Any deposit provided pursuant to item (iii) of this Section shall be refundable if the Interconnection Customer demonstrates ownership of, a leasehold interest in, a right to develop, or an option to purchase or acquire a land area equal to at least 50% of that required for the purpose of constructing the Generating Facility proposed no later than ten (10) Business Days after start date of the Interconnection System Impact Study or upon withdrawal of the Interconnection Request by either the Interconnection Customer or Transmission Provider before entry into the Interconnection System Impact Study stage; otherwise, all such deposit(s), additional and initial, become non-refundable.

The expected In-Service Date of the new Generating Facility or increase in capacity of the existing Generating Facility shall be no more than the process window for the

regional expansion planning period (or in the absence of a regional planning process, the process window for the Transmission Provider's expansion planning period) not to exceed seven (7) years from the date the Interconnection Request is received by the Transmission Provider, unless the Interconnection Customer demonstrates that engineering, permitting and construction of the new Generating Facility or increase in capacity of the existing Generating Facility will take longer than the regional expansion planning period. The In-Service Date may succeed the date the Interconnection Request is received by the Transmission Provider by a period up to ten (10) years or longer where the Interconnection Customer and Transmission Provider agree, such agreement not to be unreasonably withheld.

3.3.2 Acknowledgment of Interconnection Request

Transmission Provider shall acknowledge receipt of the Interconnection Request within five (5) Business Days of receipt of the request and attach a copy of the received Interconnection Request to the acknowledgement.

3.3.3 Deficiencies in Interconnection Request

An Interconnection Request will not be considered to be a valid request until all items in Section 3.3.1 have been received by the Transmission Provider. If an Interconnection Request fails to meet the requirements set forth in Section 3.3.1, the Transmission Provider shall notify the Interconnection Customer within five (5) Business Days of receipt of the initial Interconnection Request of the reasons for such failure and that the Interconnection Request does not constitute a valid request. Interconnection Customer shall provide the Transmission Provider the additional requested information needed to constitute a valid request within ten (10) Business Days after receipt of such notice. Failure by Interconnection Customer to comply with this Section 3.3.3 shall be treated in accordance with Section 3.6.

3.3.4 Scoping Meeting

Within ten (10) Business Days after receipt of a valid Interconnection Request, Transmission Provider shall establish a date agreeable to Interconnection Customer for the Scoping Meeting, and such date shall be no later than 30 Calendar Days from receipt of the valid Interconnection Request, unless otherwise mutually agreed upon by the Parties.

The purpose of the Scoping Meeting shall be to discuss alternative interconnection options, to exchange information including any transmission data that would reasonably be expected to impact such interconnection options, to analyze such information and to determine the potential feasible Points of Interconnection. Transmission Provider and Interconnection Customer will bring to the meeting such technical data, including, but not limited to:

- (i) general facility loadings,
- (ii) general instability issues,
- (iii) general short circuit issues,
- (iv) general voltage issues, and
- (v) general reliability issues as may be reasonably required to accomplish the purpose of the meeting.

Transmission Provider and Interconnection Customer will also bring to the meeting personnel and other resources as may be reasonably required to accomplish the purpose of the meeting in the time allocated for the meeting. On the basis of the meeting, Interconnection Customer shall designate its Point of Interconnection, pursuant to Section 6.1, and one or more available alternative Point(s) of Interconnection. The duration of the meeting shall be sufficient to accomplish its purpose.

3.4 OASIS Posting

The Transmission Provider will maintain on its OASIS a list of all valid Interconnection Requests. The list will identify, for each Interconnection Request:

- (i) the maximum summer and winter megawatt electrical output;
- (ii) the location by county;
- (iii) the station or transmission line or lines where the interconnection will be made;
- (iv) the projected In-Service Date;
- (v) the status of the Interconnection Request, including Queue Position;
- (vi) the type of Interconnection Service being requested; and
- (vii) the availability of any studies related to the Interconnection Request;
- (viii) the date of the Interconnection Request;
- (ix) the type of Generating Facility to be constructed (combined cycle, base load or combustion turbine and fuel type); and
- (x) for Interconnection Requests that have not resulted in a completed interconnection, an explanation as to why it was not completed.

Except in the case of an Affiliate of the Transmission Provider, the list will not disclose the identity of the Interconnection Customer until the Interconnection Customer executes a GIA or requests that the Transmission Provider file an unexecuted GIA with the Board. The Transmission Provider shall post to its OASIS site any deviations from the study timelines set forth herein. Interconnection Study reports and Optional Interconnection Study reports shall be posted to the Transmission Provider's OASIS site subsequent to the meeting between the Interconnection Customer and the Transmission Provider to discuss the applicable study results. The Transmission Provider shall also post any known deviations in the Generating Facility's In-Service Date.

3.5 Coordination with Affected Systems

The Transmission Provider will coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System Operators and, if possible, include those results in its applicable Interconnection Study within the time frame specified in this GIP. The Transmission Provider will include such Affected System Operators in all meetings held with the Interconnection Customer as required by this GIP. The Interconnection Customer will cooperate with the Transmission

Provider in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A Transmission Provider, which may be an Affected System, shall cooperate with the Transmission Provider with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.

3.6 Withdrawal

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

Withdrawal shall result in the loss of the Interconnection Customer's Queue Position. If an Interconnection Customer disputes the withdrawal and loss of its Queue Position, then during Dispute Resolution, the Interconnection Customer's Interconnection Request is eliminated from the queue until such time that the outcome of Dispute Resolution would restore its Queue Position. An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request shall pay to the Transmission Provider all costs that the Transmission Provider prudently incurs with respect to that Interconnection Request prior to the Transmission Provider's receipt of notice described above and, if such withdrawal occurs following the expiration of the transition periods specified in Section 5.1, all costs associated with subsequent re-studies of lower queued projects deemed necessary by the Transmission Provider as a result of the withdrawal of the Interconnection Request. Upon withdrawal, the Transmission Provider shall retain all deposits previously provided by the Interconnection Customer with respect to the Interconnection Request, to be applied towards costs incurred by the Transmission Provider, to conduct re-studies of lower queued

projects deemed necessary as a result of the withdrawal of the Interconnection Request. The withdrawn Interconnection Customer shall pay to the Transmission Provider all re-study costs that exceed the deposits previously provided. If the Transmission Provider, using Reasonable Efforts, is unable to obtain payment from the withdrawn Interconnection Customer, it shall charge the applicable lower-queued Interconnection Customer the re-study costs incurred with respect to that Interconnection Request that are in excess of the deposit amount.

If an Interconnection Customer withdraws its Interconnection Request within 30 days following the effective date of these revised Standard Generator Interconnection Procedures, the withdrawing Interconnection Customer shall not be responsible for any costs of re-studies of lower queued Interconnection Requests deemed necessary by the Transmission Provider as a result of the withdrawal of the Interconnection Request and instead the Interconnection Customer of the applicable lower-queued Interconnection Request or Requests shall be so responsible.

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

The Transmission Provider shall

- (i) update the OASIS Queue Position posting; and
- (ii) refund to the Interconnection Customer any portion of the Interconnection Customer's deposits, study or re-study payments that exceed the costs that the Transmission Provider has incurred, including interest. Any applicable refund will be made upon completion of all required re-studies, or upon the determination by the Transmission Provider that there are no material impacts to lower-queued Interconnection Requests as a result of such withdrawal. In the event of such withdrawal, the Transmission Provider, subject to the confidentiality provisions of Section 13.1, shall provide, at Interconnection Customer's request, all information that the Transmission

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Provider developed for any completed study conducted up to the date of withdrawal of the Interconnection Request.

SECTION 4. QUEUE POSITION

4.1 General

The Transmission Provider shall assign an initial Queue Position based upon the date and time of receipt of the valid Interconnection Request; provided that, if the sole reason an Interconnection Request is not valid is the lack of required information on the application form, and the Interconnection Customer provides such information in accordance with Section 3.3.3, then the Transmission Provider shall assign the Interconnection Customer a Queue Position based on the date the application form was originally filed. Moving a Point of Interconnection shall result in a lowering of Queue Position if it is deemed a Material Modification under Section 4.4.3.

The initial Queue Position of each Interconnection Request will be used to determine the order of performing the Interconnection Feasibility Studies and determination of cost responsibility for the facilities necessary to accommodate the Interconnection Request except in the case of common facilities required for two or more Interconnection Requests examined together under a Grouped Study. A higher queued Interconnection Request is one that has been placed "earlier" in the queue in relation to another Interconnection Request that is lower queued.

The initial Queue Position shall be reassigned for an Interconnection Request as it proceeds through the Generator Interconnection Procedures under the following circumstance which allows lower queued requests to advance in the queue order:

- (i) the Interconnection Customer demonstrates to the Transmission Provider that, at any time following completion of the Interconnection Feasibility Study, all required Progression Milestones for the Interconnection System Impact Study stage have been met for the respective Interconnection Request prior to the Interconnection System Impact Study stage commencement date established in advance by the Transmission Provider.

The resulting Queue Position is based on the date and time of the demonstration of achievement of the final Interconnection System Impact Study stage Progression Milestone for the Interconnection Request by the Interconnection Customer, and a prioritized Queue Position is established on this basis.

Should the Interconnection Request not proceed to the Interconnection System Impact Study stage within two (2) years from i) the date of the valid Interconnection Request or ii) the effective date of this revised GIP, whichever is the later, the Transmission Provider shall deem the Interconnection Request to be withdrawn.

4.2 Study Grouping

At Transmission Provider's option, Interconnection Requests may be studied serially or in groups for the purpose of the Interconnection System Impact Study.

Grouping shall be implemented on the basis of Queue Position, except when a particular Interconnection Request is sufficiently electrically remote from others that it cannot reasonably be grouped with other Interconnection Requests. At the discretion of the Transmission Provider, requests may be studied together without regard to the nature of the underlying Interconnection Service, whether ER Interconnection Service or NR Interconnection Service. Transmission Provider may study an Interconnection Request separately to the extent warranted by Good Utility Practice based upon the electrical remoteness of the proposed Generating Facility.

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

4.3 Transferability of Queue Position

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

4.4 Modifications

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

Notwithstanding the above, during the course of the Interconnection Studies, either the Interconnection Customer or Transmission Provider may identify changes to the planned interconnection that may improve the costs and benefits (including reliability) of the interconnection, and the ability of the proposed change to accommodate the Interconnection Request. To the extent the identified changes are acceptable to the Transmission Provider and Interconnection Customer, such acceptance not to be unreasonably withheld, Transmission Provider shall modify the Point of Interconnection and/or configuration in accordance with such changes and proceed with any re-studies necessary to do so in accordance with Section 6.4, Section 7.6 and Section 8.5 as applicable and Interconnection Customer shall retain its Queue Position.

4.4.1 Prior to the return of the executed Interconnection System Impact Study Agreement to the Transmission Provider, modifications permitted under this Section shall include specifically:

- (a) a reduction up to 60 percent (MW) of electrical output of the proposed project as submitted in the original Interconnection Request;

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

4.4.2 Prior to the return of the executed Interconnection Facility Study Agreement to the Transmission Provider, the modifications permitted under this Section shall include specifically:

- (a) additional 15 percent decrease in plant size (MW) from the amount identified in Section 7.2 (v), and
- (b) Generating Facility technical parameters associated with modifications to Generating Facility technology and transformer impedances; provided, however, the incremental costs associated with those modifications are the responsibility of the requesting Interconnection Customer.

4.4.3 Prior to making any modification other than those specifically permitted by Sections 4.4.1, 4.4.2, and 4.4.5, Interconnection Customer may first request that the Transmission Provider evaluate whether such modification is a Material Modification. In response to Interconnection Customer's request, the Transmission Provider shall evaluate the proposed modifications prior to making them and inform the Interconnection Customer in writing of whether the modifications would constitute a Material Modification. Any change to the Point of Interconnection shall constitute a Material Modification. The Interconnection Customer may then withdraw the proposed modification or proceed with a new Interconnection Request for such modification.

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- 4.4.4** Upon receipt of Interconnection Customer's request for modification permitted under this Section 4.4, the Transmission Provider shall commence and perform any necessary additional studies as soon as practicable, but in no event shall the Transmission Provider commence such studies later than 30 Calendar Days after receiving notice of Interconnection Customer's request. Any additional studies resulting from such modification shall be done at Interconnection Customer's cost.
- 4.4.5** Extensions of less than three (3) cumulative years in the Commercial Operation Date of the Generating Facility to which the Interconnection Request relates are not material and should be handled through construction sequencing.

**SECTION 5. TRANSITION PROCEDURES FOR INTERCONNECTION
REQUESTS SUBMITTED PRIOR TO EFFECTIVE DATE OF THE
REVISED STANDARD GENERATOR INTERCONNECTION
PROCEDURES.**

5.1 Transition Requirements

5.1.1 Any Interconnection Customer assigned a Queue Position prior to the effective date of this revised GIP shall retain that Queue Position, provided they meet the requirements of this Section 5.1. Any Interconnection Customer that fails to meet these requirements shall have its Interconnection Request deemed withdrawn pursuant to Section 3.6.

5.1.1.1 All Interconnection Requests for which Interconnection Facilities Study Agreements have been executed and deposits provided prior to the effective date of this revised GIP, including those with Facilities Studies in progress and in Generator Interconnection Agreement negotiation, will not be required to conform with the deposits and requirements of Section 8.1 of this revised GIP.

5.1.1.2 Interconnection Requests that have an executed Interconnection System Impact Study Agreement prior to the effective date of this revised GIP will be required to conform fully to the requirements of Section 7.2 of this revised GIP prior to entry to the Interconnection System Impact Study stage. This applies to Interconnection Requests which, on the effective date of this revised GIP, have an Interconnection System Impact Study in progress and those for which the Interconnection System Impact Study has not been started.

5.1.1.3 Interconnection Requests that have an executed Interconnection Feasibility Study Agreement prior to the effective date of this revised GIP will be required to conform to the requirements of Section 6.1 prior to

commencement or re-commencement of the Interconnection Feasibility Study. This applies to Interconnection Requests which, on the effective date of this revised GIP, have an Interconnection Feasibility Study in progress and those for which the Interconnection Feasibility Study has not been started. Within thirty (30) Calendar Days after the effective date of this revised GIP, such Interconnection Requests shall be revised and re-submitted by the Interconnection Customer in conformance with all deposits and data requirements of Section 3.3.1 of this revised GIP.

5.1.1.4 All Interconnection Requests that have not executed either an Interconnection Feasibility Study Agreement or an Interconnection System Impact Study Agreement prior to the effective date of this revised GIP will be required to conform fully to the requirements of this revised GIP. Within thirty (30) Calendar Days after the effective date of this revised GIP, such Interconnection Requests shall be revised and re-submitted by the Interconnection Customer in conformance with all deposit and data requirements of Section 3.3.1 of this revised GIP.

5.2 New Transmission Provider

If the Transmission Provider transfers control of its Transmission System to a successor Transmission Provider during the period when an Interconnection Request is pending, the original Transmission Provider shall transfer to the successor Transmission Provider any amount of the deposit or payment with interest thereon that exceeds the cost that it incurred to evaluate the request for interconnection. Any difference between such net amount and the deposit or payment required by this GIP shall be paid by or refunded to the Interconnection Customer, as appropriate. The original Transmission Provider shall coordinate with the successor Transmission Provider to complete any Interconnection Study, as appropriate, that the original Transmission Provider has begun but has not completed. If the Transmission Provider has tendered a draft GIA to the Interconnection Customer but the Interconnection Customer has not executed the GIA or requested the filing of an unexecuted GIA with the Board, unless otherwise provided, the Interconnection Customer may elect to complete

negotiations with the Transmission Provider or the successor Transmission Provider.

SECTION 6. INTERCONNECTION FEASIBILITY STUDY

6.1 Interconnection Feasibility Study Agreement

Simultaneously with the acknowledgement of a valid Interconnection Request the Transmission Provider shall provide to Interconnection Customer an Interconnection Feasibility Study Agreement in the form of Appendix 2. The Interconnection Feasibility Study Agreement shall specify that Interconnection Customer is responsible for the actual cost of the Interconnection Feasibility Study. Within five (5) Business Days following the Scoping Meeting Interconnection Customer shall specify for inclusion in the attachment to the Interconnection Feasibility Study Agreement the Point(s) of Interconnection and any reasonable alternative Point(s) of Interconnection. Within five (5) Business Days following the Transmission Provider's receipt of such designation, Transmission Provider shall tender to Interconnection Customer two copies of the Interconnection Feasibility Study Agreement, which includes a good faith estimate of the cost for completing the Interconnection Feasibility Study. The Interconnection Customer shall execute and deliver to the Transmission Provider the Interconnection Feasibility Study Agreement no later than 30 Calendar Days after its receipt. The Transmission Provider shall execute the Interconnection Feasibility Study Agreement and deliver a fully executed copy to the Interconnection Customer.

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

If the Interconnection Feasibility Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and Re-studies shall be completed pursuant to Section 6.4 as applicable. For the purpose of this Section 6.1, if the Transmission Provider and Interconnection Customer cannot agree on the substituted Point

of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.3.4, shall be the substitute.

If Interconnection Customer and Transmission Provider agree to forgo the Interconnection Feasibility Study, Transmission Provider will initiate an Interconnection System Impact Study under Section 7 of this GIP and apply the \$15,000 deposit towards the Interconnection System Impact Study.

6.2 Scope of Interconnection Feasibility Study

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

The Interconnection Feasibility Study will consider the Base Case as well as all Generating Facilities (and with respect to (iii), any identified Network Upgrades) that, on the date the Interconnection Feasibility Study is commenced: (i) are directly interconnected to the Transmission System or Distribution System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request, to the extent their studies are completed; (iii) have established a pending higher queued Interconnection Request to interconnect to the Transmission System by virtue of having met the required Interconnection System Impact Study stage Progression Milestones listed in Section 7.2 or the Interconnection Facilities Study requirements of Section 8.1; and iv) have no Queue Position but have executed a GIA (or a Standard Small Generator Interconnection Agreement) or requested that an unexecuted GIA be filed with the Board. The Interconnection Feasibility Study will consist of a power flow and short circuit analysis. The Interconnection Feasibility Study will provide a list of facilities and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

6.3 Interconnection Feasibility Study Procedures

The Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. The Transmission Provider shall use Reasonable Efforts to complete the Interconnection Feasibility Study no later than forty-five (45) Calendar Days after the Transmission Provider receives the fully executed Interconnection Feasibility Study Agreement. At the request of the Interconnection Customer or at any time the Transmission Provider determines that it will not meet the required time frame for completing the Interconnection Feasibility Study, Transmission Provider shall notify the Interconnection Customer as to the schedule status of the Interconnection Feasibility Study. If the Transmission Provider is unable to complete the Interconnection Feasibility Study within that time period, it shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Upon request, the Transmission Provider shall provide the Interconnection Customer supporting documentation, workpapers and relevant power flow, short circuit and stability databases for the Interconnection Feasibility Study, subject to confidentiality arrangements consistent with Section 13.1.

6.3.1 Meeting with Transmission Provider

Within ten (10) Business Days of providing an Interconnection Feasibility Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Feasibility Study.

6.4 Re-Study

If re-study of the Interconnection Feasibility Study is required due to a higher queued project, which has established a pending higher queued Interconnection Request to interconnect to the Transmission System by virtue of having met the required Interconnection System Impact Study stage Progression Milestones listed in Section 7.2 or the Interconnection Facilities Study requirements of Section 8.1, dropping out of the queue, or a modification of such higher queued project subject to Section 4.4, Transmission Provider shall notify Interconnection Customer in writing. Such re-study shall take not longer than forty-five (45) Calendar Days from the date of the notice.

An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request per Section 3.6, modifies its Interconnection Request subject to Section 4.4, or re-designates the Point of Interconnection pursuant to Section 6.1 shall pay to the Transmission Provider all costs that the Transmission Provider prudently incurs with respect to subsequent re-studies of the Interconnection Customer's Interconnection Request deemed necessary by the Transmission Provider due to these events. The Transmission Provider shall retain all applicable deposits previously provided by the Interconnection Customer with respect to the Interconnection Request, to be applied towards costs incurred by the Transmission Provider, to conduct the re-studies it deems necessary. The Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request per Section 3.6, modifies its Interconnection Request subject to Section 4.4, or re-designates the Point of Interconnection pursuant to Section 6.1, shall also pay to the Transmission Provider any re-study cost amounts that exceed the deposits previously provided.

SECTION 7. INTERCONNECTION SYSTEM IMPACT STUDY

7.1 Interconnection System Impact Study Agreement

Unless otherwise agreed, pursuant to the Scoping Meeting provided in Section 3.3.4, simultaneously with the delivery of the Interconnection Feasibility Study to the Interconnection Customer, the Transmission Provider shall provide to the Interconnection Customer an Interconnection System Impact Study Agreement in the form of Appendix 3 to this GIP. The Interconnection System Impact Study Agreement shall provide that the Interconnection Customer shall compensate the Transmission Provider for the actual cost of the Interconnection System Impact Study. Within three (3) Business Days following the Interconnection Feasibility Study results meeting, the Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection System Impact Study.

7.2 Execution of Interconnection System Impact Study Agreement

The Interconnection Customer shall execute two copies of the Interconnection System Impact Study Agreement and deliver both copies of the executed Interconnection System Impact Study Agreement to the Transmission Provider no later than 30 Calendar Days after its receipt along with deposits in the amount listed as follows:

<u>Project Capacity:</u>	<u>SIS Deposit</u>	<u>plus Re-Study Deposit</u>
Does not exceed 20 MW:	\$ 50,000	\$100,000
Exceeds 20 MW but does not exceed 50MW:	\$ 75,000	\$150,000
Exceeds 50 MW but does not exceed 150MW:	\$100,000	\$200,000
Exceeds 150 MW:	\$150,000	\$300,000

The Interconnection System Impact Study deposit may, at the Interconnection Customer's option, be delivered by way of a certified cheque or bank draft. The associated re-study deposit may, at the Interconnection Customer's option, be delivered by way of a certified cheque or bank draft or by way of a letter of credit or some other form of security reasonably

acceptable to the Transmission Provider; provided, however, that any such letter of credit or security must be in a form and issued by a party reasonably acceptable to the Transmission Provider and consistent with the applicable laws of Nova Scotia.

The Transmission Provider shall execute the Interconnection System Impact Study Agreement and deliver a fully executed copy to the Interconnection Customer.

To be eligible for inclusion in the Interconnection System Impact Study stage, and thereby advance the Interconnection Request's initial Queue Position, the following designated Progression Milestones must be met by the Interconnection Customer at least ten (10) Business Days prior to the Interconnection System Impact Study commencement date:

- (i) provision of a detailed stability model for the generator(s)
- (ii) provision of a completed Attachment A to Appendix 1;
- (iii) confirmation of the Point of Interconnection;
- (iv) provision of a one-line diagram showing the Generating Facility and associated electrical equipment with appropriate rating and impedance information;
- (v) confirmation of generation MW output;
- (vi) re-validation of Site Control provided in accordance with Section 3.3.1, provided further that, if Interconnection Customer provided \$20,000 deposit in-lieu of Site Control with Interconnection Request then the deposit becomes non-refundable ten (10) Business Days after the start date of the Interconnection System Impact Study stage; and
- (vii) any one of the following at the Interconnection Customer's discretion:
 - a. confirmation of the existence of an executed contract for sale of energy from the generating facility for at least 50% of the generation project capability;
 - b. confirmation of a long-term transmission service reservation made with a duration of at least one (1) year, for at least 50% of the project capacity, held by the Interconnection Customer directly or under contract with another Nova Scotia Market Participant that holds the transmission reservation;
 - c. demonstration of approval by the Nova Scotia Utility and Review Board for the expenditures necessary for the Generating Facility;
 - d. demonstration by a Load Serving Entity that the project's energy or capacity has been identified as required to meet demand, reliability or Renewable Energy Standard requirements; or

- e. demonstration by the Interconnection Customer to the satisfaction of the Transmission Provider that the Interconnection Customer is a retail supplier pursuant to the *Electricity Act*, S.N.S 2004, c. 25.

If the Interconnection Customer does not provide all required technical data when it delivers the Interconnection System Impact Study Agreement, the Transmission Provider shall notify the Interconnection Customer of the deficiency within five (5) Business Days of the receipt of the executed Interconnection System Impact Study Agreement and the Interconnection Customer shall cure the deficiency within five (5) Business Days of receipt of the notice, provided, however, such deficiency does not include failure to deliver the executed Interconnection System Impact Study Agreement or deposit, or demonstration of Progression Milestone achievement.

If the Interconnection System Impact Study uncovers any unexpected result(s) not contemplated during the Scoping Meeting and the Interconnection Feasibility Study, a substitute Point of Interconnection identified by either Interconnection Customer or Transmission Provider, and acceptable to the other, such acceptance not to be unreasonably withheld, will be substituted for the designated Point of Interconnection specified above without loss of Queue Position, and restudies shall be completed pursuant to Section 7.6 as applicable. For the purpose of this Section 7.2, if the Transmission Provider and Interconnection Customer cannot agree on the substituted Point of Interconnection, then Interconnection Customer may direct that one of the alternatives as specified in the Interconnection Feasibility Study Agreement, as specified pursuant to Section 3.3.4, shall be the substitute.

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

7.3 Scope of Interconnection System Impact Study

The Interconnection System Impact Study shall evaluate the impact of the proposed

interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all Generating Facilities (and with respect to (iii) and (iv) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced:

- (i) are directly interconnected to the Transmission System or Distribution System;
- (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request, to the extent their studies are completed;
- (iii) have established a pending higher queued Interconnection Request to interconnect to the Transmission System by virtue of: a) having met the required Interconnection System Impact Study stage Progression Milestones listed in Section 7.2 or the Interconnection Facilities Study requirements of Section 8.1; or b) transitioning per Section 5.1.1.1; and
- (iv) have executed or are negotiating a GIA (or a Standard Small Generator Interconnection Agreement) or have requested that an unexecuted GIA be filed with the Board.

The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is based; state the results of the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.

7.4 Interconnection System Impact Study Procedures

The Transmission Provider shall coordinate the Interconnection System Impact Study with any Affected System that is affected by the Interconnection Request pursuant to Section 3.5 above. The Transmission Provider shall utilize existing studies to the extent practicable when it performs the study. The Transmission Provider shall use Reasonable Efforts to complete the Interconnection System Impact Study within 120 Calendar Days after Interconnection System Impact Study commencement date.

At the request of the Interconnection Customer or at any time the Transmission Provider determines that it will not meet the required time frame for completing the Interconnection System Impact Study, Transmission Provider shall notify the Interconnection Customer as to the schedule status of the Interconnection System Impact Study. If the Transmission Provider is unable to complete the Interconnection System Impact Study within the time period, it shall notify the Interconnection Customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Interconnection System Impact Studies that are not completed by the end of the 120 calendar day study period will continue and will retain their Queue position within the subsequent study group. Upon request, the Transmission Provider shall provide the Interconnection Customer all supporting documentation, workpapers and relevant pre-Interconnection Request and post-Interconnection Request power flow, short circuit and stability databases for the Interconnection System Impact Study, subject to confidentiality arrangements consistent with Section 13.1.

The Transmission Provider will post to its OASIS, an annual calendar showing the planned commencement dates for Interconnection System Impact Study groups.

7.5 Meeting with Transmission Provider

Within ten (10) Business Days of providing an Interconnection System Impact Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection System Impact Study.

7.6 Re-Study

If re-study of the Interconnection System Impact Study is required due to a higher queued project dropping out of the queue, or a modification of a higher queued project subject to 4.4, or re-designation of the Point of Interconnection pursuant to Section 7.2 Transmission Provider shall notify Interconnection Customer in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice.

An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request per Section 3.6, modifies its Interconnection Request subject to Section 4.4, or re-designates the Point of Interconnection pursuant to Section 7.2 shall pay to the Transmission Provider all costs that the Transmission Provider prudently incurs with respect to subsequent re-studies of the Interconnection Customer's or any lower-queued Interconnection Request deemed necessary by the Transmission Provider due to these events. The Transmission Provider shall retain all applicable deposits previously provided by the Interconnection Customer with respect to the Interconnection Request, to be applied towards costs incurred by the Transmission Provider, to conduct the re-studies it deems necessary. The Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request per Section 3.6, modifies its Interconnection Request subject to Section 4.4, or re-designates the Point of Interconnection pursuant to Section 7.2, shall also pay to the Transmission Provider any re-study cost amounts that exceed the deposits previously provided. If the Transmission Provider, using Reasonable Efforts, is unable to obtain payment from the Interconnection Customer, it shall charge the lower-queued, re-studied Interconnection Customer the re-study costs incurred with respect to that Interconnection Request that are in excess of the deposit amount held by the Transmission Provider.

SECTION 8. INTERCONNECTION FACILITIES STUDY

8.1 Interconnection Facilities Study Agreement

Simultaneously with the delivery of the Interconnection System Impact Study to the Interconnection Customer, the Transmission Provider shall provide to the Interconnection Customer an Interconnection Facilities Study Agreement in the form of Appendix 4 to this GIP. The Interconnection Facilities Study Agreement shall provide that the Interconnection Customer shall compensate the Transmission Provider for the actual cost of the Interconnection Facilities Study. Within three (3) Business Days following the Interconnection System Impact Study results meeting, the Transmission Provider shall provide to Interconnection Customer a non-binding good faith estimate of the cost and timeframe for completing the Interconnection Facilities Study. The Interconnection Customer shall execute two copies of the Interconnection Facilities Study Agreement and deliver both copies of the executed Interconnection Facilities Study Agreement to the Transmission Provider within 30 Calendar Days after its receipt, together with the required technical data, confirmation of the definitive generation MW output and deposits in the amount listed as follows:

<u>Project Capacity:</u>	<u>Facilities Study Deposit plus Re-Study Deposit</u>	
Does not exceed 20 MW:	\$ 25,000	\$25,000
Exceeds 20 MW but does not exceed 150MW:	\$50,000	\$50,000
Exceeds 150 MW:	\$75,000	\$75,000

The Interconnection Facilities Study deposit may, at the Interconnection Customer's option, be delivered by way of a certified cheque or bank draft. The associated re-study deposit may, at the Interconnection Customer's option, be delivered by way of a certified cheque or bank draft or by way of a letter of credit or some other form of security reasonably acceptable to the Transmission Provider; provided, however, that any such letter of credit or security must be in a form and issued by a party reasonably acceptable to the Transmission Provider and consistent with the applicable laws of Nova Scotia.

The Transmission Provider shall execute the Interconnection Facilities Study Agreement and deliver a fully executed copy to the Interconnection Customer.

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

Any difference between the deposit and the actual cost of the study shall be paid by or refunded to the Interconnection Customer, as appropriate.

8.2 Scope of Interconnection Facilities Study

The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider's Interconnection Facilities and Network Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.

8.3 Interconnection Facilities Study Procedures

The Transmission Provider shall coordinate the Interconnection Facilities Study with any Affected System pursuant to Section 3.5 above. The Transmission Provider shall utilize existing studies to the extent practicable in performing the Interconnection Facilities Study. The Transmission Provider shall use Reasonable Efforts to complete the study and issue a draft Interconnection Facilities Study report to the Interconnection Customer within 120 days, with a +/- 10 percent cost estimate, after the receipt of the Interconnection System

Impact Study Agreement, study deposits, all required technical data, and confirmation of the definitive generation MW output.

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

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

8.4 Meeting with Transmission Provider

Within ten (10) Business Days of providing a draft Interconnection Facilities Study report to Interconnection Customer, Transmission Provider and Interconnection Customer shall meet to discuss the results of the Interconnection Facilities Study.

8.5 Re-Study

If re-study of the Interconnection Facilities Study is required due to a higher queued project dropping out of the queue or a modification of a higher queued project pursuant to Section 4.4, Transmission Provider shall so notify Interconnection Customer in writing. Such re-study shall take no longer than sixty (60) Calendar Days from the date of notice.

An Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request per Section 3.6 or modifies its Interconnection Request subject to Section 4.4 shall pay to the Transmission Provider all costs that the Transmission Provider prudently incurs with respect to subsequent re-studies of the Interconnection Customer's or any lower-queued Interconnection Request deemed necessary by the Transmission Provider due to these events. The Transmission Provider shall retain all applicable deposits previously provided by the Interconnection Customer with respect to the Interconnection Request, to be applied towards costs incurred by the Transmission Provider, to conduct the re-studies it deems necessary. The Interconnection Customer that withdraws or is deemed to have withdrawn its Interconnection Request per Section 3.6 or modifies its Interconnection Request subject to Section 4.4 shall also pay to the Transmission Provider any re-study cost amounts that exceed the deposits previously provided. If the Transmission Provider, using Reasonable Efforts, is unable to obtain payment from the Interconnection Customer, it shall charge the lower-queued, re-studied Interconnection Customer the re-study costs incurred with respect to that Interconnection Request that are in excess of the deposit amount held by the Transmission Provider.

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

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

The Interconnection Customer shall pay the cost of such authorized activities and any cancellation costs for equipment that is already ordered for its interconnection, which cannot be mitigated as hereafter described, whether or not such items or equipment later become unnecessary. If Interconnection Customer withdraws its application for interconnection or either Party terminates the E&P Agreement, to the extent the equipment ordered can be canceled under reasonable terms, Interconnection Customer shall be obligated to pay the associated cancellation costs. To the extent that the equipment cannot be reasonably canceled, Transmission Provider may elect:

- (i) to take title to the equipment, in which event Transmission Provider shall refund Interconnection Customer any amounts paid by Interconnection Customer for such equipment and shall pay the cost of delivery of such equipment, or
- (ii) to transfer title to and deliver such equipment to Interconnection Customer, in which event Interconnection Customer shall pay any unpaid balance and cost of delivery of such equipment.

SECTION 10. OPTIONAL INTERCONNECTION STUDY

10.1 Optional Interconnection Study Agreement

At any time after completion of the Interconnection Feasibility Study, or upon agreement to forego the Interconnection Feasibility Study in accordance with Section 6.1, the Interconnection Customer may request, and the Transmission Provider shall perform a reasonable number of Optional Studies. The request shall describe the assumptions that the Interconnection Customer wishes the Transmission Provider to study within the scope described in Section 10.2. Within ten (10) Business Days after receipt of a request for an Optional Interconnection Study, the Transmission Provider shall provide to the Interconnection Customer an Optional Interconnection Study Agreement in the form of Appendix 5.

The Optional Interconnection Study Agreement shall:

- (i) specify the technical data that the Interconnection Customer must provide for each stage of the Optional Interconnection Study,
- (ii) specify Interconnection Customer's assumptions as to which Interconnection Requests with earlier queue priority dates will be excluded from the Optional Interconnection Study case and assumptions as to the type of interconnection service for Interconnection Requests remaining in the Optional Interconnection Study case, and
- (iii) provide the Transmission Provider's estimate of the cost of the Optional Interconnection Study.

To the extent known by the Transmission Provider, such estimate shall include any costs expected to be incurred by any Affected System whose participation is necessary to complete the Optional Interconnection Study. Notwithstanding the above, the Transmission Provider shall not be required as a result of an Optional Interconnection Study request to conduct any

additional Interconnection Studies or delay the completion of Interconnection Studies with respect to any other Interconnection Request.

The Interconnection Customer shall execute two copies of the Optional Interconnection Study Agreement within ten (10) Business Days of receipt and deliver both copies of the Optional Interconnection Study Agreement, the technical data and a \$50,000 deposit to the Transmission Provider.

The deposit may, at the Interconnection Customer's option, be delivered by way of a certified cheque or bank draft.

The Transmission Provider shall execute the Optional Interconnection Study Agreement and deliver a fully executed copy to the Interconnection Customer.

10.2 Scope of Optional Interconnection Study

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

10.3 Optional Interconnection Study Procedures

The executed Optional Interconnection Study Agreement, the prepayment, and technical and other data called for therein must be provided to the Transmission Provider within ten (10) Business Days of Interconnection Customer receipt of the Optional Interconnection Study

Agreement. The Transmission Provider shall complete the Optional Interconnection Study on a best efforts basis after allocating available study resources to non-Optional Interconnection Studies and will use Reasonable Efforts to complete the study within the time period specified in the Optional Interconnection Study Agreement. Any difference between the study payment and the actual cost of the study shall be paid to the Transmission Provider or refunded to the Interconnection Customer, as appropriate. Upon request, the Transmission Provider shall provide the Interconnection Customer supporting documentation and work papers and databases or data developed in the preparation of the Optional Interconnection Study, subject to confidentiality arrangements consistent with Section 13.1.

SECTION 11. STANDARD GENERATOR INTERCONNECTION AGREEMENT (GIA)**11.1 Tender**

Interconnection Customer shall tender comments on the draft Interconnection Facilities Study Report within thirty (30) Calendar Days of receipt of the report. Within fifteen (15) Business Days after the comments are submitted, Transmission Provider shall tender the final Interconnection Facilities Study Report and a draft GIA, together with draft appendices completed to the extent practical. The draft GIA shall be in the form of the Transmission Provider's Board-approved standard form GIA, which is in Appendix 6. Interconnection Customer shall return the completed draft appendices within thirty (30) Calendar Days.

11.2 Negotiation

Notwithstanding Section 11.1, at the request of the Interconnection Customer the Transmission Provider shall begin negotiations with the Interconnection Customer concerning the appendices to the GIA at any time after the Interconnection Customer executes the Interconnection Facilities Study Agreement. The Transmission Provider and the Interconnection Customer shall negotiate concerning any disputed provisions of the appendices to the draft GIA for not more than sixty (60) Calendar Days after tender of the final Interconnection Facilities Study Report. The Transmission Provider shall provide to the Interconnection Customer a final GIA with completed appendices for the purposes of execution within fifteen (15) Calendar Days after the completion of the negotiation process.

If the Interconnection Customer determines that negotiations are at an impasse, it may request termination of the negotiations and request submission of the unexecuted GIA with the Board for review and approval or initiate Dispute Resolution procedures pursuant to Section 13.5. If the Interconnection Customer requests termination of the negotiations, but within fifteen (15) Calendar Days thereafter either fails to request the filing of the unexecuted GIA with the Board or to initiate Dispute Resolution procedures pursuant to Section 13.5, it shall be deemed to have withdrawn its Interconnection Request.

Unless otherwise agreed by the Parties in writing, if, within ninety (90) Calendar Days of tender of the final Interconnection Facilities Study Report, the Interconnection Customer has not:

- a) executed the GIA;
- b) requested filing of an unexecuted GIA with the Board for review and approval; or
- c) initiated Dispute Resolution procedures pursuant to Section 13.5

it shall be deemed to have withdrawn its Interconnection Request.

11.3 Execution and Filing

Within fifteen (15) Calendar Days after receipt of the final GIA, the Interconnection Customer shall provide the Transmission Provider (a) reasonable evidence of continued Site Control or (b) posting of \$250,000, non-refundable additional security, which shall be applied toward future construction costs. At the same time, Interconnection Customer shall provide: i) demonstration that major equipment, i.e. generators, interconnection power transformers have been ordered for the Generating Facility, and ii) a deposit or Letter of Credit acceptable to the Transmission Provider in an amount equal to the estimated Network Upgrade Costs identified in the Interconnection Facilities Study. The Interconnection Customer shall also either: (i) execute two originals of the tendered GIA and return them to the Transmission Provider; or (ii) request in writing that the Transmission Provider file with the Board a GIA in unexecuted form.

As soon as practicable, but not later than ten (10) Business Days after receiving either the two executed originals of the tendered GIA (if it does not conform with Board-approved standard form of GIA) or the request to file an unexecuted GIA, the Transmission Provider shall file the GIA with the Board, together with its explanation of any matters as to which the Interconnection Customer and the Transmission Provider disagree and support for the costs that the Transmission Provider proposes to charge to the Interconnection Customer under the GIA. An unexecuted GIA should contain terms and conditions deemed appropriate by the Transmission Provider for the Interconnection Request. If the Parties agree to proceed with

design, procurement, and construction of facilities and upgrades under the agreed-upon terms of the unexecuted GIA, they may proceed pending Board action.

11.4 Commencement of Interconnection Activities

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

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

12.1 Schedule

The Transmission Provider and the Interconnection Customer shall negotiate in good faith concerning a schedule for the construction of the Transmission Provider's Interconnection Facilities and the Network Upgrades.

12.2 Construction Sequencing

12.2.1 General

In general, the In-Service Date of an Interconnection Customers seeking interconnection to the Transmission System will determine the sequence of construction of Network Upgrades.

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

An Interconnection Customer with a GIA, in order to maintain its In-Service Date, may request that the Transmission Provider advance to the extent necessary the completion of Network Upgrades that:

- (i) were assumed in the Interconnection Studies for such Interconnection Customer,
- (ii) are necessary to support such In-Service Date, and
- (iii) would otherwise not be completed, pursuant to a contractual obligation of an entity other than the Interconnection Customer that is

seeking interconnection to the Transmission System, in time to support such In-Service Date. Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that the Interconnection Customer commits to pay Transmission Provider:

- (i) any associated expediting costs and
- (ii) the cost of such Network Upgrades.

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

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

An Interconnection Customer with a GIA, in order to maintain its In-Service Date, may request that the Transmission Provider advance to the extent necessary the completion of Network Upgrades that:

- (i) are necessary to support such In-Service Date and

- (ii) would otherwise not be completed, pursuant to an expansion plan of the Transmission Provider, in time to support such In-Service Date.

Upon such request, Transmission Provider will use Reasonable Efforts to advance the construction of such Network Upgrades to accommodate such request; provided that the Interconnection Customer commits to pay Transmission Provider any associated expediting costs. The Interconnection Customer shall be entitled to transmission credits, if any, for any expediting costs paid.

12.2.4 Amended Interconnection System Impact Study

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

SECTION 13. MISCELLANEOUS.**13.1 Confidentiality**

A Party providing Confidential Information shall notify, either orally or in writing, the Party receiving the information, that the information provided is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that Confidential Information warrants confidential treatment, Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

13.1.1 Scope

Confidential Information shall not include information that the receiving Party can demonstrate:

- (1) is generally available to the public other than as a result of a disclosure by the receiving Party;
- (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party;
- (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential;
- (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party;
- (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of the GIA; or

- (6) is required, in accordance with Section 13.1.6, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under the GIA.

Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

13.1.2 Release of Confidential Information

Neither Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with these procedures, unless such person has first been advised of the confidentiality provisions of this Section 13.1 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any subsequent release of Confidential Information in contravention of this Section 13.1.

13.1.3 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

13.1.4 No Warranties

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

13.1.5 Standard of Care

Each Party shall use at least the same standard of care to protect the other Party's Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use the other Party's Confidential Information solely to fulfill its obligations to the other Party under these procedures or its regulatory requirements.

13.1.6 Order of Disclosure

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of the GIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

13.1.7 Remedies

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Section 13.1. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Section 13.1, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Section 13.1, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Section 13.1.

13.1.8 Disclosure to the Board or its Staff

Notwithstanding anything in this Section 13.1 to the contrary if the Board or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to the GIP, the Party shall provide the requested information to the Board or its staff, within the time provided for in the request for information. In providing the information to the Board or its staff, the Party must, request that the information be treated as confidential and non-public by the Board and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party prior to the release of the Confidential Information to the Board or its staff. The Party shall notify the other Party to the GIA when its is notified by the Board or its staff that a request to release Confidential Information has been received by the Board, at which time either of the Parties may respond before such information would be made public.

13.1.9 Subject to the exception in Sections 13.1.2 and 13.1.8, any information that a Party claims is Confidential Information shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is

- (i) required by law;
- (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute;
- (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or
- (iv) necessary to fulfill its obligations under this GIP or as a transmission service provider or an Operating Area operator including disclosing the Confidential Information to an RTO or ISO or to a subregional, regional or national reliability organization or planning group.

A Party providing Confidential Information shall notify, either orally or in writing, the Party receiving the information, that the information provided is confidential. Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

13.1.10 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

13.1.11 The Transmission Provider shall, at Interconnection Customer's election, destroy, in a confidential manner, or return the Confidential Information provided at the time of Confidential Information is no longer needed.

13.2 Delegation of Responsibility

The Transmission Provider may use the services of subcontractors as it deems appropriate to perform its obligations under this GIP. Transmission Provider shall remain primarily liable to the Interconnection Customer for the performance of such subcontractors and compliance with its obligations of this GIP. The subcontractor shall keep all information provided confidential and shall use such information solely for the performance of such obligation for which it was provided and no other purpose.

13.3 Obligation for Study Costs

Transmission Provider shall charge and Interconnection Customer shall pay the actual costs of the Interconnection Studies. Any difference between the study deposit and the actual cost of the applicable Interconnection Study shall be paid by or refunded, except as otherwise provided herein, to Interconnection Customer or offset against the cost of any future Interconnection Studies associated with the applicable Interconnection Request prior to beginning of any such future Interconnection Studies. Any invoices for Interconnection Studies shall include a detailed and itemized accounting of the cost of each Interconnection Study. Interconnection Customer shall pay any such undisputed costs within 30 Calendar Days of receipt of an invoice therefore. The Transmission Provider shall not be obligated to perform or continue to perform any studies unless Interconnection Customer has paid all undisputed amounts in compliance herewith.

In the event that a re-study deposit paid by the Interconnection Customer has been utilized by the Transmission Provider to conduct re-studies it deems necessary, the Transmission Provider shall provide a detailed and itemized accounting to the Interconnection Customer regarding the use of such re-study deposit. Any refunds of the Interconnection Customer's re-study deposits will be made upon completion of all required re-studies per Sections 6.4, 7.6 and 8.5, or upon the determination, by the Transmission Provider, that there are no material impacts to lower-queued interconnection requests as a result of withdrawal per Section 3.6, Modification per Section 4.4, re-designation of the Point of Interconnection per Section 6.1 or 7.2 for the applicable Interconnection Request. Refunds will be made to the Interconnection Customer, in the amount that the Interconnection Customer's study or re-study deposit payments exceeds the costs the Transmission Provider has incurred to conduct

all required re-studies per Sections 6.4, 7.6 and 8.5. Where the Transmission Provider has determined that there are no material impacts to lower-queued interconnection requests as a result of withdrawal per Section 3.6, Modification per Section 4.4, re-designation of the Point of Interconnection per Section 6.1 or 7.2 for the applicable Interconnection Request, all unused deposits that have been paid by the Interconnection Customer shall be accounted for and/or refunded no later than 30 Calendar Days following the execution of a GIA by the Interconnection Customer.

In any event, all deposits that have been paid by the Interconnection Customer shall be accounted for and/or refunded within a reasonable period from the final withdrawal of the Interconnection Customer's Interconnection Request from the interconnection queue.

13.4 Third Parties Conducting Studies

If

- (i) at the time of the signing of an Interconnection Study Agreement there is disagreement as to the estimated time to complete an Interconnection Study,
- (ii) the Interconnection Customer receives notice pursuant to Sections 6.3, 7.4 or 8.3 that the Transmission Provider will not complete an Interconnection Study within the applicable timeframe for such Interconnection Study, or
- (iii) the Interconnection Customer receives neither the Interconnection Study nor a notice under Sections 6.3, 7.4 or 8.3 within the applicable timeframe for such Interconnection Study,

then the Interconnection Customer may require the Transmission Provider to utilize a third party consultant reasonably acceptable to Interconnection Customer and Transmission Provider to perform such Interconnection Study under the direction of the Transmission Provider. At other times, Transmission Provider may also utilize a third party consultant to perform such Interconnection Study, either in response to a general request of the Interconnection Customer, or on its own volition.

In all cases, use of a third party consultant shall be in accord with Article 26 of the GIA (Subcontractors) and limited to situations where the Transmission Provider determines that doing so will help maintain or accelerate the study process for the Interconnection Customer's pending Interconnection Request and not interfere with the Transmission Provider's progress on Interconnection Studies for other pending Interconnection Requests. In cases where the Interconnection Customer requests use of a third party consultant to perform such Interconnection Study, Interconnection Customer and Transmission Provider shall negotiate all of the pertinent terms and conditions, including reimbursement arrangements and the estimated study completion date and study review deadline. Transmission Provider shall convey all workpapers, data bases, study results and all other supporting documentation prepared to date with respect to the Interconnection Request as soon as soon as practicable upon Interconnection Customer's request subject to the confidentiality provision in Section 13.1. In any case, such third party contract may be entered into with either the Interconnection Customer or the Transmission Provider at the Transmission Provider's discretion. In the case of (iii) the Interconnection Customer maintains its right to submit a claim to Dispute Resolution to recover the costs of such third party study. Such third party consultant shall be required to comply with this GIP, Article 26 of the GIA (Subcontractors), and the relevant Tariff procedures and protocols as would apply if the Transmission Provider were to conduct the Interconnection Study and shall use the information provided to it solely for purposes of performing such services and for no other purposes. The Transmission Provider shall cooperate with such third party consultant and Interconnection Customer to complete and issue the Interconnection Study in the shortest reasonable time.

13.5 Disputes

13.5.1 External Arbitration Procedures

In the event of a dispute arising between the Parties as to the subject matter of this GIP that cannot be resolved between them, the Parties agree to submit the dispute to binding arbitration, pursuant to the terms of the *Commercial Arbitration Act, S.N.S. 1999, c.5*. In particular, the Parties agree to utilize the arbitration procedure attached

as Schedule “A” to the *Commercial Arbitration Act* in the conduct of the arbitration. Any matter in dispute that is submitted for arbitration shall be heard by a single arbitrator chosen unanimously by the parties. In the event the parties cannot agree on a person to act as a single arbitrator, each party shall choose one panelist and the two panelists shall choose an independent third panelist who shall also chair the arbitration. No such arbitrator shall have previously been employed by either party and shall not have a direct or indirect interest in either party or the subject matter of the arbitration. The cost of the arbitration, excluding a parties legal fees and disbursements shall, unless otherwise ordered by the arbitrator or the panel, be borne equally by the parties.

13.5.2 Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within 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 the GIA and GIP and shall have no power to modify or change any provision of the GIA and GIP 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.

**STANDARD GENERATOR INTERCONNECTION AND OPERATING AGREEMENT
(GIA)**

**[INSERT INTERCONNECTION CUSTOMER NAME]
[XX] MW WIND GENERATING FACILITY,
[INSERT COUNTY NAME] COUNTY, NOVA SCOTIA**

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**STANDARD GENERATOR INTERCONNECTION
AND OPERATING AGREEMENT**

THIS STANDARD GENERATOR INTERCONNECTION AND OPERATING AGREEMENT (“Agreement” or “GIA”) is made and entered into this ____ day of _____ 20__, by and between _____, a _____ organized and existing under the laws of the Province of _____ (“Interconnection Customer” with a Generating Facility), and _____, a [corporation] organized and existing under the laws of the Province of _____ (“Transmission Provider and/or Transmission Owner”). Interconnection Customer and Transmission Provider each may be referred to as a “Party” or collectively as the “Parties.”

RECITALS

WHEREAS, Transmission Provider operates the Transmission System; and

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

WHEREAS, Interconnection Customer and Transmission Provider have agreed to enter into this Agreement for the purpose of interconnecting the Generating Facility with the Transmission System;

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

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

ARTICLE 1. DEFINITIONS

Adverse System Impact shall mean the negative effects due to technical or operational limits on conductors or equipment being exceeded that may compromise the safety and reliability of the electric system.

Affected System shall mean an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection.

Affected System Operator shall mean the entity that operates an Affected System.

Affiliate - the term "affiliate" shall be interpreted in accordance with Sections 2(2), 2(3), and 2(4) of the Nova Scotia Companies Act¹.

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

1 1 Deemed affiliate

2(2) A company shall be deemed to be an affiliate of another company if one of them is the subsidiary of the other or if both are subsidiaries of the same company or if each of them is controlled by the same person.

Deemed control

2(3) A company shall be deemed to be controlled by another person or by two or more companies if

- (a) voting securities of the first-mentioned company carrying more than fifty per cent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or by or for the benefit of the other companies; and
- (b) the votes carried by such securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned company.

Deemed subsidiary

2(4) A company shall be deemed to be a subsidiary of another company if

- (a) it is controlled by
 - (i) that other, or
 - (ii) that other and one or more companies each of which is controlled by that other, or
 - (iii) two or more companies each of which is controlled by that other; or
- (b) it is a subsidiary of a company that is that other's subsidiary. R.S., c. 81, s. 2; 1990, c.15, s. 2.

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

Applicable Reliability Council shall mean the Northeast Power Coordinating Council or any successor thereto.

Applicable Reliability Standards shall mean the requirements and guidelines of the Applicable Reliability Council, and the Control Area of the Transmission System to which the Generating Facility is directly interconnected, and the NSPI Interconnection Guidelines and Standards as set out in Appendix D to this document.

Base Case shall mean the base case power flow, short circuit, and stability data bases used for the Interconnection Studies by the Transmission Provider or Interconnection Customer.

Board shall mean the Nova Scotia Utility and Review Board.

Breach shall mean the failure of a Party to perform or observe any material term or condition of the Standard Generator Interconnection and Operating Agreement.

Breaching Party shall mean a Party that is in Breach of the Standard Generator Interconnection and Operating Agreement.

Business Day shall mean Monday to Friday, inclusive, excluding holidays. The regular business hours on a Business Day are from 08:30 to 16:30 Atlantic Time.

Calendar Day shall mean any day including Saturday, Sunday or a holiday.

Commercial Operation Date shall mean the date on which Interconnection Customer commences commercial operation of the unit at the Generating Facility after Trial Operation of such unit has been completed as confirmed in writing substantially in the form shown in Appendix E of the Standard Generator Interconnection and Operating Agreement.

Confidential Information shall mean any confidential, proprietary or trade secret information of a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Party, as well as any information relating to a Party's technology, research and development, business affairs and pricing whether such information is supplied prior to or after the execution of the GIA, which is designated as confidential by the Party supplying the information, whether conveyed orally, electronically, in writing, through inspection, or otherwise.

Control Area shall mean an electric system or group of systems that meet(s) the requirements of the NPCC Control Area Certification Process.

Default shall mean the failure of a Breaching Party to cure its Breach in accordance with Article 17 of the Standard Generator Interconnection and Operating Agreement.

Dispute Resolution shall mean the procedure for resolution of a dispute between the Parties in which they will first attempt to resolve the dispute on an informal basis.

Distribution System shall mean the Transmission Provider's facilities and equipment used to distribute electricity to ultimate usage points such as homes and industries either directly from nearby generators or from interchanges from the Transmission System.

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

Effective Date shall mean the date on which the Standard Generator Interconnection and Operating Agreement becomes effective in accordance with Article 2.1 of the Standard Generator Interconnection and Operating Agreement.

Emergency Condition shall mean a condition or situation:

- (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or
- (2) that, in the case of a Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to Transmission Provider's Transmission System, Transmission Provider's Interconnection Facilities or the electric systems of others to which the Transmission Provider's Transmission System is directly connected; or
- (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or Interconnection Customer's Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided that Interconnection Customer is not obligated by the Standard Generator Interconnection and Operating Agreement to possess black start capability.

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

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

Environmental Law shall mean Applicable Laws or Regulations relating to pollution or protection of the environment or natural resources.

Force Majeure shall mean an event, condition, occurrence or circumstance beyond the reasonable control and not attributable to the fault or negligence of the Party claiming Force Majeure, which, despite all reasonable efforts at a reasonable cost of the Party claiming the Force Majeure to prevent its occurrence or mitigate its effects, causes a delay or disruption in the performance of any obligation (other than the obligation to pay monies due) imposed on such Party hereunder, including, without limitation, any act of God, labour disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment if caused by an event which would constitute Force Majeure, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control.

Generating Facility shall mean Interconnection Customer's device for the production of electricity for interconnection to the Transmission System at voltages 69 kV and above as identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

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

Good Utility Practice shall mean those practices, methods or acts (including but not limited to the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in North America) that at a particular time, in the exercise of reasonable judgment, would have been expected to accomplish the desired result in a manner consistent with regulations, reliability, safety, environmental protection, economy and expedition as applied and practiced in the utility industry with respect to power generation, delivery, purchase and sale.

Governmental Authority shall mean any national, international, federal, provincial, municipal, county, regional or local government, organization or duly constituted authority having jurisdiction, and includes:

- (a) any department, commission, bureau, board, administrative agency or regulatory body of any government having jurisdiction; and

- (b) any person or corporation acting as an authorized agent thereof.

Hazardous Substances shall mean any chemicals, materials or substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “hazardous constituents,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “radioactive substances,” “contaminants,” “pollutants,” “toxic pollutants” or words of similar meaning and regulatory effect under any applicable Environmental Law, or any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law.

Initial Synchronization Date shall mean the date upon which the Generating Facility is initially electrically connected to, and energized by, the Transmission System and upon which Trial Operation begins..

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

Interconnection Customer shall mean any entity, including the Transmission Provider, Transmission Owner or any of the Affiliates or subsidiaries of either, that proposes to interconnect its Generating Facility with the Transmission Provider's Transmission System.

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

Interconnection Facilities shall mean the Transmission Provider's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically

interconnect the Generating Facility to the Transmission Provider's Transmission System, and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades.

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

Interconnection Facilities Study Agreement shall mean the form of agreement contained in Appendix 4 of the Standard Generator Interconnection Procedures for conducting the Interconnection Facilities Study.

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

Interconnection Feasibility Study Agreement shall mean the form of agreement contained in Appendix 2 of the Standard Generator Interconnection Procedures for conducting the Interconnection Feasibility Study.

Interconnection Request shall mean an Interconnection Customer's request, in the form of Appendix 1 to the Standard Generator Interconnection Procedures, in accordance with the Tariff, to interconnect a new Generating Facility, or to increase the capacity of (except for increases in capacity permitted by Section 2.6 of the Standard Generator Interconnection Procedures), or make a Material Modification to the operating characteristics of, an existing Generating Facility that is interconnected with the Transmission Provider's Transmission System.

Interconnection Service shall mean the service provided by the Transmission Provider associated with interconnecting the Interconnection Customer's Generating Facility to the Transmission Provider's Transmission System and enabling it to receive electric energy and capacity from the

Generating Facility at the Point of Interconnection, pursuant to the terms of the Standard Generator Interconnection and Operating Agreement and, if applicable, the Transmission Provider's Tariff.

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

Interconnection System Impact Study shall mean an engineering study that evaluates the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, an Affected System. The study shall identify and detail the system impacts that would result if the Generating Facility were interconnected without project modifications or system modifications, focusing on the Adverse System Impacts identified in the Interconnection Feasibility Study, or to study potential impacts, including but not limited to those identified in the Scoping Meeting as described in the Standard Generator Interconnection Procedures.

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

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

Licensed Retail Supplier (LRS): A Retail Supplier who:

- (a) holds a valid Retail Supplier Licence; and
- (b) has a valid LRS Participation Agreement executed with Nova Scotia Power Inc.

For certainty, a Wholesale Customer is not a Licensed Retail Supplier.

LRS Participation Agreement: The agreement (and any amendments or supplements thereto) between an LRS and Nova Scotia Power Inc. with respect to the sale of renewable low-impact electricity by the LRS in the form approved by the Board.

Load Serving Entity shall mean one of the following:

- (i) Nova Scotia Power Inc. (NSPI), or
- (ii) a Nova Scotia municipal electric utility.

Loss shall mean any and all losses relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's performance, or non-performance of its obligations under the Standard Generator Interconnection and Operating Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

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

Metering Equipment shall mean all metering equipment installed or to be installed at the Generating Facility pursuant to the Standard Generator Interconnection and Operating Agreement at the metering points, including but not limited to instrument transformers, MWh-meters, data acquisition equipment, transducers, remote terminal unit, communications equipment, phone lines, and fiber optics.

Network Resource shall mean that portion of a Generating Facility that is integrated with the Transmission Provider's Transmission System, designated as a Network Resource pursuant to the terms of the Tariff, and subjected to redispatch directives as ordered by the Transmission Provider in accordance with the Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Network Resource Interconnection Service (NR Interconnection Service) shall mean an Interconnection Service that allows the Interconnection Customer to integrate its Generating Facility with the Transmission Provider's Transmission System

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- (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or
- (2) in an RTO (Regional Transmission Organization) or ISO (Independent System Operator) with market based congestion management, in the same manner as Network Resources.

Network Resource Interconnection Service in and of itself does not convey transmission service.

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider's Transmission System required at or beyond the point at which the Interconnection Customer interconnects to the Transmission Provider's Transmission System to accommodate the interconnection of the Generating Facility to the Transmission Provider's Transmission System.

NPCC shall mean the Northeast Power Coordinating Council and its successor organizations.

Notice of Dispute shall mean a written notice of a dispute or claim that arises out of or in connection with the Standard Generator Interconnection and Operating Agreement or its performance.

Operating Area shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (2) maintain scheduled interchange with other Operating Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

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

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

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

Point of Change of Ownership shall mean the point, as set forth in Appendix A to the Standard Generator Interconnection and Operating Agreement, where the Interconnection Customer's Interconnection Facilities connect to the Transmission Provider's Interconnection Facilities.

Point of Interconnection shall mean the point, as set forth in Appendix A to the Standard Generator Interconnection Agreement, where the Interconnection Facilities connect to the Transmission Provider's Transmission System.

Reasonable Efforts shall mean, with respect to an action required to be attempted or taken by a Party under the Standard Generator Interconnection and Operating Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Retail Customer: This term has the same meaning as under the *Electricity Act*, S.N.S. 2004, c. 25. For certainty, a customer of a municipal utility (as defined under the *Electricity Act*) is not a Retail Customer.

Retail Supplier: This term has the same meaning as under the *Electricity Act*, S.N.S. 2004, c. 25.

Retail Supplier Licence: A Retail Supplier licence issued by the Board in accordance with the *Electricity Act*, S.N.S. 2004, c. 25 and regulations made thereunder which authorizes a person to sell renewable low-impact electricity generated within the Province of Nova Scotia.

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

Site Control shall mean documentation reasonably demonstrating:

- (1) ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Generating Facility; or
- (2) an option to purchase or acquire a leasehold site for the purpose of constructing the Generating Facility

Stand Alone Network Upgrades shall mean Network Upgrades that the Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Generator Interconnection and Operating Agreement.

Standard Generator Interconnection and Operating Agreement (GIA) shall mean the form of interconnection agreement applicable to an Interconnection Request pertaining to a Generating Facility, that is included in the Transmission Provider's Tariff.

Standard Generator Interconnection Procedures (GIP) shall mean the interconnection procedures applicable to an Interconnection Request pertaining to a Generating Facility that are included in the Transmission Provider's Tariff.

System Protection Facilities shall mean the equipment, including necessary protection signal communications equipment, required to protect:

- (1) the Transmission System from faults or other electrical disturbances occurring at the Generating Facility and

- (2) the Generating Facility from faults or other electrical system disturbances occurring on the Transmission System or on other delivery systems or other generating systems to which the Transmission System is directly connected.

Tariff shall mean the Transmission Provider's Tariff through which open access transmission service and Interconnection Service are offered, as filed with the Board, and as amended or supplemented from time to time, or any successor tariff.

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

Transmission Provider shall mean Nova Scotia Power Inc.

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

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

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

Wholesale Customer: This term has the same meaning as under the *Electricity Act*, S.N.S. 2004, c. 25.

ARTICLE 2. EFFECTIVE DATE, TERM AND TERMINATION

2.1 Effective Date

This GIA shall become effective upon execution by the Parties subject to acceptance by the Board (if applicable), or if filed unexecuted, upon the date specified by the Board. Transmission Provider shall promptly file this GIA with the Board upon execution in accordance with Article 3.1, if required.

2.2 Term of Agreement

Subject to the provisions of Article 2.3, this GIA shall remain in effect for a period of five years from the Effective Date or such other longer period as the Interconnection Customer may request (*Term to be Specified in Individual Agreements*) and shall be automatically renewed for each successive one-year period thereafter.

2.3 Termination Procedures

This GIA may be terminated as follows:

2.3.1 Written Notice

The Interconnection Customer may terminate this GIA after giving the Transmission Provider 90 Calendar Days advance written notice; or by Transmission Provider notifying the Board after the Generating facility permanently ceases commercial operation.

2.3.2 Default

Either Party may terminate this GIA in accordance with Article 17.

Notwithstanding the foregoing, no termination shall become effective until the Parties have complied with all Applicable Laws and Regulations applicable to such termination, including the filing with the Board of a notice of termination of this GIA, which notice has been accepted for filing by the Board.

2.4 Termination Costs

If a Party elects to terminate this Agreement pursuant to Article 2.3 above, each Party shall pay all costs incurred (including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment) or charges assessed by the other Party, as of the date of the other Party's receipt of such notice of termination, that are the responsibility of the terminating Party under this GIA. In the event of termination by either Party, both Parties shall use commercially Reasonable Efforts to mitigate the costs, damages and charges arising as a consequence of termination. Upon termination of this GIA, unless otherwise ordered or approved by the Board:

2.4.1 With respect to any portion of the Transmission Provider's Interconnection Facilities that have not yet been constructed or installed, the Transmission Provider shall to the extent possible and with Interconnection Customer's authorization cancel any pending orders of, or return, any materials or equipment for, or contracts for construction of, such facilities; provided that in the event Interconnection Customer elects not to authorize such cancellation, Interconnection Customer shall assume all payment obligations with respect to such materials, equipment, and contracts, and the Transmission Provider shall deliver such material and equipment, and, if necessary, assign such contracts, to Interconnection Customer as soon as practicable, at Interconnection Customer's expense. To the extent that Interconnection Customer has already paid Transmission Provider for any or all such costs of materials or equipment not taken by Interconnection Customer, Transmission Provider shall promptly refund such amounts to Interconnection Customer, less any costs, including penalties incurred by the Transmission Provider to cancel any pending orders of or return such materials, equipment, or contracts.

If an Interconnection Customer terminates this GIA, it shall be responsible for all costs incurred or that will be incurred by the Transmission Provider in association with that Interconnection Customer's interconnection, including any cancellation costs relating to orders or contracts for Interconnection Facilities and equipment, and other expenses including any Network Upgrades for which the Transmission Provider has incurred or will incur expenses and has not been reimbursed by the Interconnection Customer.

2.4.2 Transmission Provider may, at its option, retain any portion of such materials, equipment, or facilities that Interconnection Customer chooses not to accept delivery of, in which case Transmission Provider shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.3 With respect to any portion of the Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this GIA, Interconnection Customer shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.5 Disconnection

Upon termination of this GIA, the Parties will take all appropriate steps to disconnect the Generating Facility from the Transmission System. All costs required to effectuate such disconnection shall be borne by the terminating Party, unless such termination resulted from the non-terminating Party's Default of this GIA or such non-terminating Party otherwise is responsible for these costs under this GIA.

2.6 Survival

This GIA shall continue in effect after termination to the extent necessary to provide for final billings and payments and for costs incurred hereunder, including billings and payments pursuant to this GIA; to permit the determination and enforcement of liability and indemnification obligations arising from acts or events that occurred while this GIA was in effect; and to permit each Party to have access to the lands of the other Party pursuant to this GIA or other applicable agreements, to disconnect, remove or salvage its own facilities and equipment.

ARTICLE 3. REGULATORY FILINGS

3.1 Filing

Transmission Provider shall file this GIA (and any amendment hereto) with the appropriate Governmental Authority, if required. Interconnection Customer may request that any information so provided be subject to the confidentiality provisions of Article 22. If Interconnection Customer has executed this GIA, or any amendment thereto, Interconnection Customer shall reasonably cooperate with Transmission Provider with respect to such filing and to provide any information reasonably requested by Transmission Provider needed to comply with applicable regulatory requirements.

ARTICLE 4. SCOPE OF SERVICE

4.1 Interconnection Product Options

Interconnection Customer has selected the following (checked) type of Interconnection Service:

Energy Resource Interconnection Service

Or

Network Resource Interconnection Service

4.1.1 Energy Resource Interconnection Service (ER Interconnection Service).

4.1.1.1 The Product

ER Interconnection Service allows Interconnection Customer to connect the Generating Facility to the Transmission System and be eligible to deliver the Generating Facility's output using the existing firm or non-firm capacity of the Transmission System on an "as available" basis. To the extent Interconnection Customer wants to receive ER Interconnection Service, the Transmission Provider shall construct facilities identified in Appendix A. ER Interconnection Service does not in and of itself convey any transmission delivery service.

4.1.1.2 Transmission Delivery Service Implications

Under ER Interconnection Service, the Interconnection Customer will be able to inject power from the Generating Facility into and deliver power across the interconnecting Transmission Provider's Transmission System on an "as available" basis up to the amount of MW's identified in the applicable stability and steady state studies to the extent the upgrades initially required to qualify for ER Interconnection Service have been constructed. Where eligible to do so the Interconnection Customer may place a bid to sell into the market up to the maximum identified Generating Facility output, subject to any conditions specified in the interconnection service approval, and the Generating Facility will be dispatched to the extent the Interconnection Customer's bid clears. In all other instances, no transmission delivery service from the Generating Facility is assured, but the Interconnection Customer may obtain point-to-point transmission delivery service or be used for secondary network transmission service, pursuant to the Transmission

Provider's Tariff, up to the maximum output identified in the stability and steady state studies. In those instances, in order for the Interconnection Customer to obtain the right to deliver or inject energy beyond the Generating Facility Point of Interconnection or to improve its ability to do so, transmission delivery service must be obtained pursuant to the provisions of the Transmission Provider's Tariff. The Interconnection Customer's ability to inject its Generating Facility output beyond the Point of Interconnection, therefore, will depend on the existing capacity of the Transmission Provider's Transmission System at such time as a transmission service request is made that would accommodate such delivery. The provision of firm point-to-point transmission service may require the construction of additional Network Upgrades.

4.1.2 Network Resource Interconnection Service (NR Interconnection Service)

4.1.2.1 The Product

The Transmission Provider must conduct the necessary studies and construct the Network Upgrades needed to integrate the Generating Facility

- (1) in a manner comparable to that in which the Transmission Provider integrates its generating facilities to serve native load customers; or
- (2) in an ISO or RTO with market based congestion management, in the same manner as all other Network Resources.

NR Interconnection Service in and of itself does not convey any transmission delivery service.

4.1.2.2 Transmission Delivery Service Implications

NR Interconnection Service allows the Interconnection Customer's Generating Facility to be designated by any Network Customer under the Tariff on the Transmission Provider's Transmission System as a Network Resource, up to the Generating Facility's full output, on the same basis as all other existing Network Resources interconnected to the Transmission Provider's Transmission System, and to be studied as a Network Resource on the assumption that such a designation will occur. Although NR Interconnection Service does not convey a reservation of transmission service, any Network Customer under the Tariff can utilize its network service under the Tariff to obtain delivery of energy from the interconnected Interconnection Customer's Generating Facility in the same manner as it accesses Network Resources. A Generating Facility receiving NR Interconnection Service may also be used to provide Ancillary Services after technical studies and/or periodic analyses are performed with respect to the Generating Facility's ability to provide any applicable Ancillary Services, provided that such studies and analyses have been or would be required in connection with the provision of such Ancillary Services by any existing Network Resource. However, if an Interconnection Customer's Generating Facility has not been designated as a Network Resource by any load, it cannot be required to provide Ancillary Services except to the extent such requirements extend to all Generating Facilities that are similarly situated.

NR Interconnection Service does not necessarily provide the Interconnection Customer with the capability to physically deliver the output of its Generating Facility to any particular load on the Transmission Provider's Transmission System without incurring congestion costs. In the event of transmission constraints on the Transmission Provider's Transmission System, the Interconnection Customer's Generating Facility shall be subject to the applicable congestion management procedures in the Transmission Provider's Transmission System in the same manner as Network Resources.

There is no requirement either at the time of study or interconnection, or at any point in the future, that the Interconnection Customer's Generating Facility be designated as a Network Resource by a Network Service Customer under the Tariff or that the Interconnection Customer identify a specific buyer (or sink). To the extent a Network Customer does designate the Generating Facility as a Network Resource, it must do so pursuant to the Transmission Provider's Tariff.

Once an Interconnection Customer satisfies the requirements for obtaining NR Interconnection Service, any future transmission service request for delivery from the Generating Facility within the Transmission Provider's Transmission System of any amount of capacity and/or energy, up to the amount initially studied, will not require that any additional studies be performed or that any further upgrades associated with such Generating Facility be undertaken, regardless of whether or not such Generating Facility is ever designated by a Network Customer as a Network Resource and regardless of changes in ownership of the Generating Facility. To the extent the Interconnection Customer enters into an arrangement for long term transmission service for deliveries from the Generating Facility outside the Transmission Provider's Transmission System, such request may require additional studies and upgrades in order for the Transmission Provider to grant such request.

4.2 Provision of Service

Transmission Provider shall provide Interconnection Service for the Generating Facility at the Point of Interconnection.

4.3 Performance Standards

Each Party shall perform all of its obligations under this GIA in accordance with Applicable Laws and Regulations, Applicable Reliability Standards, and Good Utility Practice, and to

the extent a Party is required or prevented or limited in taking any action by such regulations and standards, such Party shall not be deemed to be in Breach of this GIA for its compliance therewith. If such Party is the Transmission Provider or Transmission Owner, then that Party shall amend the GIA and submit the amendment to the Board for approval.

4.4 No Transmission Delivery Service

The execution of this GIA does not constitute a request for, nor the provision of, any transmission delivery service under the Transmission Provider's Tariff, and does not convey any right to deliver electricity to any specific customer or point of delivery.

4.5 Interconnection Customer Provided Services

The services provided by Interconnection Customer under this GIA are set forth in Article 9.6 and Article 13.5.1. Interconnection Customer shall be paid for such services in accordance with Article 11.6.

ARTICLE 5. INTERCONNECTION FACILITIES ENGINEERING, PROCUREMENT, AND CONSTRUCTION

5.1 Options

Unless otherwise mutually agreed to between the Parties, Interconnection Customer shall select the In-Service Date, Initial Synchronization Date, and Commercial Operation Date; and either Standard Option or Alternate Option set forth below for completion of the Transmission Provider's Interconnection Facilities and Network Upgrades as set forth in Appendix A, Interconnection Facilities and Network Upgrades, and such dates and selected option shall be set forth in Appendix B, Milestones.

5.1.1 Standard Option

The Transmission Provider shall design, procure, and construct the Transmission Provider's Interconnection Facilities and Network Upgrades, using Reasonable Efforts to complete the Transmission Provider's Interconnection Facilities and Network Upgrades by the dates set forth in Appendix B, Milestones. The Transmission Provider shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event the Transmission Provider reasonably expects that it will not be able to complete the Transmission Provider's Interconnection Facilities and Network Upgrades by the specified dates, the Transmission Provider shall promptly provide written notice to the Interconnection Customer and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

5.1.2 Alternate Option

If the dates designated by Interconnection Customer are acceptable to Transmission Provider, the Transmission Provider shall so notify Interconnection Customer within 30 Calendar Days, and shall assume responsibility for the design, procurement and construction of the Transmission Provider's Interconnection Facilities by the designated dates.

If Transmission Provider subsequently fails to complete Transmission Provider's Interconnection Facilities by the In-Service Date, to the extent necessary to provide back feed power; or fails to complete Network Upgrades by the Initial Synchronization Date to the extent necessary to allow for Trial Operation at full power output, unless other arrangements are made by the Parties for such Trial Operation; or fails to complete the Network Upgrades by the Commercial Operation Date, as such dates are reflected in Appendix B, Milestones; Transmission Provider shall pay Interconnection Customer liquidated damages in accordance with Article 5.3, Liquidated Damages, provided, however, the dates designated by Interconnection Customer shall be extended day for day for each day that the applicable Operating Area operator refuses to grant outages, requested by the Transmission Provider using Reasonable Efforts, to install or modify equipment.

5.1.3 Option to Build

If the dates designated by Interconnection Customer are not acceptable to Transmission Provider, the Transmission Provider shall so notify the Interconnection Customer within 30 Calendar Days, and unless the Parties agree otherwise, Interconnection Customer shall have the option to assume responsibility for the design, procurement and construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades. Both Transmission Provider and Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify such Stand Alone Network Upgrades in Appendix A to the GIA. Except for Stand Alone Upgrades, Interconnection Customer shall have no right to construct Network Upgrades under this option.

5.1.4 Negotiated Option

If the Interconnection Customer elects not to exercise its option under Article 5.1.3, Option to Build, Interconnection Customer shall so notify Transmission Provider within 30 Calendar Days, and the Parties shall in good faith attempt to negotiate terms and conditions (including revision of the specified dates and liquidated damages, the provision of incentives or the procurement and construction of a portion of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades by Interconnection Customer) pursuant to which Transmission Provider is responsible for the design, procurement and construction of the Transmission Provider's Interconnection Facilities and Network Upgrades. If the Parties are unable to reach agreement on such terms and conditions, Transmission Provider shall assume responsibility for the design, procurement and construction of the Transmission Provider's Interconnection Facilities and Network Upgrades pursuant to 5.1.1, Standard Option.

5.2 General Conditions Applicable to Option to Build

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If Interconnection Customer assumes responsibility for the design, procurement and construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades,

- (1) the Interconnection Customer shall engineer, procure equipment, and construct the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades (or portions thereof) using Good Utility Practice and using standards and specifications provided in advance by the Transmission Provider;
- (2) Interconnection Customer's engineering, procurement and construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades shall comply with all requirements of law to which Transmission Provider would be subject in the engineering, procurement or construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (3) Transmission Provider shall review and approve the engineering design, equipment acceptance tests, and the construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (4) prior to commencement of construction, Interconnection Customer shall provide to Transmission Provider a schedule for construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades, and shall promptly respond to requests for information from Transmission Provider;
- (5) at any time during construction, Transmission Provider shall have the right to gain unrestricted access to the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades and to conduct inspections of the same;

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- (6) at any time during construction, should any phase of the engineering, equipment procurement, or construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades not meet the standards and specifications provided by Transmission Provider, the Interconnection Customer shall be obligated to remedy deficiencies in that portion of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades;
- (7) the Interconnection Customer shall indemnify the Transmission Provider for claims arising from the Interconnection Customer's construction of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades under the terms and procedures applicable to Article 18.1 Indemnity;
- (8) the Interconnection Customer shall transfer control of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the Transmission Provider;
- (9) Unless Parties otherwise agree, Interconnection customer shall transfer ownership of Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to Transmission Provider;
- (10) Transmission Provider shall approve and accept for operation and maintenance the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades to the extent engineered, procured, and constructed in accordance with this Article 5.2.; and
- (11) Interconnection Customer shall deliver to Transmission Provider "as-built" drawings, information, and any other documents that are reasonably required by Transmission Provider to assure that the Interconnection facilities and Stand Alone Network Upgrades are built to the standards and specifications required by the Transmission Provider.

5.3 Liquidated Damages

The actual damages to the Interconnection Customer, in the event the Transmission Provider's Interconnection Facilities or Network Upgrades are not completed by the dates designated by the Interconnection Customer and accepted by the Transmission Provider pursuant to subparagraphs 5.1.2 or 5.1.4, above, may include Interconnection Customer's fixed operation and maintenance costs and lost opportunity costs. Such actual damages are uncertain and impossible to determine at this time. Because of such uncertainty, any liquidated damages paid by the Transmission Provider to the Interconnection Customer in the event that Transmission Provider does not complete any portion of the Transmission Provider's Interconnection Facilities or Network Upgrades by the applicable dates, shall be an amount equal to $\frac{1}{2}$ of 1 percent per day of the actual cost of the Transmission Provider's Interconnection Facilities and Network Upgrades, in the aggregate, for which Transmission Provider has assumed responsibility to design, procure and construct.

However, in no event shall the total liquidated damages exceed 20 percent of the actual cost of the Transmission Provider Interconnection Facilities and Network Upgrades for which the Transmission Provider has assumed responsibility to design, procure, and construct. The foregoing payments will be made by the Transmission Provider to the Interconnection Customer as just compensation for the damages caused to the Interconnection Customer, which actual damages are uncertain and impossible to determine at this time, and as reasonable liquidated damages, but not as a penalty or a method to secure performance of this GIA.

No liquidated damages shall be paid to Interconnection Customer if:

- (1) Interconnection Customer is not ready to commence use of the Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for the Generating Facility's Trial Operation or to export power from the Generating Facility on the specified dates, unless the Interconnection Customer would have been able to commence use of the

Transmission Provider's Interconnection Facilities or Network Upgrades to take the delivery of power for Generating Facility's Trial Operation or to export power from the Generating Facility, but for Transmission Provider's delay;

- (2) the Transmission Provider's failure to meet the specified dates is the result of the action or inaction of the Interconnection Customer or any other Interconnection Customer who has entered into an GIA with the Transmission Provider or any cause beyond Transmission Provider's reasonable control or reasonable ability to cure;
- (3) the Interconnection Customer has assumed responsibility for the design, procurement and construction of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades; or (4) the Parties have otherwise agreed.

5.4 Power System Stabilizers

The Interconnection Customer shall procure, install, maintain and operate Power System Stabilizers in accordance with the guidelines and procedures established by the Applicable Reliability Council. Transmission Provider reserves the right to reasonably establish minimum acceptable settings for any installed Power System Stabilizers, subject to the design and operating limitations of the Generating Facility. If the Generating Facility's Power System Stabilizers are removed from service or not capable of automatic operation, the Interconnection Customer shall immediately notify the Transmission Provider's system operator, or its designated representative. The requirements of this paragraph shall not apply to wind generators. Instead, Appendix G sets forth the specific requirements and provisions that apply to a wind Generating Facility.

5.5 Equipment Procurement

If responsibility for construction of the Transmission Provider's Interconnection Facilities or Network Upgrades is to be borne by the Transmission Provider, then the Transmission Provider shall commence design of the Transmission Provider's Interconnection Facilities or Network Upgrades and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

- 5.5.1** The Transmission Provider has completed the Facilities Study pursuant to the Facilities Study Agreement;
- 5.5.2** The Transmission Provider has received written authorization to proceed with design and procurement from the Interconnection Customer by the date specified in Appendix B, Milestones; and
- 5.5.3** The Interconnection Customer has provided security to the Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.6 Construction Commencement

The Transmission Provider shall commence construction of the Transmission Provider's Interconnection Facilities and Network Upgrades for which it is responsible as soon as practicable after the following additional conditions are satisfied:

- 5.6.1** Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;
- 5.6.2** Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the Transmission Provider's Interconnection Facilities and Network Upgrades;
- 5.6.3** The Transmission Provider has received written authorization to proceed with construction from the Interconnection Customer by the date specified in Appendix B, Milestones; and

5.6.4 The Interconnection Customer has provided security to the Transmission Provider in accordance with Article 11.5 by the dates specified in Appendix B, Milestones.

5.7 Work Progress

The Parties will keep each other advised periodically as to the progress of their respective design, procurement and construction efforts. Either Party may, at any time, request a progress report from the other Party. If, at any time, the Interconnection Customer determines that the completion of the Transmission Provider's Interconnection Facilities will not be required until after the specified In-Service Date, the Interconnection Customer will provide written notice to the Transmission Provider of such later date upon which the completion of the Transmission Provider's Interconnection Facilities will be required.

5.8 Information Exchange

As soon as reasonably practicable after the Effective Date, the Parties shall exchange information regarding the design and compatibility of the Parties' Interconnection Facilities and compatibility of the Interconnection Facilities with the Transmission Provider's Transmission System, and shall work diligently and in good faith to make any necessary design changes. Design information shall be provided in a format compatible with the Transmission Provider's Computer Aided Drafting and Design (CADD) systems.

5.9 Limited Operation

If any of the Transmission Provider's Interconnection Facilities or Network Upgrades are not reasonably expected to be completed prior to the Commercial Operation Date of the Generating Facility, Transmission Provider shall, upon the request and at the expense of Interconnection Customer, perform operating studies on a timely basis to determine the extent to which the Generating Facility and the Interconnection Customer Interconnection

Facilities may operate prior to the completion of the Transmission Provider's Interconnection Facilities or Network Upgrades consistent with Applicable Laws and Regulations, Applicable Reliability Standards, Good Utility Practice, and this GIA. Transmission Provider shall permit Interconnection Customer to operate the Generating Facility and the Interconnection Customer Interconnection Facilities in accordance with the results of such studies.

5.10 Interconnection Customer's Interconnection Facilities (“ICIF”)

Interconnection Customer shall, at its expense, design, procure, construct, own and install the ICIF, as set forth in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The ICIF shall be sole use facilities.

5.10.1 Generating Facility Specifications

Interconnection Customer shall submit initial specifications for the ICIF, including System Protection Facilities, to Transmission Provider at least 180 Calendar Days prior to the Initial Synchronization Date; and final specifications for review and comment at least 90 Calendar Days prior to the Initial Synchronization Date. Transmission Provider shall review such specifications to ensure that the ICIF are compatible with the technical specifications, operational control, and safety requirements of the Transmission Provider and comment on such specifications within 30 Calendar Days of Interconnection Customer's submission. All specifications provided hereunder shall be deemed confidential.

5.10.2 Transmission Provider’s Review

Transmission Provider’s review of Interconnection Customer's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability or reliability of the Generating Facility, or the ICIF.

Interconnection Customer shall make such changes to the ICIF as may reasonably be required by Transmission Provider, in accordance with Good Utility Practice, to

ensure that the ICIF are compatible with the telemetry, communications, and safety requirements of the Transmission Provider.

5.10.3 ICIF Construction

The ICIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred 120 Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Interconnection Customer shall deliver to the Transmission Provider “as-built” drawings, information and documents for the ICIF, such as: a one-line diagram, a site plan showing the Generating Facility and the ICIF, plan and elevation drawings showing the layout of the ICIF, a relay functional diagram, relaying AC and DC schematic wiring diagrams and relay settings for all facilities associated with the Interconnection Customer's step-up transformers, the facilities connecting the Generating Facility to the step-up transformers and the ICIF, and the impedances (determined by factory tests) for the associated step-up transformers and the Generating Facilities. The Interconnection Customer shall provide Transmission Provider specifications for the excitation system, automatic voltage regulator, Generating Facility control and protection settings, transformer tap settings, and communications.

5.11 Transmission Provider's Interconnection Facilities Construction

The Transmission Provider's Interconnection Facilities shall be designed and constructed in accordance with Good Utility Practice. Upon request, within 120 Calendar Days after the Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, the Transmission Provider shall deliver to the Interconnection Customer the following “as-built” drawings, information and documents for the Transmission Provider's Interconnection Facilities: 1) Protection and Instrumentation 1-line Drawing; and 2) Interconnection Points Diagram.

The Transmission Provider will obtain control of the Transmission Provider's Interconnection Facilities and Stand Alone Network Upgrades upon completion of such facilities.

5.12 Access Rights

The Interconnection Customer shall furnish at no cost to the Transmission Provider any licenses, rights of way and easements with respect to lands owned or controlled by the Interconnection Customer and its agents that are necessary to enable the Transmission Provider to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace or remove facilities and equipment to:

- (i) interconnect the Generating Facility with the Transmission System;
- (ii) operate and maintain the Generating Facility, the Interconnection Facilities and the Transmission System; and
- (iii) disconnect or remove the Transmission Provider's facilities and equipment upon termination of this GIA.

In exercising such licenses, rights of way and easements, the Transmission Provider shall not unreasonably disrupt or interfere with normal operation of the Interconnection Customer's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Interconnection Customer and provided to the Transmission Provider.

5.13 Lands of Other Property Owners

If any part of the Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades is to be installed on property owned by persons other than Interconnection Customer or Transmission Provider or Transmission Owner, the Interconnection Customer shall at Interconnection Customer's expense procure from such persons any rights of use, licenses, rights of way and easements that are necessary to

construct, operate, maintain, test, inspect, replace or remove the Transmission Provider or Transmission Owner's Interconnection Facilities and/or Network Upgrades upon such property. All such rights of use, licenses, rights of way and easements shall be registered or recorded by the Interconnection Customer at the Interconnection Customer's expense in the land registration office for the registration district in which the property is situated. Easements shall be in a form acceptable to the Transmission Provider. Upon receipt of a reasonable siting request, Transmission Provider shall provide siting assistance to the Interconnection Customer comparable to that provided to the Transmission Provider's own, or an Affiliate's generation.

5.14 Permits

The allocation of the responsibilities of the Transmission Provider or Transmission Owner and the Interconnection Customer to obtain all permits, licenses and authorizations that are necessary to accomplish the interconnection in compliance with Applicable Laws and Regulations shall be as specified in Appendix H. The Transmission Provider or Transmission Owner and the Interconnection Customer shall cooperate with each other in good faith in obtaining any such permits, licenses and authorizations. With respect to this paragraph, Transmission Provider or Transmission Owner shall provide permitting assistance to the Interconnection Customer comparable to that provided to the Transmission Provider's own, or an Affiliate's generation.

5.15 Early Construction of Base Case Facilities

Interconnection Customer may request Transmission Provider to construct, and Transmission Provider shall construct, using Reasonable Efforts to accommodate Interconnection Customer's In-Service Date, all or any portion of any Network Upgrades required for Interconnection Customer to be interconnected to the Transmission System which are included in the Base Case of the Facilities Study for the Interconnection Customer, and

which also are required to be constructed for another Interconnection Customer, but where such construction is not scheduled to be completed in time to achieve Interconnection Customer's In-Service Date.

5.16 Suspension

Interconnection Customer reserves the right, upon written notice to Transmission Provider, to suspend at any time all work by Transmission Provider associated with the construction and installation of Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this GIA with the condition that the Transmission Provider shall be left in a safe and reliable condition in accordance with Good Utility Practice and the Transmission Provider's safety and reliability criteria. In such event, Interconnection Customer shall be responsible for all reasonable and necessary costs which Transmission Provider

- (i) has incurred pursuant to this GIA prior to the suspension and
- (ii) incurs in suspending such work, including any costs incurred to perform such work as may be necessary to ensure the safety of persons and property and the integrity of the Transmission System during such suspension and, if applicable, any costs incurred in connection with the cancellation or suspension of material, equipment and labor contracts which Transmission Provider cannot reasonably avoid; provided, however, that prior to canceling or suspending any such material, equipment or labor contract, Transmission Provider shall obtain Interconnection Customer's authorization to do so.

Transmission Provider shall invoice Interconnection Customer for such costs pursuant to Article 12 and shall use due diligence to minimize its costs. In the event Interconnection Customer suspends work by Transmission Provider required under this GIA pursuant to this Article 5.16, and has not requested Transmission Provider to recommence the work required under this GIA on or before the expiration of three years following commencement of such suspension, this GIA shall be deemed terminated.

In the event Interconnection Customer suspends work by Transmission Provider required under this Agreement pursuant to this Article 5.16, and requests Transmission Provider to recommence the work required under this Agreement, the Interconnection Customer shall be responsible for all additional costs Transmission Provider determines are necessary to restart all work by Transmission Provider associated with the construction and installation of the Transmission Provider's Interconnection Facilities and/or Network Upgrades required under this Agreement.

5.17 Taxes

5.17.1 Interconnection Customer Payments Not Taxable

The Parties intend that all payments or property transfers made by Interconnection Customer to Transmission Provider for the installation of the Transmission Provider's Interconnection Facilities and the Network Upgrades shall be non-taxable, either as contributions to capital, or as an advance, in accordance with any applicable Federal and Provincial tax laws and shall not be taxable as contributions in aid of construction or otherwise under any applicable Federal and Provincial tax laws.

5.18 Tax Status

Each Party shall cooperate with the other to maintain the other Party's tax status.

5.19 Modification

5.19.1 General

Either Party may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities, that Party shall provide to the other Party sufficient information regarding such modification so that the other Party may evaluate the potential impact of such modification prior to commencement of the work. Such information shall be deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Generating Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party at least 90 Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed.

In the case of Generating Facility modifications that do not require Interconnection Customer to submit an Interconnection Request, Transmission Provider shall provide, within 30 Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the Transmission System, Transmission Provider's Interconnection Facilities or Network Upgrades necessitated by such Interconnection Customer modification and a good faith estimate of the costs thereof.

5.19.2 Standards

Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed and operated in accordance with this GIA and Good Utility Practice.

5.19.3 Modification Costs

Interconnection Customer shall not be responsible for the costs of any additions, modifications, or replacements that Transmission Provider makes to the Transmission Provider's Interconnection Facilities or the Transmission System to facilitate the interconnection of a third party to the Transmission Provider's Interconnection Facilities or the Transmission System, or to provide transmission service under the Transmission Provider's Tariff. Interconnection Customer shall be responsible for the costs of any additions, modifications, or replacements to the Interconnection Customer Interconnection Facilities that may be necessary to maintain or upgrade such Interconnection Customer Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

ARTICLE 6. TESTING AND INSPECTION

6.1 Pre-Commercial Operation Date Testing and Modifications

Prior to the Commercial Operation Date, the Transmission Provider shall test the Transmission Provider's Interconnection Facilities and Network Upgrades and Interconnection Customer shall test the Generating Facility and the Interconnection Customer Interconnection Facilities to ensure their safe and reliable operation. Similar testing may be required after initial operation. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Interconnection Customer shall bear the cost of all such testing and modifications. Interconnection Customer shall generate test energy at the Generating Facility only if it has arranged with Transmission Provider for the delivery of such test energy to the Transmission System.

6.2 Post-Commercial Operation Date Testing and Modifications

Each Party shall at its own expense perform routine inspection and testing of its facilities and equipment in accordance with Good Utility Practice as may be necessary to ensure the

continued interconnection of the Generating Facility with the Transmission System in a safe and reliable manner. Each Party shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with Good Utility Practice.

6.3 Right to Observe Testing

Each Party shall notify the other Party in advance of its performance of tests of its Interconnection Facilities. The other Party has the right, at its own expense, to observe such testing.

6.4 Right to Inspect

Each Party shall have the right, but shall have no obligation to:

- (i) observe the other Party's tests and/or inspection of any of its System Protection Facilities and other protective equipment, including Power System Stabilizers;
- (ii) review the settings of the other Party's System Protection Facilities and other protective equipment; and
- (iii) review the other Party's maintenance records relative to the Interconnection Facilities, the System Protection Facilities and other protective equipment.

A Party may exercise these rights from time to time, as it deems necessary upon reasonable notice to the other Party. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement or confirmation of any element or condition of the Interconnection Facilities or the System Protection Facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that Transmission Provider obtains through the exercise of any of its rights under this Article 6.4 shall be deemed to be confidential hereunder.

ARTICLE 7. METERING

7.1 General

Each Party shall comply with the Applicable Reliability Council requirements. Unless otherwise agreed by the Parties, Transmission Provider shall install Metering Equipment at the Point of Interconnection prior to any operation of the Generating Facility and shall own, operate, test and maintain such Metering Equipment. Power flows to and from the Generating Facility shall be measured at or, at Transmission Provider's option, compensated to, the Point of Interconnection. Transmission Provider shall provide metering quantities, in analog and/or digital form, to Interconnection Customer upon request. Interconnection Customer shall bear all reasonable documented costs associated with the purchase, installation, operation, testing and maintenance of the Metering Equipment. All revenue metering equipment installations shall meet the Electricity and Gas Inspection Act regulations requirements in effect at the time.

7.2 Check Meters

Interconnection Customer, at its option and expense, may install and operate, on its premises and on its side of the Point of Interconnection, one or more check meters to check Transmission Provider's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this GIA, except as provided in Article 7.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Transmission Provider or its designee. The installation, operation and maintenance thereof shall be performed entirely by Interconnection Customer in accordance with Good Utility Practice. Such check meters shall only be permitted if the accuracy of the revenue metering installation is not degraded unacceptably through the addition of the check meters.

7.3 Standards

Transmission Provider shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable Industry Canada standards.

7.4 Testing of Metering Equipment

Transmission Provider shall inspect and test all Transmission Provider-owned Metering Equipment upon installation and at least once every two years thereafter. If requested to do so by Interconnection Customer, Transmission Provider shall, at Interconnection Customer's expense, inspect or test Metering Equipment more frequently than every two years. Transmission Provider shall give reasonable notice of the time when any inspection or test shall take place, and Interconnection Customer may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Interconnection Customer's expense, in order to provide accurate metering, unless the inaccuracy or defect is due to Transmission Provider's failure to maintain, then Transmission Provider shall pay. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than two percent from the measurement made by the standard meter used in the test, Transmission Provider shall adjust the measurements by correcting all measurements for the period during which Metering Equipment was in error by using Interconnection Customer's check meters, if installed. If no such check meters are installed or if the period cannot be reasonably ascertained, the adjustment shall be for the period immediately preceding the test of the Metering Equipment equal to one-half the time from the date of the last previous test of the Metering Equipment.

7.5 Metering Data

At Interconnection Customer's expense, the metered data shall be telemetered to one or more locations designated by Transmission Provider and one or more locations designated by Interconnection Customer. Such telemetered data shall be used, under normal operating

conditions, as the official measurement of the amount of energy delivered from the Generating Facility to the Point of Interconnection.

ARTICLE 8. COMMUNICATIONS

8.1 Interconnection Customer Obligations

Interconnection Customer shall maintain satisfactory operating communications with Transmission Provider's Transmission System dispatcher or representative designated by Transmission Provider. Interconnection Customer shall provide, at its cost, standard voice line, dedicated voice line and facsimile communications at its Generating Facility control room or central dispatch facility through use of either the public telephone system, or a voice communications system that does not rely on the public telephone system. Interconnection Customer shall also provide, at its cost, the dedicated data circuit(s) necessary to provide Interconnection Customer data to Transmission Provider as set forth in Appendix D, Security Arrangements Details. The data circuit(s) shall extend from the Generating Facility to the location(s) specified by Transmission Provider. Any required maintenance of such communications equipment shall be performed by Interconnection Customer. Operational communications shall be activated and maintained under, but not be limited to, the following events: system paralleling or separation, scheduled and unscheduled shutdowns, equipment clearances, and hourly and daily load data.

8.2 Remote Terminal Unit

Prior to the Initial Synchronization Date of the Generating Facility, a Remote Terminal Unit, or equivalent data collection and transfer equipment acceptable to both Parties, shall be installed by Interconnection Customer, or by Transmission Provider at Interconnection Customer's expense, to gather accumulated and instantaneous data to be telemetered to the location(s) designated by Transmission Provider through use of a dedicated point-to-point data circuit(s) as indicated in Article 8.1. The communication protocol for the data circuit(s) shall be specified by Transmission Provider. Instantaneous bi-directional analog real power

and reactive power flow information must be telemetered directly to the location(s) specified by Transmission Provider.

Each Party will promptly advise the other Party if it detects or otherwise learns of any metering, telemetry or communications equipment errors or malfunctions that require the attention and/or correction by the other Party. The Party owning such equipment shall correct such error or malfunction as soon as reasonably feasible.

8.3 No Annexation

Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 9. OPERATIONS

9.1 General

Each Party shall comply with the Applicable Reliability Council requirements. Each Party shall provide to the other Party all information that may reasonably be required by the other Party to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

9.2 Operating Area Notification

At least three months before Initial Synchronization Date, the Interconnection Customer shall notify the Transmission Provider in writing of the Operating Area in which the Generating Facility will be located.

9.3 Transmission Provider Obligations

Transmission Provider shall cause the Transmission System and the Transmission Provider's Interconnection Facilities to be operated, maintained and controlled in a safe and reliable manner and in accordance with this GIA. Transmission Provider may provide operating instructions to Interconnection Customer consistent with this GIA and Transmission Provider's operating protocols and procedures as they may change from time to time. Transmission Provider will consider changes to its operating protocols and procedures proposed by Interconnection Customer.

9.4 Interconnection Customer Obligations

Interconnection Customer shall at its own expense operate, maintain and control the Generating Facility and the Interconnection Customer Interconnection Facilities in a safe and reliable manner and in accordance with this GIA. Interconnection Customer shall operate the Generating Facility and the Interconnection Customer Interconnection Facilities in accordance with all applicable requirements of the Operating Area of which it is part, as such requirements are set forth in Appendix C, Interconnection Details, of this GIA. Appendix C, Interconnection Details, will be modified to reflect changes to the requirements as they may change from time to time. Either Party may request that the other Party provide copies of the requirements set forth in Appendix C, Interconnection Details, of this GIA.

Except in an Emergency, the Interconnection Customer will request permission from the Transmission Provider's System Operator (or such Party designated by the System Operator) prior to opening or closing switching devices at the designated Point of Interconnection, identified in Appendix A of this GIA, in accordance with applicable switching and operations procedures, which permission will not be unreasonably withheld or delayed. If the Interconnection Customer opens or closes a switching device in an Emergency, without requesting permission from the System Operator, Interconnection Customer shall notify the System Operator immediately after taking such action.

The Interconnection Customer will carry out all switching orders from the System Operator in a timely manner.

9.5 Start-Up and Synchronization

Consistent with the Parties' mutually acceptable procedures, the Interconnection Customer is responsible for the proper synchronization of the Generating Facility to the Transmission Provider's Transmission System.

9.6 Reactive Power

9.6.1 Power Factor Design Criteria

Interconnection Customer shall design the Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless Transmission Provider has established different requirements that apply to all generators in the Operating Area on a comparable basis. The requirements of this paragraph shall not apply to wind generators. Instead, Appendix G sets forth specific requirements and provisions that apply to a wind Generating Facility.

9.6.2 Voltage Schedules

Once the Interconnection Customer has synchronized the Generating Facility with the Transmission System, Transmission Provider shall require Interconnection Customer to operate the Generating Facility to produce or absorb reactive power within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). Transmission Provider's voltage schedules shall treat all sources of reactive power in the Operating Area in an equitable and not unduly discriminatory manner. Transmission Provider shall exercise Reasonable Efforts to provide Interconnection Customer with such schedules at least one day in advance, and may make changes to such schedules as necessary to maintain the

reliability of the Transmission System. Interconnection Customer shall operate the Generating Facility to maintain the specified output voltage or power factor at the Point of Interconnection within the design limitations of the Generating Facility set forth in Article 9.6.1 (Power Factor Design Criteria). If Interconnection Customer is unable to maintain the specified voltage or power factor, it shall promptly notify the System Operator.

9.6.2.1 Governors and Regulators

Whenever the Generating Facility is operated in parallel with the Transmission System and the speed governors (if installed on the generating unit pursuant to Good Utility Practice) and voltage regulators are capable of operation, Interconnection Customer shall operate the Generating Facility with its speed governors and voltage regulators in automatic operation. If the Generating Facility's speed governors and voltage regulators are not capable of such automatic operation, the Interconnection Customer shall immediately notify Transmission Provider's system operator, or its designated representative, and ensure that such Generating Facility's reactive power production or absorption (measured in MVARs) are within the design capability of the Generating Facility's generating unit(s) and steady state stability limits. Interconnection Customer shall not cause its Generating Facility to disconnect automatically or instantaneously from the Transmission System or trip any generating unit comprising the Generating Facility for an under or over frequency condition unless the abnormal frequency condition persists for a time period beyond the limits set forth in ANSI/IEEE Standard C37.106, or such other standard as applied to other generators in the Operating Area on a comparable basis.

9.6.3 Payment for Reactive Power

Transmission Provider is required to pay Interconnection Customer for reactive power that Interconnection Customer provides or absorbs from the Generating

Facility only in those instances where the Transmission Provider requests the Interconnection Customer to operate its Generating Facility outside the range specified in Article 9.6.1, provided that if Transmission Provider pays its own or affiliated generators for reactive power service within the specified range, it must also pay Interconnection Customer. Payments shall be pursuant to Article 11.6 or such other agreement to which the Parties have otherwise agreed.

9.7 Outages and Interruptions

9.7.1 Outages

9.7.1.1 Outage Authority and Coordination

Each Party may in accordance with Good Utility Practice in coordination with the other Party remove from service any of its respective Interconnection Facilities or Network Upgrades that may impact the other Party's facilities as necessary to perform maintenance or testing or to install or replace equipment. Absent an Emergency Condition, the Party scheduling a removal of such facility(ies) from service will use Reasonable Efforts to schedule such removal on a date and time mutually acceptable to both Parties. In all circumstances any Party planning to remove such facility(ies) from service shall use Reasonable Efforts to minimize the effect on the other Party of such removal.

9.7.1.2 Outage Schedules

The Transmission Provider shall post scheduled outages of its transmission facilities on the OASIS. Interconnection Customer shall submit its planned maintenance schedules for the Generating Facility to Transmission Provider for a minimum of a rolling twenty-four month period. Interconnection Customer shall update its planned maintenance schedules as necessary. Transmission Provider may request Interconnection Customer to reschedule

its maintenance as necessary to maintain the reliability of the Transmission System; provided, however, adequacy of generation supply shall not be a criterion in determining Transmission System reliability.

9.7.1.3 Outage Restoration

If an outage on a Party's Interconnection Facilities or Network Upgrades adversely affects the other Party's operations or facilities, the Party that owns or controls the facility that is out of service shall use Reasonable Efforts to promptly restore such facility(ies) to a normal operating condition consistent with the nature of the outage. The Party that owns or controls the facility that is out of service shall provide the other Party, to the extent such information is known, information on the nature of the Emergency Condition, an estimated time of restoration, and any corrective actions required. Initial verbal notice shall be followed up as soon as practicable with written notice explaining the nature of the outage.

9.7.2 Interruption of Service

If required by Good Utility Practice to do so, Transmission Provider may require Interconnection Customer to interrupt or reduce deliveries of electricity if such delivery of electricity could adversely affect Transmission Provider's ability to perform such activities as are necessary to safely and reliably operate and maintain the Transmission System. The following provisions shall apply to any interruption or reduction permitted under this Article 9.7.2:

9.7.2.1 The interruption or reduction shall continue only for so long as reasonably necessary under Good Utility Practice;

9.7.2.2 Any such interruption or reduction shall be made on an equitable, non-discriminatory basis with respect to all Generating Facilities directly connected to the Transmission System;

- 9.7.2.3** When the interruption or reduction must be made under circumstances which do not allow for advance notice, Transmission Provider shall notify Interconnection Customer by telephone as soon as practicable of the reasons for the curtailment, interruption, or reduction, and, if known, its expected duration. Telephone notification shall be followed by written notification as soon as practicable;
- 9.7.2.4** Except during the existence of an Emergency Condition, when the interruption or reduction can be scheduled without advance notice, Transmission Provider shall notify Interconnection Customer in advance regarding the timing of such scheduling and further notify Interconnection Customer of the expected duration. Transmission Provider shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the interruption or reduction during periods of least impact to the Interconnection Customer and the Transmission Provider;
- 9.7.2.5** The Parties shall cooperate and coordinate with each other to the extent necessary in order to restore the Generating Facility, Interconnection Facilities, and the Transmission System to their normal operating state, consistent with system conditions and Good Utility Practice.
- 9.7.2.6** If Transmission Provider determines that any of Interconnection Customer Interconnection Facilities or associated equipment fail to perform as designed, or that Interconnection Customer has failed to perform testing or maintenance of such equipment in accordance with the terms of this GIA and such failure has, or could reasonably be expected to adversely impact operation of the Transmission System, Transmission Provider shall notify Interconnection Customer in writing of such failure, its recommended corrective action, and its recommended deadline for the completion of such corrective actions. Within ten Business Days or the deadline reasonably specified by the Transmission Provider, Interconnection Customer must demonstrate to Transmission Provider's satisfaction that Interconnection

Customer has initiated such corrective action as is necessitated by Good Utility Practice. If Interconnection Customer fails to demonstrate within such time period to Transmission Provider's satisfaction that it has initiated or completed such corrective action as is necessitated by Good Utility Practice or that no corrective action is necessitated by Good Utility Practice, Transmission Provider may open the interconnection between Interconnection Customer and Transmission Provider; provided, however, that Transmission Provider may open the interconnection only for so long as is necessary under Good Utility Practice.

9.7.2.7 If Transmission provider determines that a modification to any of Interconnection Customer Interconnection Facilities or associated equipment has been made so that performance is not as originally approved by the Transmission Provider and such performance has, or could reasonably be expected to adversely impact operation of the Transmission System, Transmission Provider may, if such condition is not corrected after giving Interconnection Customer as much advance notice to correct the condition as is practicable under the circumstances, open the interconnection between Interconnection Customer and Transmission provider; provided, however, that Transmission Provider may open the interconnection only for so long as is necessary under Good Utility Practice.

9.7.2.8 Notwithstanding anything to the contrary in this Agreement, the Transmission Provider may immediately disconnect the Facility from the Transmission System, if the Transmission Provider perceives, consistent with Good Utility Practice, that the operation of the Interconnection Customer's equipment or Generating Facility presents an imminent threat to the reliable and safe operation of the Transmission System; provided, however that the Transmission provider may disconnect the facility for so long as is necessary under Good Utility Practice

9.7.3 Under-Frequency and Over Frequency Conditions

The Transmission System is designed to automatically activate a load-shed program as required by the Applicable Reliability Council in the event of an under-frequency system disturbance. Interconnection Customer shall implement under-frequency and over-frequency relay set points for the Generating Facility as required by the Applicable Reliability Council to ensure “ride through” capability of the Transmission System. Generating Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied by the Interconnection Customer and coordinated with the Transmission Provider in accordance with Good Utility Practice. The term "ride through" as used herein shall mean the ability of a Generating Facility to stay connected to and synchronized with the Transmission System during system disturbances within a range of under-frequency and over-frequency conditions, in accordance with Good Utility Practice.

9.7.4 System Protection and Other Control Requirements

9.7.4.1 System Protection Facilities

Interconnection Customer shall, at its expense, install, operate and maintain System Protection Facilities as a part of the Generating Facility or the Interconnection Customer Interconnection Facilities. Transmission Provider shall install at Interconnection Customer's expense any System Protection Facilities that may be required on the Transmission Provider Interconnection Facilities or the Transmission System as a result of the interconnection of the Generating Facility and the Interconnection Customer Interconnection Facilities.

9.7.4.2 Each Party’s protection facilities shall be designed and coordinated with other systems in accordance with Good Utility Practice.

9.7.4.3 Each Party shall be responsible for protection of its facilities consistent with Good Utility Practice.

9.7.4.4 Each Party's protective relay design shall incorporate the necessary test switches to perform the tests required in Article 6. The required test switches will be placed such that they allow operation of lockout relays while preventing breaker failure schemes from operating and causing unnecessary breaker operations and/or the tripping of the Interconnection Customer's units.

9.7.4.5 Each Party will test, operate and maintain System Protection Facilities in accordance with Good Utility Practice.

9.7.4.6 Prior to the In-Service Date, and again prior to the Commercial Operation Date, each Party or its agent shall perform a complete calibration test and functional trip test of the System Protection Facilities. At intervals suggested by Good Utility Practice and following any apparent malfunction of the System Protection Facilities, each Party shall perform both calibration and functional trip tests of its System Protection Facilities. These tests do not require the tripping of any in-service generation unit. These tests do, however, require that all protective relays and lockout contacts be activated.

9.7.5 Requirements for Protection

In compliance with Good Utility Practice, Interconnection Customer shall provide, install, own, and maintain relays, circuit breakers and all other devices necessary to remove any fault contribution of the Generating Facility to any short circuit occurring on the Transmission System not otherwise isolated by Transmission Provider's equipment, such that the removal of the fault contribution shall be coordinated with the protective requirements of the Transmission System. Such protective equipment shall include, without limitation, a disconnecting device or switch with load-interrupting capability located between the Generating Facility and

the Transmission System at a site selected upon mutual agreement (not to be unreasonably withheld, conditioned or delayed) of the Parties. Interconnection Customer shall be responsible for protection of the Generating Facility and Interconnection Customer's other equipment from such conditions as negative sequence currents, over- or under-frequency, sudden load rejection, over- or under-voltage, and generator loss-of-field. Interconnection Customer shall be solely responsible to disconnect the Generating Facility and Interconnection Customer's other equipment if conditions on the Transmission System could adversely affect the Generating Facility.

9.7.6 Power Quality

Each Party shall operate their facilities in such a manner so as to not cause excessive voltage flicker nor introduce excessive distortion to the sinusoidal voltage or current waves as defined by Applicable Standards adopted by the Transmission provider, such as Canadian Standards Association (CSA) CAN-C235-83, IEEE Recommended Practice 519 (Harmonics) and International Electrotechnical Commission (IEC) Flicker Standard 61000-3-7 (with Flicker Meter IEC 868 using a 120V, 60W weighting curve), or any applicable superseding electric industry standard, including the emission and quality limits specified in Appendix C Interconnection Details. In the event of a conflict between IEC Standard 61000-3-7, IEEE recommended Practice 519, CSA CAN-C235-83, or any applicable superseding electric industry standard, and the Appendix C Interconnection Details, the emission and quality limits specified in Appendix C, Interconnections Details, shall prevail.

9.8 Switching and Tagging Rules

Each Party shall provide the other Party a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment.

9.9 Use of Interconnection Facilities by Third Parties

9.9.1 Purpose of Interconnection Facilities

Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Generating Facility to the Transmission System and shall be used for no other purpose.

9.9.2 Third Party Users

If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Transmission Provider's Interconnection Facilities, or any part thereof, Interconnection Customer will be entitled to compensation for the capital expenses it incurred in connection with the Interconnection Facilities based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually-agreed upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Interconnection Facilities, will be allocated between Interconnection Customer and any third party users based upon the pro rata use of the Interconnection Facilities by Transmission Provider, all third party users, and Interconnection Customer, in accordance with Applicable Laws and Regulations or upon some other mutually agreed upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to the Board for resolution.

9.10 Disturbance Analysis Data Exchange

The Parties will cooperate with one another in the analysis of disturbances to either the Generating Facility or the Transmission Provider's Transmission System by gathering and providing access to any information relating to any disturbance, including information from

oscillography, protective relay targets, breaker operations and sequence of events records, and any disturbance information required by Good Utility Practice.

9.11 Emergency Numbers

Each Party will provide, by written notice, an emergency telephone number, staffed 24 hours a day, to call in case of an emergency. Beginning of the Effective Date of this Agreement, and until modified in writing:

The Transmission Provider's emergency telephone numbers is: [INSERT NUMBER]

The Interconnection Customer's emergency telephone number is: [INSERT NUMBER]

9.12 Safety

Subject to Section 18, the Parties agree to be solely responsible for and assume all liability for the safety and supervision of their own employees, agents, representatives, and subcontractors.

The Parties agree that all work performed by either Party which could reasonably be expected to affect the operations of the other Party will be performed in accordance with all applicable laws, rules, and regulations pertaining to the safety of persons or property, including without limitation, compliance with the safety regulations and standards adopted under the Occupational Health and Safety Act, as amended from time to time, the Canadian Electrical Safety Code as amended from time to time and Good Utility Practice.

ARTICLE 10. MAINTENANCE

10.1 Transmission Provider Obligations

Transmission Provider shall maintain the Transmission System and the Transmission Provider's Interconnection Facilities in a safe and reliable manner and in accordance with this GIA.

10.2 Interconnection Customer Obligations

Interconnection Customer shall maintain the Generating Facility and the Interconnection Customer Interconnection Facilities in a safe and reliable manner and in accordance with this GIA.

10.3 Coordination

The Parties shall confer regularly to coordinate the planning, scheduling and performance of preventive and corrective maintenance on the Generating Facility and the Interconnection Facilities.

10.4 Secondary Systems

Each Party shall cooperate with the other in the inspection, maintenance, and testing of control or power circuits that operate below 600 volts, AC or DC, including, but not limited to, any hardware, control or protective devices, cables, conductors, electric raceways, secondary equipment panels, transducers, batteries, chargers, and voltage and current transformers that directly affect the operation of a Party's facilities and equipment which may reasonably be expected to impact the other Party. Each Party shall provide advance notice to the other Party before undertaking any work on such circuits, especially on electrical circuits involving circuit breaker trip and close contacts, current transformers, or potential transformers.

10.5 Operating and Maintenance Expenses

Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Interconnection Customer shall be responsible for all reasonable expenses including overheads, associated with:

- (1) owning, operating, maintaining, repairing, and replacing Interconnection Customer Interconnection Facilities; and
- (2) operation, maintenance, repair and replacement of Transmission Provider's Interconnection Facilities.

ARTICLE 11. PERFORMANCE OBLIGATION

11.1 Interconnection Customer Interconnection Facilities

Interconnection Customer shall design, procure, construct, install, own and operate the Interconnection Customer Interconnection Facilities described in Appendix A (Interconnection Facilities, Network Upgrades and Distribution Upgrades), at its sole expense.

11.2 Transmission Provider's Interconnection Facilities

Unless otherwise agreed pursuant to Section 5.1.3, Transmission Provider or Transmission Owner shall design, procure, construct, install, own and operate the Transmission Provider's Interconnection Facilities described in Appendix A, (Interconnection Facilities, Network Upgrades and Distribution Upgrades), at the sole expense of the Interconnection Customer.

11.3 Network Upgrades and Distribution Upgrades

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and operate the Network Upgrades and Distribution Upgrades described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution Upgrades. The Interconnection Customer shall be responsible for all costs related to Distribution Upgrades. Unless the Transmission Provider or Transmission Owner elects to fund the capital for the Network Upgrades, they shall be solely funded by the Interconnection Customer.

11.4 Transmission Credits

11.4.1 Refund of Amounts Advanced for Network Upgrades

Interconnection Customer shall be entitled to a cash repayment, equal to the total amount paid to Transmission Provider and Affected System Operator, if any, for the Network Upgrades, to be paid to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, as payments are made under Transmission Provider's Tariff and Affected System's Tariff for transmission services with respect to the Generating Facility.

If, after the effective date of this revised GIP, the Interconnection Customer establishes a contract for sale of the output of the Generating Facility to a Load Serving Entity and there are otherwise no incremental payments for transmission service resulting from the use of the Generating Facility by the Load Serving Entity, and in the absence of another mutually agreeable payment schedule, any repayments provided under this Article 11.4.1 shall be established equal to the applicable charge for Long-Term Firm and Short-Term Firm Point-To-Point transmission service defined under Schedule 7 (section 1, 2, 3 or 5, as applicable) of the Tariff multiplied by the portion of the demonstrated output of the Generating Facility under contract to the Load Serving Entity.

Any repayment shall include interest from the date of any payment for Network Upgrades through the date on which the Interconnection Customer receives a repayment of such payment pursuant to this subparagraph. Interconnection Customer may assign such repayment rights to any person.

Notwithstanding the foregoing, Interconnection Customer, Transmission Provider, and Affected System Operator may adopt any alternative payment schedule that is mutually agreeable so long as Transmission Provider and Affected System Operator take one of the following actions no later than five years from the Commercial Operation Date:

- (1) return to Interconnection Customer any amounts advanced for Network Upgrades not previously repaid, or
- (2) declare in writing that Transmission Provider or Affected System Operator will continue to provide payments to Interconnection Customer on a dollar-for-dollar basis for the non-usage sensitive portion of transmission charges, or develop an alternative schedule that is mutually agreeable and provides return of all amounts advanced for Network Upgrades not previously repaid; however full reimbursement shall not extend beyond (20) years from the Commercial Operation Date

If the Generating Facility fails to achieve commercial operation, but it or another Generating Facility is later constructed and makes use of the Network Upgrades, Transmission Provider and Affected System Operator shall at that time reimburse the Transmission Provider for the amounts advanced for the Network Upgrades.

Before such re-imburement can occur, the Interconnection Customer, or the entity that ultimately constructs the generating facility, if different, is responsible for identifying the entity to which reimbursement must be made.

11.4.2 Refund of Amounts Advanced for Network Upgrades for Renewable to Retail Generating Facilities

Section 11.4.1 shall not apply to Network Upgrades made in respect of an Interconnection Customer's Generating Facility which has been designated as a Network Resource by a Licensed Retail Supplier for the purpose of supplying renewable low-impact electricity to Retail Customers pursuant to the *Electricity Act*, S.N.S. 2004, c. 25.

If, after the effective date of this revised GIP, any portion of a Generating Facility's

capacity is designated as a Network Resource by a Licensed Retail Supplier for the purpose of supplying renewable low-impact electricity to Retail Customers pursuant to the *Electricity Act* (“Designated Generating Facility”), the Interconnection Customer shall at that time promptly reimburse the Transmission Provider for amounts previously repaid by the Transmission Provider based on the pro rata portion of the Designated Generating Facility’s capacity. Any such repayment amounts owing by the Transmission Provider to the Interconnection Customer will be reduced based on the pro rata portion of the Designated Generating Facility’s capacity.

11.5 Provision of Security

At least 30 Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of a Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades, Interconnection Customer shall provide Transmission Provider, at Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to Transmission Provider and is consistent with the applicable laws of Nova Scotia. Such security for payment shall be in an amount sufficient to cover the costs for constructing, procuring and installing the applicable portion of Transmission Provider's Interconnection Facilities, Network Upgrades, or Distribution Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to Transmission Provider under this GIA during its term.

In addition:

11.5.1 The guarantee must be made by an entity that meets the creditworthiness requirements of Transmission Provider, and contain terms and conditions that guarantee payment of any amount that may be due from Interconnection Customer, up to an agreed-to maximum amount.

11.5.2 The letter of credit must be issued by a financial institution reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.5.3 The surety bond must be issued by an insurer reasonably acceptable to Transmission Provider and must specify a reasonable expiration date.

11.6 Interconnection Customer Compensation

If Transmission Provider requests or directs Interconnection Customer to provide a service pursuant to Articles 9.6.3 (Payment for Reactive Power), or 13.5.1 of this GIA, Transmission Provider shall compensate Interconnection Customer in accordance with Interconnection Customer's applicable rate schedule then in effect unless the provision of such service(s) is subject to Board-approved rate schedule. Interconnection Customer shall serve Transmission Provider with any filing of a proposed rate schedule at the time of such filing with the Board. To the extent that no rate schedule is in effect at the time the Interconnection Customer is required to provide or absorb any Reactive Power under this GIA, the Transmission Provider agrees to compensate the Interconnection Customer in such amount as would have been due the Interconnection Customer had the rate schedule been in effect at the time service commenced; provided, however, that such rate schedule must be filed with the Board or other appropriate Governmental Authority within 60 Calendar Days of the commencement of service.

11.6.1 Interconnection Customer Compensation for Actions During Emergency Condition

Transmission Provider shall compensate Interconnection Customer for its provision of real and reactive power and other Emergency Condition services that Interconnection Customer provides to support the Transmission System during an Emergency Condition in accordance with Article 11.6.

ARTICLE 12. INVOICE

12.1 General

Each Party shall submit to the other Party, on a monthly basis, invoices of amounts due for the preceding month. Each invoice shall state the month to which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party under this GIA, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

12.2 Final Invoice

Within six months after completion of the construction of the Transmission Provider's Interconnection Facilities and the Network Upgrades, Transmission Provider shall provide an invoice of the final cost of the construction of the Transmission Provider's Interconnection Facilities and the Network Upgrades and shall set forth such costs in sufficient detail to enable Interconnection Customer to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Transmission Provider shall refund to Interconnection Customer any amount by which the actual payment by Interconnection Customer for estimated costs exceeds the actual costs of construction within 30 Calendar Days of the issuance of such final construction invoice.

12.3 Payment

Invoices shall be rendered to the paying Party at the address specified in Appendix F. The Party receiving the invoice shall pay the invoice within 30 Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by Interconnection Customer will not constitute a waiver of any rights or claims Interconnection Customer may have under this GIA.

12.4 Disputes

In the event of a billing dispute between Transmission Provider and Interconnection Customer, Transmission Provider shall continue to provide Interconnection Service under this GIA as long as Interconnection Customer:

- (i) continues to make all payments not in dispute; and
- (ii) pays to Transmission Provider or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute.

If Interconnection Customer fails to meet these two requirements for continuation of service, then Transmission Provider may provide notice to Interconnection Customer of a Default pursuant to Article 17. Within 30 Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest.

ARTICLE 13. EMERGENCIES

13.1 Definition

“Emergency Condition” shall mean a condition or situation:

- (i) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or
- (ii) that, in the case of Transmission Provider, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Transmission System, the Transmission Provider's Interconnection Facilities or the Transmission Systems of others to which the Transmission System is directly connected; or

- (iii) that, in the case of Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Generating Facility or the Interconnection Customer Interconnection Facilities. System restoration and black start shall be considered Emergency Conditions; provided, that Interconnection Customer is not obligated by this GIA to possess black start capability.

13.2 Obligations

Each Party shall comply with the Emergency Condition procedures of the Applicable Reliability Council, Applicable Laws and Regulations, and any emergency procedures agreed to by the Joint Operating Committee.

13.3 Notice

Transmission Provider shall notify Interconnection Customer promptly when it becomes aware of an Emergency Condition that affects the Transmission Provider's Interconnection Facilities or the Transmission System that may reasonably be expected to affect Interconnection Customer's operation of the Generating Facility or the Interconnection Customer's Interconnection Facilities. Interconnection Customer shall notify Transmission Provider promptly when it becomes aware of an Emergency Condition that affects the Generating Facility or the Interconnection Customer Interconnection Facilities that may reasonably be expected to affect the Transmission System or the Transmission Provider's Interconnection Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Interconnection Customer's or Transmission Provider's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall be followed as soon as practicable with written notice.

13.4 Immediate Action

Unless, in Interconnection Customer's reasonable judgment, immediate action is required, Interconnection Customer shall obtain the consent of Transmission Provider, such consent to not be unreasonably withheld, prior to performing any manual switching operations at the Generating Facility or the Interconnection Customer Interconnection Facilities in response to an Emergency Condition either declared by the Transmission Provider or otherwise regarding the Transmission System.

13.5 Transmission Provider Authority

13.5.1 General

Transmission Provider may take whatever actions or inactions with regard to the Transmission System or the Transmission Provider's Interconnection Facilities it deems necessary during an Emergency Condition in order to

- (i) preserve public health and safety,
- (ii) preserve the reliability of the Transmission System or the Transmission Provider's Interconnection Facilities,
- (iii) limit or prevent damage, and
- (iv) expedite restoration of service.

Transmission Provider shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Generating Facility or the Interconnection Customer Interconnection Facilities. Transmission Provider may, on the basis of technical considerations, require the Generating Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Interconnection Customer to shut-down, start-up, increase or decrease the real or reactive power output of the Generating Facility; implementing a reduction or disconnection pursuant to Article

13.5.2; directing the Interconnection Customer to assist with blackstart (if available) or restoration efforts; or altering the outage schedules of the Generating Facility and the Interconnection Customer Interconnection Facilities. Interconnection Customer shall comply with all of Transmission Provider's operating instructions concerning Generating Facility real power and reactive power output within the manufacturer's design limitations of the Generating Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

13.5.2 Reduction and Disconnection

Transmission Provider may reduce Interconnection Service or disconnect the Generating Facility or the Interconnection Customer Interconnection Facilities when such reduction or disconnection is necessary under Good Utility Practice due to Emergency Conditions. These rights are separate and distinct from any right of curtailment of the Transmission Provider pursuant to the Transmission Provider's Tariff. When the Transmission Provider can schedule the reduction or disconnection in advance, Transmission Provider shall notify Interconnection Customer of the reasons, timing and expected duration of the reduction or disconnection. Transmission Provider shall coordinate with the Interconnection Customer using Good Utility Practice to schedule the reduction or disconnection during periods of least impact to the Interconnection Customer and the Transmission Provider. Any reduction or disconnection shall continue only for so long as reasonably necessary under Good Utility Practice. The Parties shall cooperate with each other to restore the Generating Facility, the Interconnection Facilities, and the Transmission System to their normal operating state as soon as practicable consistent with Good Utility Practice.

13.6 Interconnection Customer Authority

Consistent with Good Utility Practice and the GIA and the GIP, the Interconnection Customer may take whatever actions or inactions with regard to the Generating Facility or

the Interconnection Customer Interconnection Facilities during an Emergency Condition in order to

- (i) preserve public health and safety,
- (ii) preserve the reliability of the Generating Facility or the Interconnection Customer Interconnection Facilities,
- (iii) limit or prevent damage, and
- (iv) expedite restoration of service. Interconnection Customer shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Transmission System and the Transmission Provider's Interconnection Facilities.

Transmission Provider shall use Reasonable Efforts to assist Interconnection Customer in such actions. Interconnection Customer shall not be obligated to follow Transmission Provider's instructions to the extent the instruction would have a material adverse impact on the safe and reliable operation of Interconnection Customer's Generating Facility. Upon request, Interconnection Customer shall provide Transmission Provider with documentation of any such alleged material adverse impact.

13.7 Limited Liability

Except as otherwise provided in Article 11.6.1 of this GIA, neither Party shall be liable to the other for any action it takes in responding to an Emergency Condition so long as such action is made in good faith and is consistent with Good Utility Practice.

ARTICLE 14. REGULATORY REQUIREMENTS AND GOVERNING LAW

14.1 Regulatory Requirements

Each Party's obligations under this GIA shall be subject to its receipt of any required approval or certificate from one or more Governmental Authorities in the form and substance satisfactory to the applying Party, or the Party making any required filings with, or providing notice to, such Governmental Authorities, and the expiration of any time period associated therewith. Each Party shall in good faith seek and use its Reasonable Efforts to obtain such approvals.

14.2 Applicable Law

14.2.1 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Nova Scotia.

ARTICLE 15. NOTICES

15.1 General

Unless otherwise provided in this GIA, any notice, demand or request required or permitted to be given by either Party to the other and any instrument required or permitted to be tendered or delivered by either Party in writing to the other shall be effective when delivered and may be so given, tendered or delivered, by recognized national courier, or by depositing the same with the Canada Post Corporation with postage prepaid, for delivery by certified or registered mail, addressed to the Party, or personally delivered to the Party, at the address set out in Appendix F, Addresses for Delivery of Notices and Billings.

Either Party may change the notice information in this GIA by giving five Business Days written notice prior to the effective date of the change.

15.2 Billings and Payments

Billings and payments shall be sent to the addresses set out in Appendix F.

15.3 Alternative Forms of Notice

Any notice or request required or permitted to be given by either Party to the other and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix F.

15.4 Operations and Maintenance Notice

Each Party shall notify the other Party in writing of the identity of the person(s) that it designates as the point(s) of contact with respect to the implementation of Articles 9 and 10.

ARTICLE 16. FORCE MAJEURE

16.1 Force Majeure

16.1.1 Economic hardship is not considered a Force Majeure event.

16.1.2 Neither Party shall be considered to be in Default with respect to any obligation hereunder, (including obligations under Article 4), other than the obligation to pay money when due, if prevented from fulfilling such obligation by Force Majeure. A Party unable to fulfill any obligation hereunder (other than an obligation to pay money when due) by reason of Force Majeure shall give notice and the full particulars of such Force Majeure to the other Party in writing or by telephone as soon as reasonably possible after the occurrence of the cause relied upon. Telephone notices given pursuant to this Article shall be confirmed in writing as soon as reasonably possible and shall specifically state full particulars of the Force Majeure, the time and date when the Force Majeure occurred and when the Force Majeure is reasonably expected to cease. The Party affected shall exercise due diligence to remove such disability with reasonable dispatch, but shall not be required to accede

or agree to any provision not satisfactory to it in order to settle and terminate a strike or other labor disturbance.

ARTICLE 17. DEFAULT

17.1 Default

17.1.1 General

No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of Force Majeure as defined in this GIA or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of such Default to the defaulting Party. Except as provided in Article 17.1.2, the defaulting Party shall have 30 Calendar Days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 30 Calendar Days, the defaulting Party shall commence such cure within 30 Calendar Days after notice and continuously and diligently complete such cure within 90 Calendar Days from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

17.1.2 Right to Terminate

If a Default is not cured as provided in this Article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this GIA by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this GIA, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this Article will survive termination of this GIA.

ARTICLE 18. INDEMNITY, CONSEQUENTIAL DAMAGES AND INSURANCE

18.1 Indemnity

The Parties shall at all times indemnify, defend, and save the other Party 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, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions arising from its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

18.1.1 Indemnified Person

If an indemnified person is entitled to indemnification under this Article 18 as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under Article 18.1, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

18.1.2 Indemnifying Party

If an indemnifying Party is obligated to indemnify and hold any indemnified person harmless under this Article 18, the amount owing to the indemnified person shall be the amount of such indemnified person's actual Loss, net of any insurance or other recovery.

18.1.3 Indemnity Procedures

Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 18.1 may apply, the indemnified person shall notify the indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying Party.

The indemnifying Party shall have the right to assume the defense thereof with counsel designated by such indemnifying Party and reasonably satisfactory to the indemnified person. If the defendants in any such action include one or more indemnified persons and the indemnifying Party and if the indemnified person reasonably concludes that there may be legal defenses available to it and/or other indemnified persons which are different from or additional to those available to the indemnifying Party, the indemnified person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an indemnified person or indemnified persons having such differing or additional legal defenses.

The indemnified person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the indemnifying Party. Notwithstanding the foregoing, the indemnifying Party

- (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the indemnified person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the indemnified person, or there exists a conflict or adversity of interest between the indemnified person and the indemnifying Party,

in such event the indemnifying Party shall pay the reasonable expenses of the indemnified person, and

- (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the indemnified person, which shall not be unreasonably withheld, conditioned or delayed.

18.2 Consequential Damages

Other than the liquidated damages heretofore described, in no event shall either Party be liable under any provision of this GIA for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

18.3 Insurance

Each party shall, at its own expense, maintain in force throughout the period of this GIA, and until released by the other Party, the following minimum insurance coverages, with insurers licensed to do business in Nova Scotia.

18.3.1 Each party shall provide a copy of a certificate of registration, affidavit, or letter of compliance from the Nova Scotia Workers' Compensation Board.

18.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent

normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of Ten Million Dollars (\$10,000,000) per occurrence/Ten Million Dollars (\$10,000,000) aggregate combined single limit for personal injury, bodily injury, including death and property damage.

18.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of Two Million Dollars (\$2,000,000) per occurrence for bodily injury, including death, and property damage.

18.3.4 Excess Public Liability Insurance over and above the Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars (\$20,000,000) per occurrence/Twenty Million Dollars (\$20,000,000) aggregate.

18.3.5 The Commercial General Liability Insurance and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this GIA against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

18.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

- 18.3.7** The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two years after termination of this GIA, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.
- 18.3.8** The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this GIA.
- 18.3.9** Within ten days following execution of this GIA, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within 90 days thereafter, each Party shall provide certification of all insurance required in this GIA, executed by each insurer or by an authorized representative of each insurer.
- 18.3.10** Notwithstanding the foregoing, each Party may self-insure to the extent it maintains a self-insurance program; provided that, such Party's senior secured debt is rated at investment grade, or better, by a rating agency acceptable to the Transmission Provider. For any period of time that a Party's senior secured debt is unrated or is rated at less than investment grade, such Party shall comply with the insurance requirements applicable to it under Articles 18.3.1 through 18.3.9. In the event that a Party is permitted to self-insure pursuant to this Article 18.3.10, it shall not be required to comply with the insurance requirements applicable to it under Articles 18.3.1 through 18.3.9. In the event that a Party is permitted to self-insure, such Party shall provide satisfactory evidence on a quarterly basis that its senior secured debt maintains a rating of investment grade or better, that such rating is not under review by the rating agency, and that the Party is not aware of any circumstance that would cause such rating to fall below investment grade.

18.3.11 The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this GIA.

18.4 Duty to Mitigate

Each Party has a duty to mitigate damages and shall use all reasonable efforts to minimize any losses, costs, expenses, damages or other liabilities it may incur as a result of the other Party's performance or non-performance of this Agreement, but for greater certainty, neither Party shall have any duty to mitigate damages or losses for which this Agreement provides specific compensation.

ARTICLE 19. ASSIGNMENT

19.1 Assignment

This GIA may be assigned by either Party only with the written consent of the other; provided that either Party may assign this GIA without the consent of the other Party to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this GIA; and provided further that the Interconnection Customer shall have the right to assign this GIA, without the consent of the Transmission Provider, for collateral security purposes to aid in providing financing for the Generating Facility, provided that the Interconnection Customer will require any secured party, trustee or mortgagee to notify the Transmission Provider of any such assignment. Any financing arrangement entered into by the Interconnection Customer pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify the Transmission Provider of the date and particulars of any such exercise of assignment right(s). Any attempted assignment that violates this Article is void and ineffective. Any assignment under this GIA shall not relieve a Party of its obligations, nor shall a Party's obligations be

enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 20. SEVERABILITY

20.1 Severability

If any provision in this GIA is finally determined to be invalid, void or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this GIA; provided that if the Interconnection Customer (or any third party, but only if such third party is not acting at the direction of the Transmission Provider) seeks and obtains such a final determination with respect to any provision of the Alternate Option (Article 5.1.2), or the Negotiated Option (Article 5.1.4), then none of these provisions shall thereafter have any force or effect and the Parties' rights and obligations shall be governed solely by the Standard Option (Article 5.1.1).

ARTICLE 21. COMPARABILITY

21.1 Comparability

The Parties will comply with all applicable comparability and code of conduct laws, rules and regulations, as amended from time to time.

ARTICLE 22. CONFIDENTIALITY

22.1 Confidentiality

A Party providing Confidential Information shall notify, either orally or in writing, the Party receiving the information, that the information provided is confidential.

If requested by either Party, the other Party shall provide in writing, the basis for asserting that Confidential Information warrants confidential treatment. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

22.1.1 Term

During the term of this GIA, and for a period of three years after the expiration or termination of this GIA, except as otherwise provided in this Article 22, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

22.1.2 Scope

Confidential Information shall not include information that the receiving Party can demonstrate:

- (1) is generally available to the public other than as a result of a disclosure by the receiving Party;
- (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party;
- (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential;
- (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party;
- (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this GIA; or

- (6) is required, in accordance with Article 22.1.7 of the GIA, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this GIA. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party that it no longer is confidential.

22.1.3 Release of Confidential Information

Neither Party shall release or disclose Confidential Information to any other person, except to its employees, consultants, or to parties who may be or considering providing financing to or equity participation with Interconnection Customer, or to potential purchasers or assignees of Interconnection Customer, on a need-to-know basis in connection with this GIA, unless such person has first been advised of the confidentiality provisions of this Article 22 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any subsequent release of Confidential Information in contravention of this Article 22.

22.1.4 Rights

Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party. The disclosure by each Party to the other Party of Confidential Information shall not be deemed a waiver by either Party or any other person or entity of the right to protect the Confidential Information from public disclosure.

22.1.5 No Warranties

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

22.1.6 Standard of Care

Each Party shall use at least the same standard of care to protect the other Party's Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication or dissemination. Each Party may use the other Party's Confidential Information solely to fulfill its obligations to the other Party under this GIA or its regulatory requirements.

22.1.7 Order of Disclosure

If a court or a Government Authority or entity with the right, power, and apparent authority to do so requests or requires either Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party with prompt notice of such request(s) or requirement(s) so that the other Party may seek an appropriate protective order or waive compliance with the terms of this GIA. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be accorded any Confidential Information so furnished.

22.1.8 Termination of Agreement

Upon termination of this GIA for any reason, each Party shall, within ten Calendar Days of receipt of a written request from the other Party, use Reasonable Efforts to

destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party) or return to the other Party, without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party.

22.1.9 Remedies

The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's Breach of its obligations under this Article 22. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 22, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 22, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 22.

22.1.10 Disclosure to The Board or its Staff

Notwithstanding anything in this Article 22 to the contrary, if the Board or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this GIA, the Party shall provide the requested information to the Board or its staff, within the time provided for in the request for information. In providing the information to the Board or its staff, the Party must, request that the information be treated as confidential and non-public by the Board and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party to this GIA prior to the release of the Confidential

Information to the Board or its staff. The Party shall notify the other Party to the GIA when it is notified by the Board or its staff that a request to release Confidential Information has been received by the Board, at which time either of the Parties may respond before such information would be made public.

22.1.11 Subject to the exceptions in Article 22.1.3 and Article 22.1.10, any information that a Party claims is Confidential Information shall not be disclosed by the other Party to any person not employed or retained by the other Party, except to the extent disclosure is

- (i) required by law;
- (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense of litigation or dispute;
- (iii) otherwise permitted by consent of the other Party, such consent not to be unreasonably withheld; or
- (iv) necessary to fulfill its obligations under this GIA or as a transmission service provider or an Operating Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization.

Prior to any disclosures of the other Party's Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party in writing and agrees to assert confidentiality and cooperate with the other Party in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

22.1.12 This provision shall not apply to any information that was or is hereafter in the public domain (except as a result of a Breach of this provision).

ARTICLE 23. ENVIRONMENTAL RELEASES

23.1 Each Party shall notify the other Party, first orally and then in writing, of the release of any Hazardous Substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall:

- (i) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than twenty-four hours after such Party becomes aware of the occurrence; and
- (ii) promptly furnish to the other Party copies of any publicly available reports filed with any Governmental Authorities addressing such events.

ARTICLE 24. INFORMATION REQUIREMENTS

24.1 Information Acquisition

Transmission Provider and the Interconnection Customer shall submit specific information regarding the electrical characteristics of their respective facilities to each other as described below and in accordance with Applicable Reliability Standards.

24.2 Information Submission by Transmission Provider

The initial information submission by Transmission Provider shall occur no later than 180 Calendar Days prior to Trial Operation and shall include Transmission System information necessary to allow the Interconnection Customer to select equipment and meet any system

protection and stability requirements, unless otherwise mutually agreed to by both Parties. On a monthly basis Transmission Provider shall provide Interconnection Customer a status report on the construction and installation of Transmission Provider's Interconnection Facilities and Network Upgrades, including, but not limited to, the following information:

- (1) progress to date;
- (2) a description of the activities since the last report
- (3) a description of the action items for the next period; and (4) the delivery status of equipment ordered.

24.3 Updated Information Submission by Interconnection Customer

The updated information submission by the Interconnection Customer, including manufacturer information, shall occur no later than 180 Calendar Days prior to the Trial Operation. Interconnection Customer shall submit a completed copy of the Generating Facility data requirements contained in Appendix 1 to the GIP. It shall also include any additional information provided to Transmission Provider for the Feasibility and Facilities Study. Information in this submission shall be the most current Generating Facility design or expected performance data. Information submitted for stability models shall be compatible with Transmission Provider standard models. If there is no compatible model, the Interconnection Customer will work with a consultant mutually agreed to by the Parties to develop and supply a standard model and associated information.

If the Interconnection Customer's data is materially different from what was originally provided to Transmission Provider pursuant to the Interconnection Study Agreement between Transmission Provider and Interconnection Customer, then Transmission Provider will conduct appropriate studies to determine the impact on the Transmission Provider Transmission System based on the actual data submitted pursuant to this Article 24.3. The Interconnection Customer shall not begin Trial Operation until such studies are completed.

24.4 Information Supplementation

Prior to the Commercial Operation Date, the Parties shall supplement their information submissions described above in this Article 24 with any and all “as-built” Generating Facility information or “as-tested” performance information that differs from the initial submissions or, alternatively, written confirmation that no such differences exist. The Interconnection Customer shall conduct tests on the Generating Facility as required by Good Utility Practice such as an open circuit “step voltage” test on the Generating Facility to verify proper operation of the Generating Facility's automatic voltage regulator.

Unless otherwise agreed, the test conditions shall include:

- (1) Generating Facility at synchronous speed;
- (2) automatic voltage regulator on and in voltage control mode; and
- (3) a five percent (5 percent) change in Generating Facility terminal voltage initiated by a change in the voltage regulators reference voltage.

Interconnection Customer shall provide validated test recordings showing the responses of Generating Facility terminal and field voltages. In the event that direct recordings of these voltages is impractical, recordings of other voltages or currents that mirror the response of the Generating Facility's terminal or field voltage are acceptable if information necessary to translate these alternate quantities to actual Generating Facility terminal or field voltages is provided. Generating Facility testing shall be conducted and results provided to the Transmission Provider for each individual generating unit in a station.

Subsequent to the Commercial Operation Date, the Interconnection Customer shall provide Transmission Provider any information changes due to equipment replacement, repair, or adjustment. Transmission Provider shall provide the Interconnection Customer any information changes due to equipment replacement, repair or adjustment in the directly connected substation or any adjacent Transmission Provider-owned substation that may

affect the Interconnection Customer Interconnection Facilities equipment ratings, protection or operating requirements. The Parties shall provide such information no later than 30 Calendar Days after the date of the equipment replacement, repair or adjustment.

ARTICLE 25. INFORMATION ACCESS AND AUDIT RIGHTS

25.1 Information Access

Each Party (the “disclosing Party”) shall make available to the other Party information that is in the possession of the disclosing Party and is necessary in order for the other Party to:

- (i) verify the costs incurred by the disclosing Party for which the other Party is responsible under this GIA; and
- (ii) carry out its obligations and responsibilities under this GIA. The Parties shall not use such information for purposes other than those set forth in this Article 25.1 and to enforce their rights under this GIA.

25.2 Reporting of Non-Force Majeure Events

Each Party (the “notifying Party”) shall notify the other Party when the notifying Party becomes aware of its inability to comply with the provisions of this GIA for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, and reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory breach of this GIA.

25.3 Audit Rights

Subject to the requirements of confidentiality under Article 22 of this GIA, each Party shall have the right, during normal business hours, and upon prior reasonable notice to the other Party, to audit at its own expense the other Party's accounts and records pertaining to either Party's performance or either Party's satisfaction of obligations under this GIA. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, the Transmission Provider's efforts to allocate responsibility for the provision of reactive support to the Transmission System, the Transmission Provider's efforts to allocate responsibility for interruption or reduction of generation on the Transmission System, and each Party's actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to each Party's performance and satisfaction of obligations under this GIA. Each Party shall keep such accounts and records for a period equivalent to the audit rights periods described in Article 25.4.

25.4 Audit Rights Periods

25.4.1 Audit Rights Period for Construction-Related Accounts and Records

Accounts and records related to the design, engineering, procurement, and construction of Transmission Provider's Interconnection Facilities and Network Upgrades shall be subject to audit for a period of twenty-four months following Transmission Provider's issuance of a final invoice in accordance with Article 12.2.

25.4.2 Audit Rights Period for All Other Accounts and Records

Accounts and records related to either Party's performance or satisfaction of all obligations under this GIA other than those described in Article 25.4.1 shall be subject to audit as follows:

- (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and
- (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four months after the event for which the audit is sought.

25.5 Audit Results

If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party together with those records from the audit which support such determination.

ARTICLE 26. SUBCONTRACTORS

26.1 General

Nothing in this GIA shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this GIA; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this GIA in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

26.2 Responsibility of Principal

The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this GIA. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall the Transmission Provider be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under Article 5 of this GIA. Any applicable

obligation imposed by this GIA upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

26.3 No Limitation by Insurance

The obligations under this Article 26 will not be limited in any way by any limitation of subcontractor's insurance.

ARTICLE 27. DISPUTES

27.1 External Arbitration Procedures

In the event of a dispute arising between the Parties as to the subject matter of this Agreement that cannot be resolved between them, the Parties agree to submit the dispute to binding arbitration, pursuant to the terms of the *Commercial Arbitration Act*, S.N.S. 1999, c.5. In particular, the Parties agree to utilize the arbitration procedure attached as Schedule "A" to the *Commercial Arbitration Act* in the conduct of the arbitration. Any matter in dispute that is submitted for arbitration shall be heard by a single arbitrator chosen unanimously by the parties. In the event the parties cannot agree on a person to act as a single arbitrator, each party shall choose one panelist and the two panelists shall choose an independent third panelist who shall also chair the arbitration. No such arbitrator shall have previously been employed by either party and shall not have a direct or indirect interest in either party or the subject matter of the arbitration. The cost of the arbitration, excluding a parties legal fees and disbursements shall, unless otherwise ordered by the arbitrator or the panel, be borne equally by the parties.

27.2 Arbitration Decisions

Unless otherwise agreed by the Parties, the arbitrator(s) shall render a decision within 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 this GIA and shall have no power to modify or change any provision of this

Agreement 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.

ARTICLE 28. REPRESENTATIONS, WARRANTIES AND COVENANTS

28.1 General

Each Party makes the following representations, warranties and covenants:

28.1.1 Good Standing

Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized, formed, or incorporated, as applicable; that it is qualified to do business in the Province or Provinces in which the Generating Facility, Interconnection Facilities and Network Upgrades owned by such Party, as applicable, are located; and that it has the corporate power and authority to own its properties, to carry on its business as now being conducted and to enter into this GIA and carry out the transactions contemplated hereby and perform and carry out all covenants and obligations on its part to be performed under and pursuant to this GIA.

28.1.2 Authority

Such Party has the right, power and authority to enter into this GIA, to become a Party hereto and to perform its obligations hereunder. This GIA is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

28.1.3 No Conflict

The execution, delivery and performance of this GIA does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets

28.1.4 Consent and Approval

Such Party has sought or obtained, or, in accordance with this GIA will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery and performance of this GIA, and it will provide to any Governmental Authority notice of any actions under this GIA that are required by Applicable Laws and Regulations.

ARTICLE 29. JOINT OPERATING MEETINGS

29.1 Joint Operating and Maintenance Meetings

Transmission Provider shall constitute a Joint Operating and Maintenance Meeting to coordinate operating and technical considerations of Interconnection Service. At least six months prior to the expected Initial Synchronization Date, Interconnection Customer and Transmission Provider shall each appoint one representative and one alternate to hold an initial Operating and Maintenance Meeting. Each Party shall notify the other Party of its appointment in writing. Such appointments may be changed at any time by similar notice. The Joint Operating and Maintenance Meeting shall be conducted as necessary, but not less than once each calendar year, to carry out the duties set forth herein. The Parties shall hold a meeting at the request of either Party, at a time and place agreed upon by the representatives. All decisions and agreements, if any, made by the Joint Operating and Maintenance Meetings shall be documented in Minutes. The objectives of the Joint Operating and Maintenance Meetings shall include the following:

- 29.1.1** To establish data requirements and operating record requirements.
- 29.1.2** To review the requirements, standards, and procedures for data acquisition equipment, protective equipment, and any other equipment or software.
- 29.1.3** Annually review the one year forecast of maintenance and planned outage schedules of Transmission Provider's and Interconnection Customer's facilities at the Point of Interconnection.
- 29.1.4** To coordinate the scheduling of maintenance and planned outages on the Interconnection Facilities, the Generating Facility and other facilities that impact the normal operation of the interconnection of the Generating Facility to the Transmission System.
- 29.1.5** To ensure that information is being provided by each Party regarding equipment availability.
- 29.1.6** To perform such other duties as may be conferred upon it by mutual agreement of the Parties.
- 29.1.7** To establish and maintain control and operating procedures, including those pertaining to information transfers between the Generating facility and the Transmission Provider.

ARTICLE 30. MISCELLANEOUS

30.1 Binding Effect

This GIA and the rights and obligations hereof, shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

30.2 Conflicts

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

30.3 Rules of Interpretation

This GIA, unless a clear contrary intention appears, shall be construed and interpreted as follows:

- (1) the singular number includes the plural number and vice versa;
- (2) reference to any person includes such person's successors and assigns but, in the case of a Party, only if such successors and assigns are permitted by this GIA, and reference to a person in a particular capacity excludes such person in any other capacity or individually;
- (3) reference to any agreement (including this GIA), document, instrument or tariff means such agreement, document, instrument, or tariff as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof;
- (4) reference to any Applicable Laws and Regulations means such Applicable Laws and Regulations as amended, modified, codified, or reenacted, in whole or in part, and in effect from time to time, including, if applicable, rules and regulations promulgated thereunder;
- (5) unless expressly stated otherwise, reference to any Article, Section or Appendix means such Article of this GIA or such Appendix to this GIA, or such Section to the GIP or such Appendix to the GIP, as the case may be;

- (6) “hereunder”, “hereof”, “herein”, “hereto” and words of similar import shall be deemed references to this GIA as a whole and not to any particular Article or other provision hereof or thereof;
- (7) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term; and
- (8) relative to the determination of any period of time, “from” means “from and including”, “to” means “to but excluding” and “through” means “through and including”.

30.4 Entire Agreement

This GIA, including all Appendices and Schedules attached hereto, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this GIA. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party’s compliance with its obligations under this GIA.

30.5 No Third Party Beneficiaries

This GIA is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

30.6 Waiver

The failure of a Party to this GIA to insist, on any occasion, upon strict performance of any provision of this GIA will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by either Party of its rights with respect to this GIA shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this GIA. Termination or Default of this GIA for any reason by the Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from the Transmission Provider. Any waiver of this GIA shall, if requested, be provided in writing.

30.7 Headings

The descriptive headings of the various Articles of this GIA have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this GIA.

30.8 Multiple Counterparts

This GIA may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

30.9 Amendment

The Parties may by mutual agreement amend this GIA by a written instrument duly executed by both of the Parties.

30.10 Modification by the Parties

The Parties may by mutual agreement amend the Appendices to this GIA by a written instrument duly executed by both of the Parties. Such amendment shall become effective and a part of this GIA upon satisfaction of all Applicable Laws and Regulations.

30.11 No Partnership

This GIA shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

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IN WITNESS WHEREOF, the Parties have executed this GIA in duplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

[Insert name of Transmission Provider or Transmission Owner, if applicable]

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

[Insert name of Interconnection Customer]

By: _____

Title: _____

Date: _____

**Appendix A
To GIA**

Interconnection Facilities, Network Upgrades and Distribution Upgrades

1. Interconnection Facilities:

[Identify the Point of Interconnection]

[Identify the Point of Change of Ownership]

(a) [insert Interconnection Customer's Interconnection Facilities]:

(b) [insert Transmission Provider's Interconnection Facilities]:

2. Network Upgrades:

(a) [insert Stand Alone Network Upgrades]:

(b) [insert Other Network Upgrades]:

3. Distribution Upgrades:

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**Appendix B
To GIA**

Milestones

Provision of Security Date (per Section 11.5):

Design and Procurement Authorization Date (per Article 5.5.2):

Construction Authorization Date (per Article 5.6.3):

In-Service Date:

Initial Synchronization Date:

Commercial Operation Date:

Construction Option:

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**Appendix C
To GIA**

Interconnection Details

Schedule A to Appendix C

Basic One Line

Schedule B to Appendix C

Interconnection Facilities Report

Appendix D
To GIA

Security Arrangements Details

Infrastructure security of Transmission System equipment and operations and control hardware and software is essential to ensure day-to-day Transmission System reliability and operational security. The Board will expect all Transmission Providers, market participants, and Interconnection Customers interconnected to the Transmission System to comply with best practice recommendations from the Applicable Reliability Council and NERC (North American Reliability Corporation). All public utilities will be expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.

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Appendix E
To GIA

Initial Synchronization Date and Commercial Operation Date

This Appendix E is a part of the GIA between Transmission Provider and Interconnection Customer, and is to be submitted 24hrs prior to the Initial Synchronization Date to confirm the date on which the Trial Operation of the unit at the Generating Facility is expected to begin and again within 24hrs of the Commercial Operation Date to confirm the completion of the Trial Operation and the date on which commercial operation of such unit commenced.

[Date]

[Transmission Provider Address]

Re: _____ Generating Facility

Dear _____:

On **[Date]**, **[Interconnection Customer]** expects to begin Trial Operation of Unit No. ___ at the Generating Facility.

On **[Date]** **[Interconnection Customer]** has completed Trial Operation of Unit No. ____. This letter confirms that **[Interconnection Customer]** commenced commercial operation of Unit No. _____ at the Generating Facility, effective as of **[Date plus one day]**.

Thank you.

[Signature]

[Interconnection Customer Representative]

**Appendix F
To GIA**

Addresses for Delivery of Notices and Billings

Notices:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Billings and Payments:

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

Alternative Forms of Delivery of Notices (telephone, facsimile or email):

Transmission Provider:

[To be supplied.]

Interconnection Customer:

[To be supplied.]

APPENDIX G

To GIA

INTERCONNECTION REQUIREMENTS FOR A WIND GENERATING PLANT

Appendix G sets forth requirements and provisions specific to a wind generating plant. All other requirements of this GIA continue to apply to wind generating plant interconnections.

A. Technical Standards Applicable to a Wind Generating Plant

i. Low Voltage Ride-Through (LVRT) Capability

A wind generating plant shall be able to remain online during voltage disturbances up to the time periods and associated voltage levels set forth in the standard below.

LVRT Standard

All wind generating plants must meet the following requirements:

1. Wind generating plants are required to remain in-service during three-phase faults with normal clearing (which is a time period of approximately 4 – 9 cycles) and single line to ground faults with delayed clearing, and subsequent post-fault voltage recovery to prefault voltage unless clearing the fault effectively disconnects the generator from the system. The clearing time requirement for a three-phase fault will be specific to the wind generating plant substation location, as determined by and documented by the transmission provider. The maximum clearing time the wind generating plant shall be required to withstand for a three-phase fault shall be 9 cycles after which, if the fault remains following the location-specific normal clearing time for three-phase faults, the wind generating plant may disconnect from the transmission system. A wind generating plant shall remain interconnected during such a fault on the transmission system for a voltage level as low as zero volts, as measured at the high voltage side of the wind generating plant step-up transformer (“GSU”). For the purposes of Appendix G, “GSU” shall mean Interconnection Customer’s Interconnection Facilities substation transformer.
2. This requirement does not apply to faults that would occur between the wind generator terminals and the high side of the GSU.
3. Wind generating plants may be tripped after the fault period if this action is intended as part of a special protection system.
4. Wind generating plants may meet the LVRT requirements of this standard by the performance of the generators or by installing additional equipment (e.g., Static VAR Compensator) within the wind generating plant or by a combination of generator performance and additional equipment.

5. Existing individual generator units that are, or have been, interconnected to the network at the same location at the effective date of the Appendix G LVRT Standard are exempt from meeting the Appendix G LVRT Standard for the remaining life of the existing generation equipment. Existing individual generator units that are replaced are required to meet the Appendix G LVRT Standard.

ii. Power Factor Design Criteria (Reactive Power)

A wind generating plant shall maintain a power factor within the range of 0.95 leading to 0.95 lagging, measured at the Point of Interconnection as defined in this GIA. The power factor range standard can be met by using, for example, power electronics designed to supply this level of reactive capability (taking into account any limitations due to voltage level, real power output, etc.) or fixed and switched capacitors if agreed to by the Transmission Provider, or a combination of the two. The Interconnection Customer shall not disable power factor equipment while the wind plant is in operation. Wind plants shall also be able to provide sufficient dynamic voltage support in lieu of the power system stabilizer and automatic voltage regulation at the generator excitation system if the System Impact Study shows this to be required for system safety or reliability.

iii. Supervisory Control and Data Acquisition (SCADA) Capability

The wind plant shall provide SCADA capability to transmit data and receive instructions from the Transmission Provider to protect system reliability. The Transmission Provider and the wind plant Interconnection Customer shall determine what SCADA information is essential for the proposed wind plant, taking into account the size of the plant and its characteristics, location, and importance in maintaining generation resource adequacy and transmission system reliability in its area.

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APPENDIX H**To GIA****REGULATORY AND GOVERNMENT AGENCY APPROVALS**

The Interconnection Customer shall be solely responsible to obtain any and all permits and approvals (such as regulatory environmental approvals both federal and provincial) that (1) it requires to lawfully construct, own and operate the Generating Facility and the Interconnection Customer's Interconnection Facilities and (2) are required to lawfully construct the Transmission Provider's Interconnection Facilities.

The Transmission Provider shall be solely responsible to obtain any and all permits and approvals that (1) it requires to lawfully own and operate the Transmission Provider's Interconnection Facilities and (2) it requires to lawfully construct, own and operate any and all Network Upgrades and (3) it requires to lawfully construct modifications to (as may be contemplated in this Agreement), own and operate the Transmission System.

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1, Introduction

1.0, Description

This chapter sets out the rules relating to the nature and scope of the Nova Scotia wholesale electricity market and Renewable to Retail electricity market, the nature, scope and applicability of the Market Rules, the relationship with other documents, and certain general provisions.

1.1, Nature and scope of the Nova Scotia wholesale electricity market and Renewable to Retail electricity market.

1.1.1, Bilateral markets

1.1.1.1, The Nova Scotia wholesale and Renewable to Retail electricity markets are markets in which eligible buyers and sellers may enter into bilateral transactions for the purchase and sale of electricity and related services. Eligible buyers and sellers (including eligible generators) may schedule their transactions over the Nova Scotia Transmission System in accordance with the Transmission Tariff and these Market Rules. Eligible generators may participate in the wholesale or Renewable to Retail markets and may sell certain Ancillary Services to the Nova Scotia Power System Operator (NSPSO) in accordance with these Market Rules.

1.1.2, Object of the wholesale electricity market and Renewable to Retail electricity market

1.1.2.1, The design object of each of the wholesale and Renewable to Retail electricity markets is the promotion of economical supply through competitive opportunity amongst eligible participants within the context of a safe reliable Nova Scotia electricity system.

1.1.3, Objects and responsibilities of the NSPSO

1.1.3.1, The objects of the NSPSO are:

- a) the safe and reliable operation of the Bulk Electricity Supply System; and

- b) to support the object of the markets described in paragraph 1.1.2.1; to that end, the NSPSO will strive to perform its functions under the Market Rules in a manner that is:
 - i) non-discriminatory;
 - ii) transparent;
 - iii) robust; and
 - iv) efficient,

and in all cases subject to and in accordance with all Legislation and Regulations, the Transmission Tariff, the Standards of Conduct, and the Market Rules.

1.1.3.2, The responsibilities of the NSPSO are:

- a) the specific responsibilities of the NSPSO stated in the Market Rules;
- b) the responsibilities of NSPI to
 - i) file amendments to the Transmission Tariff,
 - ii) provide transmission service under the Transmission Tariff,
 - iii) provide Ancillary Services under the Transmission Tariff,
 - iv) operate the Transmission System in accordance with the Transmission Tariff, and
 - v) schedule transactions on the interconnections between Nova Scotia and New Brunswick;
- c) other responsibilities consistent with Legislation and Regulations, with the Transmission Tariff, with the Standards of Conduct and with the Market Rules, that may be assigned by NSPI.

1.1.4, Scope of eligibility for participation in the wholesale electricity market and Renewable to Retail electricity market

1.1.4.1, Eligibility for participation in the wholesale and Renewable to Retail electricity markets is defined in the Legislation and Regulations and in the Transmission Tariff.

a) The present definition of eligible persons for the wholesale electricity market is:

i) In accordance with the *Electricity Act*, S.N.S. 2004 c.25:

a Wholesale Customer

ii) In accordance with the Transmission Tariff:

“(1) Any electric utility (including the Transmission Provider and any power marketer), power marketing agency, or any person generating electricity 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; and

(2) Any retail customer taking unbundled transmission service pursuant to a provincial or regulatory requirement that the Transmission Provider offer the transmission service is an Eligible Customer of the Tariff.”

b) The present definition of eligible persons for the Renewable to Retail electricity market is:

i) In accordance with the *Electricity Act*, S.N.S. 2004, c. 25:

(1) a Licenced Retail Supplier

1.1.4.2, Notwithstanding the provisions of the Transmission Tariff quoted in subparagraph 1.1.4.1.a) (ii), there is presently no provincial or regulatory requirement that the Transmission Provider offer the transmission service to any retail customer. In recognition thereof, the Board in its order NSUARB-

NSPI-P-880 adopted the consensus proposal whereby “the OATT will be reviewed in the event the market is opened more broadly, and in such a review, the decisions made in this (May, 2005) proceeding will not be binding and shall not be treated as a precedent in any such subsequent review.” In recognition of this provision, and of section 1.4, the Department of Energy retains certain rights with respect to amendment of the Market Rules associated with any change in the eligibility for participation, as also noted in paragraph 2.4.1.2.

1.1.4.3, Eligibility for receipt of Bundled Service by a Municipal Utility from NSPI is not impacted by participation in the wholesale market. These Market Rules therefore make provision for a Municipal Utility that is also eligible for receipt of Bundled Service from NSPI to secure a portion of its supply through the wholesale market and a portion as Bundled Service.

1.1.5, Nova Scotia Power Inc.

1.1.5.1, Nova Scotia Power Inc. (NSPI) has certain unique obligations and characteristics as particularly set out in the following sub-paragraphs.

- a) Nova Scotia Power Inc. has obligations under Legislation and Regulations, and in particular under the *Public Utilities Act*, RSNS 1989, c.380 for the provision of Bundled Service to consumers in Nova Scotia who request such supply, all subject to regulation by the Nova Scotia Utility and Review Board (the “Board”).
- b) Nova Scotia Power Inc. has obligations under the Transmission Tariff approved by the Board for the provision of transmission services to eligible persons, generally the same as those eligible for market participation.
- c) The Nova Scotia Power System Operator (NSPSO) is a part of Nova Scotia Power Inc, Customer Operations division. The NSPSO’s interaction with generation and commercial functions of Nova Scotia Power Inc is governed by Standards of Conduct attached to the Transmission Tariff. The requirements for Participation Agreements, cash settlements, etc. are not relevant to divisions of NSPI. All divisions of

NSPI are however bound to these rules by virtue of NSPSO's execution of Participation Agreements with other Market Participants.

- d) In view of the obligation of the NSPI Power Production division to serve the vast majority of provincial load and to provide Ancillary Services for supply to Transmission Customers under the Transmission Tariff, its generation scheduling and balancing arrangements are unique.

These Market Rules recognise such unique provisions as they arise in each chapter or section.

1.1.5.2, Nova Scotia Power Inc. is bound by these Market Rules:

- a) as the Nova Scotia Power System Operator (NSPSO) in respect of all NSPSO rights and obligations under these Market Rules, including direction of operation of the Transmission System and in certain circumstances direction of the operation of Generating Facilities;
- b) as the NSPSO acting on behalf of Customer Operations and Power Production divisions in respect of the actual control of the Transmission System and Distribution Systems, and of certain Generating Facilities;
- c) as NSPI Customer Operations division in respect of responsibilities for the Transmission System;
- d) as NSPI Customer Service division in respect of responsibilities for metering, metering data management, and settlement functions on behalf of the NSPSO;
- e) as a Market Participant in respect of its Customer Operations division responsibilities for operation of Distribution Systems Connected to the Transmission System;
- f) as a Market Participant in respect of its Power Production division responsibilities for operation of Generating Facilities and for energy supply under Bundled Service; and

- g) as a Market Participant in respect of its Power Production division activities relating to the import and export of electricity.

1.1.6, Existing Generating Facilities operating under NSPI Power Purchase Agreements

1.1.6.1, Unless otherwise determined by a NSPI Power Purchase Agreement or otherwise by agreement between the parties to such NSPI Power Purchase Agreement, paragraph 2.2.5.1 provides that NSPI PP or NSPI Customer Operations division will be the Market Participant for any Generating Facility in existence prior to the coming into effect of the Market Rules.

1.1.6.2, It is therefore NSPI PP or NSPI Customer Operations division which is responsible as Market Participant for compliance with these Market Rules in respect of such a Generating Facility.

1.1.6.3, These Market Rules are not intended to affect the rights and obligations of the parties to a NSPI Power Purchase Agreement or the associated Generator Interconnection Agreement that is in effect prior to the coming into effect of the Market Rules.

1.2, Nature and scope of Market Rules

1.2.1, Purpose of Market Rules

1.2.1.1, The purpose of the Market Rules is to define the rights and obligations of the NSPSO towards Market Participants, and of Market Participants towards the NSPSO, in respect of each of the wholesale and Renewable to Retail electricity markets described in section 1.1 and in the administration of the Transmission Tariff and the operation of the Bulk Electricity Supply System.

1.2.2, Subject matter of Market Rules

1.2.2.1, The Market Rules define rights and obligations between the NSPSO and Market Participants in respect of:

- a) the markets themselves, their scope, objectives, and the Market Rules;

- b) administration of the markets, including market participation, Facilities, Market Rule amendment, compliance & monitoring, dispute resolution, data collection and analysis, and the confidentiality or publication of information;
- c) planning and reliability functions in relation to the Bulk Electricity Supply System;
- d) operational functions in relation to the Bulk Electricity Supply System, including scheduling of energy transactions and Ancillary Services; and
- e) settlement functions.

1.3, Authority of Market Rules

1.3.1, Legislated and contractual authority

1.3.1.1, Legislation and Regulations prohibit a person from using the Transmission System directly as a Market Participant, or by interconnection of a Generating Facility with a Distribution System, except in accordance with these Market Rules.

1.3.1.2, Those persons wishing to use the Transmission System as Market Participants or to interconnect a Generating Facility to a Distribution System are thus required to execute a market Participation Agreement with the NSPSO. The Participation Agreement gives contractual force to the Market Rules with respect to the relationship between the NSPSO and the Market Participant.

1.3.2, Responsibilities to protect safety, assets and the environment

1.3.2.1, The Market Rules do not override any obligation or duty of the NSPSO or of any Market Participant for safety, for protection of assets from immediate harm, or for protection of the environment from immediate harm.

1.3.2.2, Any Market Participant becoming aware of any conflict between the Market Rules and any such obligation or duty shall notify the NSPSO of the conflict and

of the circumstances, and shall collaborate with the NSPSO to mitigate impact and prevent recurrence.

1.4, Relationship with the Transmission Tariff and other regulated tariffs, rates and Board orders

1.4.1.1, It is the purpose of the Market Rules to define rights and obligations that are not the subject matter of the Transmission Tariff, of the Generator Interconnection Procedures, of the Standards of Conduct, of other tariffs or rates approved by the Board, or of any order of the Board, and to supplement the definition of Transmission Tariff rights and obligations where appropriate.

1.4.1.2, In the event of any conflict between a tariff (including schedules and attachments), the Generator Interconnection Procedures, the Standards of Conduct, a rate approved by the Board or an order of the Board, and these Market Rules, then the Board approved tariff, Generator Interconnection Procedures, Standards of Conduct, rate or Board order shall govern.

1.4.1.3, In the event that any Market Participant identifies any actual or potential conflict between a tariff (including schedules & attachments), the Generator Interconnection Procedures, the Standards of Conduct, a rate approved by the Board or an order of the Board and these Market Rules, it shall notify the NSPSO and seek clarification or appropriate correction.

1.4.1.4, These Market Rules are subject to and may be superseded by orders of the Board.

1.5, Subordinate and other documentation

1.5.1, General

1.5.1.1, The NSPSO may Publish subordinate documentation under these Market Rules, comprising standards, codes, and Market Procedures.

1.5.1.2, The NSPSO and Market Participants shall comply with, and as applicable shall ensure that their Facilities comply with, all such standards and codes.

1.5.1.3, The NSPSO and Market Participants shall comply with Market Procedures in fulfilling their obligations under these Market Rules and if applicable under the Transmission Tariff.

1.5.2, Standards

1.5.2.1, Standards typically establish technical requirements for equipment, Facilities, systems, etc.

1.5.3, Codes

1.5.3.1, Codes may be used to define processes involving multiple Market Participants.

1.5.4, Market Procedures

1.5.4.1, Market Procedures typically define detailed processes to be used by the NSPSO and / or Market Participants in fulfilling obligations or exercising rights defined in the Market Rules.

1.5.4.2, Market Procedures exclude the internal procedures of the NSPSO and the internal procedures of Market Participants.

1.5.5, Conflicts

1.5.5.1, In the event that any Market Participant identifies any actual or potential conflict between any standard, code, or Market Procedure and a tariff (including schedules and attachments) or rate approved by the Board, or the NSPI Standards of Conduct, or these Market Rules, it shall notify the NSPSO and seek clarification or appropriate correction.

1.6, General provisions

1.6.1, Computation of Time

1.6.1.1, In the computation of time under the Market Rules, unless a contrary intention appears, if there is a reference to a number of days between two events, they are counted by excluding the day on which the first event happens and including the day on which the second event happens.

1.6.1.2, In the computation of time under the Market Rules other than Chapter 4, unless a contrary intention appears, if the time for doing any act or thing expires on a day which is not a Business Day, the act or thing may be done on the next day that is a Business Day. In the computation of time under Chapter 4, unless a contrary intention appears, any act or thing required to be done on a day shall be done on such day whether or not a Business Day. The computation of time under a Market Procedure adopted in respect of the subject-matter of a chapter of the Market Rules shall be governed by the same rule as for the computation of time for that chapter.

1.6.1.3, In the Market Rules, unless the context otherwise requires:

- a) a reference to time is a reference to Atlantic time, which is the prevailing Atlantic standard or Atlantic daylight time in the Province of Nova Scotia;
- b) a reference to time without the qualification "am", "a.m.", "pm" or "p.m." is a reference to time based on a 24-hour clock;
- c) a reference to an hour ("hour 'x'") is a reference to the hour ending at x:00; and
- d) a reference to hour "1" is a reference to the hour ending at 1:00 and all references to subsequent hours in a day are numbered accordingly.

1.6.2, Currency

1.6.2.1, All references in the Market Rules, a settlement statement or an invoice to a monetary amount are expressed in Canadian dollars.

1.6.2.2, Any payment required to be made by or to the NSPSO or a Market Participant under any of the documents referred to in paragraph 1.6.2.1 shall be made in Canadian dollars.

1.6.3, Notice, Notification, Service and Filing

1.6.3.1, Subject to paragraph 1.6.3.3, and unless a contrary intention appears, notice is properly given, notification is properly made and service, filing, issuance and submission is properly effected under the Market Rules:

- a) by courier or other form of personal delivery;
- b) by registered mail addressed to the person at the address for service (if any) supplied by the person to the sender or, where the person is a Market Participant, to the address shown for that person in the list of Market Participants maintained by the NSPSO under paragraph 2.9.5.2 or, where the person is the NSPSO, to the registered office of the NSPSO;
- c) by facsimile or electronic mail to a number or reference which corresponds with the address referred to in sub-paragraph 1.6.3.1(b); or
- d) by web-based messaging to a number or reference which corresponds with the address assigned to the receiving person by the NSPSO under the applicable Market Procedure.

1.6.3.2, Subject to paragraph 1.6.3.3, and unless a contrary intention appears, notice, notification, service, filing, issuance or submission shall be treated as having been duly given, made or effected to a person by the sender:

- a) where given, made or effected by facsimile in accordance with sub-paragraph 1.6.3.1(c) and a complete transmission report is issued from the sender's facsimile transmission equipment:
 - i) where notice, notification, service, filing or submission is of the type in relation to which the addressee is obliged to monitor the receipt by facsimile outside of, as well as during, business hours, on the

day and at the time of transmission as indicated on the sender's facsimile transmission report; and

ii) in all other cases, on the day and at the time of transmission as indicated on the sender's facsimile transmission report, if a Business Day or, if the transmission is on a day which is not a Business Day or is after 5:00 pm (addressee's time), at 9:00 am on the following Business Day;

b) where given, made or effected by electronic mail in accordance with sub-paragraph 1.6.3.1(c):

i) where notice, notification, service, filing or submission is of a type in relation to which the addressee is obliged to monitor receipt by electronic mail outside of, as well as during, business hours, on the day and at the time when the notice or notification is recorded by the sender's electronic communication system as having been first received at the electronic mail destination; and

ii) in all other cases, on the day and at the time when the notice, notification or document or other material served, filed or submitted is recorded by the sender's electronic communications system as having been first received at the electronic mail destination, if a Business Day, or if that time is after 5:00 pm (addressee's time) or the day is not a Business Day, at 9:00 am on the following Business Day;

c) where given, made or effected by web-based messaging in accordance with sub-paragraph 1.6.3.1(d), on the day and at the time when the web-based message is sent; or

d) in any other case, when the person actually receives the notice, notification or document or other material served, filed or submitted.

1.6.3.3, Unless a contrary intention appears, instructions, directions and orders of the NSPSO may be given or issued to Market Participants:

- a) in accordance with paragraphs 1.6.3.1 and 1.6.3.2; or
- b) by voice communication, in which case the instruction, direction or order shall be deemed validly given or issued at the time of communication.

1.6.4, Publication

1.6.4.1, In the Market Rules, unless a contrary intention appears, where any document or information is required by the Market Rules or by Legislation and Regulations to be Published by the NSPSO, Publication shall be effected by placing the document or information on that part of the NSPSO's web site that is accessible to the public. The document or information shall be deemed to be Published when the document or information has been so placed.

1.6.4.2, Where the Market Rules or Legislation and Regulations prescribe a mode of publication other than that described in paragraph 1.6.4.1 in respect of a specified document or information, the NSPSO shall, in addition to complying with paragraph 1.6.4.1 comply with the publication requirement applicable to such document or information as is so prescribed. In such a case, the document or information shall be deemed to be published on the date on which the prescribed publication requirement has been satisfied.

1.6.5, Liability and Indemnification

1.6.5.1, Except as otherwise provided in the Market Rules or in the Transmission Tariff, neither the NSPSO nor NSPI shall be liable for any claims, losses, costs, liabilities, obligations, actions, judgments, suits, expenses, disbursements or damages of a Market Participant or its directors, officers or employees whatsoever, howsoever arising and whether as claims in contract or in tort (including but not limited to negligence) or otherwise, arising out of any act or omission of the NSPSO in the exercise of any power or obligation under the Market Rules unless such claim, loss or damages result from wilful misconduct by or any negligent act or omission of the NSPSO.

1.6.5.2, For the purposes of paragraph 1.6.5.1, an act or omission of the NSPSO effected in compliance with the Market Rules shall be deemed not to constitute wilful misconduct or a negligent act or omission.

1.6.5.3, Each Market Participant shall give prompt notice to the NSPSO of any claim with respect to which indemnification is being sought under paragraph 1.6.5.1.

1.6.5.4, Except as otherwise provided in the Market Rules other than in this sub-section 1.6.5, in no event shall the NSPSO be liable to indemnify and hold harmless a Market Participant or its directors, officers or employees from or in respect of:

- a) any indirect or consequential loss or incidental or special damages, including punitive damages; or
- b) any loss of profit, loss of contract, loss of opportunity or loss of goodwill;

and no Market Participant shall assert or attempt to assert any claim against the NSPSO or NSPI or its directors, officers, employees or affiliates in respect of any of the losses or damages referred to in sub-paragraphs 1.6.5.4 a) or 1.6.5.4 b).

1.6.5.5, Each Market Participant shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claim for indemnification from the NSPSO that may be made under paragraph 1.6.5.1. Nothing in this paragraph 1.6.5.5 shall require the Market Participant to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

1.6.5.6, Except as otherwise provided in the Market Rules, in Legislation and Regulations, or in the Transmission Tariff, a Market Participant shall not be liable for any claims, losses, costs, liabilities, obligations, actions, judgments, suits, expenses, disbursements or damages of the NSPSO or its directors, officers or employees whatsoever, howsoever arising and whether as claims in contract or in tort (including but not limited to negligence) or otherwise, arising out of any act or omission of the Market Participant in the exercise of any power or obligation under the Market Rules, unless such claim, loss or damages results from wilful misconduct by or any negligent act or omission of the Market Participant.

1.6.5.7, For the purposes of paragraph 1.6.5.6, an act or omission of a Market Participant effected in compliance with the Market Rules shall be deemed not to constitute wilful misconduct or a negligent act or omission.

1.6.5.8, The NSPSO shall give prompt notice to the applicable Market Participant of any claim with respect to which indemnification is being sought under paragraph 1.6.5.6.

1.6.5.9, Except as otherwise provided in the Market Rules other than in this sub-section 1.6.5, in no event shall a Market Participant be liable to indemnify and hold harmless the NSPSO or its directors, officers or employees from or in respect of:

- a) any indirect or consequential loss or incidental or special damages, including punitive damages; or
- b) any loss or profit, loss of contract, loss of opportunity or loss of goodwill.

1.6.5.10 The NSPSO shall have a duty to mitigate damages, losses, liabilities, expenses or costs relating to any claim for indemnification from a Market Participant that may be made under paragraph 1.6.5.6. Nothing in this paragraph 1.6.5.10 shall require the NSPSO to mitigate or alleviate the effects of any strike, lockout, restrictive work practice or other labour dispute.

1.6.5.11 Nothing in this sub-section 1.6.5 shall be read as limiting the right of the NSPSO to impose a financial penalty or other sanction, including the imposition of conditions on Market Participant, Suspension or Termination of that Market Participant, or Disconnection of its Facilities in accordance with the provisions of the Market Rules.

1.6.6, Force Majeure

1.6.6.1, The Force Majeure provisions of the Transmission Tariff, including in particular section 10.1 thereof, are applicable to the Market Rules.

1.6.7, Contractual Liability

1.6.7.1 The liability and indemnification provisions of sub-section 1.6.5 and, where applicable, of any other section of the Market Rules other than this paragraph 1.6.7.1, and the Force Majeure provisions of sub-section 1.6.6 shall apply to any agreement or contract referred to in the Market Rules to which the NSPSO and a Market Participant are parties or to the terms of which the NSPSO and a Market Participant are bound and to all acts or omissions of the NSPSO or the Market Participant in the exercise or performance or the intended exercise or performance of any power or obligation under such agreement or contract. In the event of an inconsistency between such liability, indemnification and Force Majeure provisions and the liability, indemnification and Force Majeure provisions of such agreement or contract, the liability and indemnification provisions of sub-section 1.6.5 and, where applicable, of any other section of the Market Rules, and the Force Majeure provisions of sub-section 1.6.6 shall prevail to the extent of the inconsistency.

1.7, Definitions and interpretation

1.7.1, Defined terms and acronyms

1.7.1.1, Defined terms used in these Market Rules are capitalized.

1.7.1.2, Terms defined for the purposes of these Market Rules are set out in Appendix 1A.

1.7.1.3, Unless otherwise defined in these Market Rules, or unless the context otherwise requires, terms defined in the Transmission Tariff have the meaning in these Market Rules that is ascribed to them in the Transmission Tariff.

1.7.1.4, Unless otherwise defined in these Market Rules or the Transmission Tariff, or unless the context otherwise requires, terms defined in the Legislation and Regulations have the meaning in these Market Rules that is ascribed to them in the Legislation and Regulations.

1.7.1.5, Acronyms used in these Market Rules are defined in Appendix 1A.

1.7.2, General rules of interpretation

1.7.2.1, General rules of interpretation are set out in Appendix 1B.

1.7.3, Questions of interpretation

1.7.3.1, Any person having a question of interpretation of the Market Rules should address such question to the NSPSO.

Appendix 1A

Definitions and acronyms

Ref	Acronym or term	Chapter	Definition or reference
1A.000	Act	General	The Electricity Act, S.N.S. 2004, c. 25, as amended from time to time.
1A.001	Adequacy	3 & 4	The ability of a Zone, a Transmission System or the Bulk Electricity Supply System to supply aggregate electrical demand and energy requirements to some recognized degree of certainty at all times, taking into account scheduled and reasonably unscheduled Outages of facilities, equipment or components.
1A.002	Ancillary Service	General	In accordance with the Transmission Tariff section 1.0 “Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.”
1A.003	Board	General	The Nova Scotia Utility and Review Board (as also defined in Transmission Tariff section 1.0).
1A.004	Bulk Electricity Supply System	General	The Transmission System and all Generating Facilities required in accordance with these market Rules to be registered with the NSPSO, including all related communication, protection and control systems, etc.

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules
Appendix 1A, Definitions and Acronyms

1A.005	Bundled Service	General	<p>In accordance with the Transmission Tariff section 1.0. “Electrical service taken from NSPI under Rates and Regulations approved by the Board. This takes the form of having generation, transmission, distribution, ancillary services and all other items associated with the provision of such service blended or bundled within the rate.”</p> <p>For certainty, Bundled Service does not include services taken from NSPI under the Distribution Tariff, the Energy Balancing Service Tariff, the Standby Service Tariff or the Renewable to Retail Market Transition Tariff.</p> <p>As used in the Market Rules, the term refers to the service provided at a Transmission System Point of Delivery, exclusive of use of a Distribution System.</p> <p><i>Related definition: Partially Unbundled Service</i></p>
1A.006	Business Day	General	<p>In accordance with the Transmission Tariff section 1.0 “A Business Day is Monday to Friday, inclusive, excluding holidays. The regular business hours on a Business Day are from 08:30 to 16:30 Atlantic Time.”</p>

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules
Appendix 1A, Definitions and Acronyms

1A.007	Confidential Information	General	Information that is (a) expressly required by the Market Rules or a Market Procedure to be kept confidential; (b) identified in writing as confidential by the disclosing person at the time of disclosure; or (c) derived from information referred to in (a) and (b), but does not include information that is required by the Market Rules to be Published by the NSPSO in its original or a modified form or otherwise made available to others Further, the following will not constitute Confidential Information for purposes of these Market Rules: (i) information which is or becomes generally available to the public other than as a result of a disclosure by the NSPSO or its authorized representatives; (ii) information which was already known to NSPSO on a non-confidential basis prior to being furnished to NSPSO by a Market Participant; (iii) information which becomes available to NSPSO on a non-confidential basis from a source other than a Market Participant or a representative of a Market Participant if such source was not subject to any prohibition against transmitting the information to NSPSO and was not bound by a confidentiality agreement with the Market Participant; or (iv) information which was independently developed by the NSPSO or its representatives without reference to, or consideration of, the Confidential Information.
1A.008	Connect	General	Complete and commission the physical works needed to allow synchronization of a Generating Facility, Load Facility or Distribution System to the Transmission System. <i>Related definitions: Disconnect, Synchronize</i>
1A.009	Connected	General	Having the physical works needed to allow synchronization of a Generating Facility, Load Facility or Distribution System to the Transmission System.
1A.010	Connection Applicant	3	A person who has executed a System Impact Study agreement with NSPI in accordance with the Generation Interconnection Procedure.
1A.011	Control Action	4	An action taken by the NSPSO for the preservation of Reliability, which is beyond the normal operating regime of the wholesale and Renewable to Retail electricity markets.

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1A.012	Day Ahead	4	In respect of a Dispatch Day, the last Business Day preceding the Dispatch Day.
1A.013	De-synchronize	4	Temporarily break the connection, typically by opening a breaker, between a Facility and the Transmission System. <i>Related definitions; Synchronize; Disconnect.</i>
1A.014	Disconnect	General	Remove, on a permanent or enduring basis, the ability of a Facility to be synchronized to the Transmission System. <i>Related definitions: Connect; De-synchronize.</i>
1A.015	Dispatch Day	4	Any day on which the NSPSO schedules and dispatches Facilities including a Saturday, Sunday or holiday.
1A.016	Dispatchable Generating Facility	2, 4	As defined in paragraph 2.2.4.1.
1A.016.1	Distribution Generator Interconnection Procedures	2	The NSPI standard generator interconnection procedures applicable to Generating Facilities \geq 101kW, connected to Distribution Systems.
1A.018	Distribution System	1, 2	A system for the conveyance of electricity at voltages less than 69 kV, including any transformer station for the transformation of electricity from voltages of 69 kV and above to voltages below 69 kV, and including all communications, protection and control equipment that interacts with the Transmission System. Note that this is broader than the definition in the Generator Interconnection Agreement as it includes Distribution Systems owned by persons other than NSPI.
1A.019	DSM or Demand Side Management	3	DSM refers to activities or programs undertaken by a utility or its customers to influence the amount and timing of electricity usage. Included in DSM are the planning, implementation, and monitoring of activities that are designed to influence electricity use in ways that produce desired changes in load shape, such as direct load control, interruptible load, energy efficiency and conservation.

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Appendix 1A, Definitions and Acronyms*

1A.020	Emergency Planning Participant	3	A Market Participant identified by the NSPSO as an Emergency Planning Participant in accordance with sub-section 3.6.1.
1A.021	Export Generating Facility	2, 3 & 4	As defined in paragraphs 2.2.4.13 to 2.2.4.19.
1A.022	Facility	General	A Generating Facility, Load Facility or Distribution System.
1A.023	Facility Reactive Power Capability	4, 5	As defined in paragraph 5.5.1.2.
1A.024	Facility Reactive Power Capability Share	5	As defined in paragraph 5.5.1.4.
1A.025	Force Majeure	1	Force Majeure is defined for the purpose of these Market Rules by section 10.1 of the Transmission Tariff “An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure event does not include an act of negligence or intentional wrongdoing by any party.”
1A.026	Forced Outage	3, 4	The removal from service of equipment for emergency reasons or a condition in which the facility equipment is unavailable, in whole or in part, due to unanticipated failure, and includes a forced de-rating. For greater certainty, the urgent removal from service or de-rating of equipment in order to prevent an actual failure that could jeopardize safety, the environment, or the equipment itself may, if it could not reasonably have been anticipated, be considered a Forced Outage.
1A.027	General Reliability Standards	3	As defined in paragraph 3.2.1.1.

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules
Appendix 1A, Definitions and Acronyms

1A.028	Generating Facility	General	<p>One or more generators located at a single site together with all associated prime movers, station service equipment, communications protection and control equipment, and including any transformer station for the transformation of electricity to the voltage at which it is delivered to the transmission system or distribution system to which it is connected.</p> <p>Note that this is broader than the definition in the Generator Interconnection Agreement as it includes the Interconnection Customer's Interconnection Facilities, and it includes Generating facilities connected to a Distribution System.</p>
1A.029	Generation Market Participant	General	A Market Participant for one or more Generating Facilities.
1A.030	Generator Interconnection Agreement	2	The standard generator interconnection and operating agreement which forms Appendix 6 of the Generator Interconnection Procedures.
1A.031	Generator Interconnection Procedures	2, 3	The NSPI standard generator interconnection procedures approved by the Board. This is not part of the Transmission Tariff, but is referenced in attachment D to the Transmission Tariff.
1A.032	Intermittent Generating Facility	2, 4	As defined in paragraphs 2.2.4.2 to 2.2.4.4.
1A.033	Legislation and Regulations	General	<ul style="list-style-type: none"> i) The law of Nova Scotia including the <i>Electricity Act</i>, SNS 2004, c.25 and the <i>Public Utilities Act</i>, RSNS 1989, c.380. ii) Regulations under the above acts, and iii) The laws of Canada as applicable <p>all as amended from time to time.</p>

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1A.033.1	Licensed Retail Supplier	General	<p>A Retail Supplier who:</p> <p>(a) holds a valid Retail Supplier Licence; and</p> <p>(b) has a valid LRS Participation Agreement executed with NSPI.</p> <p>For certainty, a Wholesale Customer is not a Licensed Retail Supplier.</p>
1A.033.2	LRS Participation Agreement	General	The agreement (and any amendments or supplements thereto) between a LRS and NSPI with respect to the sale of renewable low-impact electricity by the LRS in the form approved by the Board.
1A.033.3	Licensed Retail Supplier Market Participant		A Licensed Retail Supplier who has executed a market Participation Agreement (as defined in the Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules Appendix 1A) with the NSPSO in accordance with the requirements of the Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules.
1A.034	Load Displacement Generating Facility	2, 4	As defined in paragraphs 2.2.4.9 to 2.2.4.12.
1A.035	Load Facility	General	A facility to which electricity is supplied from the Transmission System, including any transformer station for the transformation of electricity from 69 kV or higher voltage to below 69 kV, and including communications protection and control equipment that interacts with the Transmission System.
1A.036	Load Market Participant	General	A Market Participant for one or more Load Facilities or Distribution Systems.
1A.037	Market Manual	2	The Market Rules, codes, standards and Market Procedures that govern the wholesale and Renewable to Retail electricity market in Nova Scotia.

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1A.038	Market Participant	General	A person who has executed a Participation Agreement with the NSPSO, and NSPI itself as specified in sub-paragraphs 1.1.5.2 (e), (f), and (g). For certainty, a person may be a Market Participant with respect to the wholesale electricity market or the Renewable to Retail electricity market.
1A.039	Market Participant Reactive Power Capability Share	5	As defined in paragraph 5.5.1.11.
1A.040	Market Procedure	General	A Published document entitled as such and that contains procedures, processes and forms to be used by the NSPSO, Market Participants and others in fulfillment of their respective obligations under the Market Rules.
1A.041	Market Rules	General	The Wholesale and Renewable to Retail Market Rules made by the Nova Scotia Department of Energy as amended from time to time in accordance with section 2.4.
1A.042	Minor Generating Facility	2, 4	As defined in paragraphs 2.2.4.5 to 2.2.4.8.
1A.042.1	Municipal Utility	<u>1</u>	This term has the same meaning as under the Act.
1A.043	MVAR	5	Mega volt-amps reactive.
1A.044	NBSO	3, 4	New Brunswick System Operator.
1A.045	NERC	3	North American Electricity Reliability Council.
1A.046	Network Integration Transmission Service	4	In accordance with the Transmission Tariff, this is defined as the transmission service provided under part III of the Transmission Tariff.
1A.047	Network Operating Agreement	2	In accordance with the Transmission Tariff section 1.0 “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 Open Access Transmission Tariff.”
1A.048	NPCC	3	North East Power Coordinating Council.

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1A.049	NSPI	General	Nova Scotia Power Inc.
1A.050	NSPI Power Purchase Agreement	1	An agreement between NSPI and an independent power producer for the purchase by NSPI of all the capacity and energy of one or more Generating Facilities owned or to be developed by the independent power producer, such that title to the purchased capacity and energy is transferred to NSPI at the Generating Facility.
1A.051	NSPI PP	General	The Power Production division of NSPI.
1A.052	NSPI Rates and Regulations	5	Documents titled as such, published by NSPI in accordance with one or more orders of the Board.
1A.053	NSPSO	General	Nova Scotia Power System Operator, a part of the Customer Operations division of NSPI.
1A.054	OASIS	4	Open Access Same-time Information System, being a web-accessible system operated by or for NSPI.
1A.055	Outage	3, 4	The removal of equipment from service, unavailability for Synchronization of equipment or temporary de-rating, restriction of use or reduction in performance of equipment below its characteristics as reflected in the applicable registration data, for any reason, and includes a Planned Outage and a Forced Outage.
1A.056	Outage Plan	3	A plan by NSPI or another Market Participant for one or more Outages of transmission elements or Generating Facilities.
1A.057	Partially Unbundled Service	General	Service provided by NSPI to wholesale customers for the supply of a portion of the electricity supplied from the Transmission System, in accordance with rates and regulations approved by the Board. <i>Related definitions: Bundled Service; Unbundled Service</i>
1A.058	Participant Emergency Plan	3	The plan required to be prepared by an Emergency Planning Participant in accordance with sub-section 3.6.2.

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1A.059	Participation Agreement	1,2	The agreement in the form set forth in Appendix 2A executed between the NSPSO and each Market Participant other than NSPI following accreditation in accordance with sub-section 2.1.3.
1A.060	Planned Outage	3	An Outage that is planned and intentional.
1A.061	Point of Delivery	5	<p>In accordance with the Transmission Tariff section 1.0 “Point on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service”.</p> <p>As used in the Market Rules the term also includes Network Integration Transmission Service under part III of the Transmission Tariff.</p>
1A.062	Point of Receipt	5	<p>In accordance with the Transmission Tariff section 1.0 “Point of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.”</p> <p>As used in the Market Rules the term also includes Network Integration Transmission Service under part III of the Transmission Tariff.</p>
1A.063	Point to Point Transmission Service	4	In accordance with the Transmission Tariff, this is defined as the reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Points(s) of Delivery under part II of the Transmission Tariff.

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Appendix 1A, Definitions and Acronyms

1A.064	Prudential Support	2	One or more of a guarantee, Letter of Credit (as defined below) or other credit support from a person, each of which is in an amount, in a form and/or issued by a party which is set forth in the relevant Market Procedure or is otherwise acceptable to the NSPSO, securing the obligations owed or to be owed to the NSPSO by a Market Participant. "Letter(s) of Credit" shall mean one or more irrevocable, transferable standby letters of credit issued by a Schedule I Canadian Chartered Bank or a Canadian branch of a U.S commercial bank, with such bank having a Credit Rating (defined below) of at least A- from Standard & Poor's Ratings Group (a division of McGraw-Hill, Inc.) or its successor ("S&P") or A3 from Moody's Investor Services, Inc., or its successor ("Moody's"), in a form and for an amount acceptable to the NSPSO in its reasonable discretion. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit and not the NSPSO. "Credit Rating" means, with respect to an entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or, if such entity does not have a rating for its senior unsecured long-term debt, the rating then assigned to such entity as an issuer rating, in each case, by S&P, Moody's and/or any other ratings agency designated by the NSPSO from time to time.
1A.065	Publish	General	Make available to any person, as a minimum by posting on a readily accessible public access NSPI website.
1A.066	Re-dispatch	4, 5	An instruction by the NSPSO that a Dispatchable Generating Facility be operated at a level of output different than that scheduled by the Market Participant.
1A.067	Reliability	General	The degree of performance of a Zone, a Transmission System, the Bulk Electricity Supply System that results in electricity being delivered within accepted standards in an Adequate and secure manner and in the amount desired.
1A.068	Reliability Coordinator	3, 4	The NBSO in its role as electricity system reliability coordinator for the Maritime region.

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1A.068.1	renewable low-impact electricity	General	This term has the same meaning as in the Renewable Electricity Regulations (Nova Scotia).
1A.068.2	Renewable to Retail	General	Describes the market in which renewable low-impact electricity generated in Nova Scotia may be sold by Licenced Retail Suppliers to Retail Customers in Nova Scotia in accordance with the Act.
1A.068.3	Retail Customer	General	This term has the same meaning as under the Act. For certainty, a customer of a Municipal Utility is not a Retail Customer.
1A.068.4	Retail Supplier	General	This term has the same meaning as under the Act.
1A.068.5	Retail Supplier Licence	General	A Retail Supplier licence issued by the Board in accordance with the Act and Regulations made thereunder which authorizes a person to sell renewable low-impact electricity generated within the Province.
1A.069	Special Locational Loss Factor	2, 5	A reasonable estimate by the NSPSO of the “excess” of (a) the marginal energy loss in transmission of the output from incremental new generation to the general load pool, over (b) the system average energy loss in transmission as reflected in the Transmission Tariff in respect of Network Integration Service, expressed as a percentage. In the even that such marginal losses from incremental generation are less than the system average, then the “excess” will be a negative percentage value.
1A.070	Standards of Conduct	General	The NSPI Standards of Conduct approved by the Board and forming Attachment E to the Transmission Tariff.
1A.070.1	Standard Small Generator Interconnection and Operating Agreement	2, 5	An agreement between NSPI and the owner of a Generating Facility defining the terms and technical requirements governing the connection of the Generating Facility to NSPI’s Distribution System.
1A.071	Suspend	1,2	Temporarily suspend all or some of a Market Participants rights under the Market Rules.

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1A.072	Synchronize	2, 4	Make the connection, typically by closing the relevant breaker, between a Facility and the Transmission System to permit the flow of energy or other services. <i>Related definitions: Connect; De-synchronize.</i>
1A.073	System Impact Study	5 (para 5.5.1.2)	An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.
1A.074	System Reactive Power Capability	5	As defined in paragraph 5.5.1.3.
1A.075	Temporary Waiver	2	A temporary waiver of an obligation under the Market Rules granted by the NSPSO in accordance with section 2.5.
1A.076	Terminate	1, 2	Permanently terminate the rights of a Market Participant under a Participation Agreement.
1A.077	Transmission Customer	1, 2	A Market Participant who is a Transmission Customer as defined in section 1.0 of the Transmission Tariff.
1A.078	Transmission Loading Relief	4	A process described in NERC standard IRO-006-1.
1A.079	Transmission Provider		The NSPI Customer Operations division, including the NSPSO.
1A.080	Transmission Service Information Network	2	The Transmission Service Information Network operated by the North American Electricity Reliability Council.
1A.081	Transmission System	General	In accordance with the Transmission Tariff section 1.0 "The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff".
1A.082	Transmission Tariff	General	The NSPI Open Access Transmission Tariff approved by the Board.

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1A.083	Unbundled Service	General	Service to a Transmission Customer for Network Integration Service or Point to Point Service, separately from any provision of energy by NSPI PP. <i>Related definitions: Bundled Service; Partially Unbundled Service</i>
1A.084	VAR	4	Volt-amps reactive.
1A.085	Wholesale and Renewable to Retail Market Advisory Committee	2	The committee established in accordance with section 2.3.
1A.086	Zone	2, 3	A part of the Bulk Electricity Supply System to which the NSPSO gives separate consideration in view of the fact that the level of Reliability may differ from the general level of Reliability of the system including as a result of transmission constraints.
1A.087	Wholesale Customer	General	This term has the same meaning as under the Act.

2, Market Administration

2.0, Description

This chapter sets out the rules relating to participation in the markets, including the rules setting out requirements for becoming a Market Participant. This chapter also sets out the rules governing the administration of the markets. These rules apply to the NSPSO and to Market Participants.

2.1, Market Participation

2.1.1, Qualifications to be a Market Participant

2.1.1.1, Any person eligible as described in paragraph 1.1.4.1 to be a Market Participant in either the wholesale or Renewable to Retail markets may apply to the NSPSO to become a Market Participant.

2.1.1.2, The NSPSO shall accredit such a person as a Market Participant in the applicable market if:

- a) the person agrees to be bound by the Market Rules by executing a Participation Agreement in the form set out in Appendix 2A;
- b) the NSPSO is reasonably satisfied that the person will satisfy credit support and technical requirements;
- c) the person provides its valid GST or HST registration number or evidence of exemption;
- d) the person is not ineligible by reason of forced Termination; and
- e) if the person is to be a Transmission Customer, the person provides evidence of Open Access Technology International accreditation.

2.1.1.3, A person who expects to become eligible to be a Market Participant in either the wholesale or Renewable to Retail markets may apply to the NSPSO in advance of such eligibility, and the NSPSO shall accredit such a person who fulfils the requirements of paragraph 2.1.1.2 conditional on actual eligibility.

2.1.2, Classes of Market Participants

2.1.2.1, An eligible person may be a Market Participant in one or more of the following classes:

- a) **Generation Market Participant:** A Generation Market Participant is a Market Participant in respect of
 - i) a Generating Facility connected to the Transmission System; or
 - ii) a Generating Facility connected to a Distribution System and registered with the NSPSO.

- b) **Load Market Participant:** A Load Market Participant is a Market Participant in respect of
 - i) a Load Facility connected to the Transmission System; or
 - ii) a Distribution System connected to the Transmission System.

- c) **Licensed Retail Supplier Market Participant:** A Licensed Retail Supplier Market Participant is a Market Participant in respect of the aggregate of the Retail Customer load subscribed to the Licensed Retail Supplier.

- d) **Transmission Customer:** A Transmission Customer is a Market Participant eligible to schedule transactions on the Transmission System. Generation Market Participants, Load Market Participants and Licensed Retail Supplier Market Participants must also be Transmission Customers if they are to schedule transactions on the Transmission System.

2.1.3, Application to be a Market Participant

2.1.3.1, The NSPSO shall issue in a Market Procedure the forms and procedures to be used by any person to apply for accreditation as a Market Participant.

2.1.3.2, The NSPSO shall promptly review for completeness any application received, and shall advise the applicant of any omissions and any additional information required to complete the application.

2.1.3.3, The NSPSO shall review any complete application received, and shall within 15 Business Days of receipt of the complete application either:

- a) advise the applicant that it is accredited subject to any outstanding execution of agreements or fulfilment of Prudential Support or other specific requirements,
- b) advise the applicant that it is accredited conditional on fulfilment of eligibility requirements and subject to any outstanding execution of agreements or fulfilment of Prudential Support or other specific requirements, or
- c) advise the applicant of rejection of its application and the grounds for such rejection.

2.1.3.4, Any applicant whose application is rejected may exercise any rights of appeal to the Board that are provided in Legislation and Regulations.

2.1.3.5, In the event that any such appeal has been successful, the NSPSO shall review or reconsider the relevant application in accordance with the order of the Board.

2.1.4, Provision of credit support

2.1.4.1, If, at the time of application for accreditation or at any time thereafter, the NSPSO expects that a Market Participant will owe money to the NSPSO in respect of settlement in addition to any amounts contemplated in the Transmission Tariff, the NSPSO may require evidence of credit rating or may require Prudential Support commensurate with the expected maximum net settlement amount.

2.1.4.2, If the NSPSO identifies the actual or probable need for Prudential Support, it shall determine the amount of such Prudential Support in accordance with a Market Procedure, which shall also set out the terms under which such Prudential Support is to be provided.

2.1.4.3, If the NSPSO has required evidence of a certain credit rating or has determined in accordance with its Market Procedure a requirement for Prudential Support, and if the Market Participant has not provided the required evidence of credit rating or the required Prudential Support, the NSPSO may impose conditions

on the Market Participant's activity to limit the amount of the debt to the NSPSO that the Market Participant may accrue.

2.1.5, Continuing to be a Market Participant, and recognition of changes

2.1.5.1, Every Market Participant shall promptly advise the NSPSO of any change in circumstances that might affect its continuing qualification to be a Market Participant, and of any change to the information provided in its application for accreditation as a Market Participant.

2.1.5.2, A Market Participant in one or more classes may apply to become a Market Participant in one or more other classes, and the NSPSO shall grant such application subject to fulfilment by the applicant of any changed accreditation requirements.

2.1.5.3, The NSPSO may impose conditions on a Market Participant's activity in accordance with sub-section 2.6.3 or if the Market Participant ceases to meet the qualifications to be a Market Participant.

2.1.6, Ceasing to be a Market Participant

2.1.6.1, Any Market Participant that is not either a Generation Market Participant or a Load Market Participant, may at any time give notice to the NSPSO that it wishes to cease to be a Market Participant.

2.1.6.2, Any Generation Market Participant or Load Market Participant must Disconnect and de-register its registered Facilities in accordance with paragraphs 2.2.8.1 to 2.2.8.3, or must assign responsibilities for all its registered Facilities to another Market Participant in accordance with paragraphs 2.2.2.3 to 2.2.2.4, before it can cease to be a Market Participant.

2.1.6.3, The NSPSO may Terminate the market participation rights of any person in accordance with sub-section 2.6.3 below or if the Market Participant ceases to meet the qualifications to be a Market Participant.

2.1.6.4, Any person ceasing to be Market Participant, either on a voluntary basis or as a result of Termination, is not excused from any prior or outstanding obligations,

and shall continue to be bound by the Market Rules in respect of such obligations.

2.1.7, Nova Scotia Power Inc. (NSPI)

2.1.7.1, NSPI Power Production division (“NSPI PP”) is deemed for the purposes of these Market Rules to be a Generation Market Participant, and a Transmission Customer (in respect of any exports it undertakes, and in respect of the use of the Transmission System for Bundled Service supply, which may include imports).

2.1.7.2, NSPI Customer Operations division is deemed for the purposes of these Market Rules to be a Load Market Participant (in respect of all Facilities at Points of Delivery for Bundled Service consumers).

2.1.7.3, NSPI Customer Service division performs certain functions on behalf of the NSPSO, but is not deemed to be a Market Participant.

2.2, Connected Facilities

2.2.1, Facility registration

Facilities requiring to be registered

2.2.1.1, All Generating Facilities and Load Facilities connected to the Transmission System, and all Distribution Systems, must be registered with the NSPSO prior to their first Synchronization in order to provide the NSPSO with all relevant information.

2.2.1.2, Any Generating Facility that is connected to either a Load Facility or Distribution System and that is to be subject to NSPSO scheduling or settlement, including in respect of Ancillary Service provision, must be registered with the NSPSO.

2.2.1.3, Any Generating Facility over 5 MW total capacity that is connected to a Load Facility or Distribution System must be registered with the NSPSO.

Requirements for registration

2.2.1.4, In order to be registered, a Facility must be, as applicable:

- a) owned and controlled by NSPI;
- b) receiving only Bundled Service from NSPI;
- c) for a Generating Facility connected to the Transmission System - the subject of a Generator Interconnection Agreement in accordance with the Transmission Tariff;
- d) for a Generating Facility connected to a Load Facility – the subject of a Network Operating Agreement with NSPI;
- e) for a Generating Facility connected to a Distribution System - the subject of a Distribution Interconnection Agreement with the distributor, and if the Distribution System is owned other than by NSPI, recognised in the Network Operating Agreement of the distributor; or
- f) for a Load Facility or Distribution System receiving service other than Bundled Service from NSPI - the subject of a Network Operating Agreement in accordance with the Transmission Tariff.

Separation and aggregation

2.2.1.5, The NSPSO may designate that individual units in a large generating station be registered as separate Generating Facilities.

2.2.1.6, The NSPSO may permit several Generating Facilities with the same or closely related connections to the Transmission System to be aggregated for the purposes of schedule submission, dispatch and settlement.

2.2.1.7, The NSPSO may permit the aggregation of closely located Load Facilities and Generating Facilities of the same Market Participant to the extent that this represents past practice before the coming into effect of these Market Rules.

2.2.1.8 The NSPSO may permit the aggregation of the Retail Customer load subscribed to an individual Licenced Retail Supplier.

Market Procedure

2.2.1.9, The NSPSO shall publish in a Market Procedure any registration requirements that are additional to those set out in the Generator Interconnection Agreement, Network Operating Agreements or other operating agreements in respect of Generating Facilities embedded in Load Facilities.

2.2.2, Market Participant for a Facility

2.2.2.1, For every Generating Facility, Load Facility or Distribution System connected to the Transmission System or registered with the NSPSO, there must be one and only one Generation Market Participant or Load Market Participant.

2.2.2.2, The Market Participant for a Facility may be the owner or operator of the Facility or another person, and must demonstrate to the NSPSO that it has adequate control over relevant aspects of the Facility operation to be responsible to the NSPSO for its operation.

Assignment of full or partial Market Participant responsibility

2.2.2.3, Subject to the above requirements, subject to the agreement of both Market Participants, and subject to notice to the NSPSO, a Market Participant may assign responsibility for a Facility to another Market Participant.

2.2.2.4, The Load Market Participant for a Facility may subject to the agreement of the assignee and notice to the NSPSO assign complete or partial Transmission Customer responsibilities in respect of the Facility to a Transmission Customer Market Participant. Absent any such assignment, the Load Market Participant is also the Transmission Customer Market Participant for that Facility.

2.2.2.5, In the event of assignment of partial Transmission Customer responsibilities, the assigning Market Participant shall provide to the NSPSO reasonable evidence that the parties have agreed to the terms of such partial assignment of responsibilities, including agreement with respect to allocation of responsibility for settlement in respect of metering and in respect of settlement for metered demand, energy and reactive power quantities.

Appointment of an agent

2.2.2.6, Any Market Participant may appoint any person to act as its agent. Any Market Participant appointing an agent remains responsible for all actions of that agent.

2.2.3, Classes of Facilities

2.2.3.1, A Facility may be either:

- a) a Generating Facility, which shall include any Facility that has net injection to the Transmission System in any hour of the year, as well as any Facility with a total generating capacity greater than 5 MW even if embedded in a Load Facility or in a Distribution System;
- b) a Load Facility, which shall include any Facility that is not primarily for the purpose of generating electricity;
- c) both of the above; or
- d) a Distribution System, including a municipally owned Distribution System that is only indirectly connected to the Transmission System.

2.2.4, Classes of Generating Facilities

Dispatchable Generating Facilities

2.2.4.1, Every Generating Facility is a Dispatchable Generating Facility unless it has been classified by the NSPSO either as an Intermittent Generating Facility, as a Minor Generating Facility, as a Load Displacement Generating Facility or as a non-Dispatchable Export Generating Facility.

Intermittent Generating Facilities

2.2.4.2, The Market Participant for a Generating Facility may at the time of its application for initial registration, and subject to the conditions set out below, apply for its registration as an Intermittent Generating Facility.

2.2.4.3, The NSPSO shall accede to such request and register the Generating Facility as an Intermittent Generating Facility if it is satisfied that the output of the

Generating Facility is determined by uncontrollable factors such as wind, uncontrolled river flows, etc.

2.2.4.4, For the sake of clarity, an Intermittent Generating Facility is a Generating Facility and subject to all applicable provisions of these Market rules except where explicitly excluded.

Minor Generating Facilities

2.2.4.5, The Market Participant for a Generating Facility may at the time of its application for initial registration or at any subsequent time apply for its registration of a Generating Facility with less than 10 MW total output as a Minor Generating Facility.

2.2.4.6, The NSPSO shall accede to such request and register the Generating Facility as a Minor Generating Facility if it is satisfied that, taking account of the location of the Generating Facility and its connection to the Transmission System, the Synchronization, De-synchronization and dispatch of the Generating Facility will not jeopardise the Reliability of the Bulk Electricity Supply System or any Zone thereof.

2.2.4.7, A Minor Generating Facility may subject to meeting the appropriate criteria also be an Intermittent Generating Facility.

2.2.4.8, For the sake of clarity, a Minor Generating Facility is a Generating Facility and subject to all applicable provisions of these Market rules except where explicitly excluded.

Load Displacement Generating Facilities

2.2.4.9, The Market Participant for a Generating Facility that is embedded within a Distribution System or Load Facility may at the time of its application for initial registration or at any subsequent time apply for its registration of such Generating Facility as a Load Displacement Generating Facility.

2.2.4.10, The NSPSO shall accede to such request and register the Generating Facility as a Load Displacement Generating Facility if it is satisfied that the operation of the Generating Facility is not expected under any normal operating conditions

to result in a net injection into the Transmission System, and that the absence of facility-specific scheduling information will not jeopardise the Reliability of the Bulk Electricity Supply System or any Zone thereof.

2.2.4.11, A Load Displacement Generating Facility may subject to meeting the appropriate criteria also be a Minor Generating Facility or an Intermittent Generating Facility.

2.2.4.12, For the sake of clarity, a Load Displacement Generating Facility is a Generating Facility and subject to all applicable provisions of these Market rules except where explicitly excluded.

Export Generating Facilities

2.2.4.13, The Market Participant for a Generating Facility other than a Load Displacement Generating Facility may at the time of its application for initial registration, and subject to the conditions set out below, apply for its registration as an Export Generating Facility.

2.2.4.14, The NSPSO shall accede to such request and register the Generating Facility as an Export Generating Facility if it is satisfied that the Generating Facility is associated with a facility-contingent export contract and firm export transmission reservations for substantially the full capability of the Generating Facility.

2.2.4.15, The Market Participant for a Generating Facility other than a Load Displacement Generating Facility may at any time and subject to the conditions set out below, apply for its re-classification as an Export Generating Facility to take effect no less than 5 years from the date of such application.

2.2.4.16, The NSPSO shall accede to such request and re-classify the Generating Facility as an Export Generating Facility on such effective date if it is satisfied at least six months in advance of the effective date that the Generating Facility is associated with a facility-contingent export contract and firm export transmission reservations for substantially the full capability of the Generating Facility.

2.2.4.17, The Market Participant for an Export Generating Facility may apply for revocation of its classification as an Export Generating Facility at any time, and the NSPSO shall effect such revocation.

2.2.4.18, For the sake of clarity, an Export Generating Facility is a Generating Facility and subject to all applicable provisions of these Market rules except where explicitly excluded.

2.2.4.19, In applying for registration or re-classification of a Generating Facility as an Export Generating Facility, and unless the Facility is an Intermittent Generating Facility or a Minor Generating Facility, the Market Participant shall specify if the Export Generating Facility is to be classified as a Non-dispatchable Generating Facility.

2.2.5, Coming into effect

2.2.5.1, Facilities connected to the Transmission System prior to the effective date of these Market Rules shall except as noted in section 2.2.5.2 be deemed to be registered as follows.

- a) All Generating Facilities directly connected to the Transmission System shall be deemed to be registered by NSPI PP.
- b) All other Generating Facilities greater than 5 MW in capacity shall be deemed to be registered by NSPI PP.
- c) All other Facilities shall unless otherwise designated by the NSPSO be deemed to be registered by NSPI Customer Operations division as Minor Load Displacement Generators.
- d) The NSPSO may, following consultation with NSPI PP, designate Facilities as Intermittent Generating Facilities, as Minor Generating Facilities or as Load Displacement Generating Facilities.

2.2.5.2, Any Market Participant or applicant for accreditation may identify Facilities for which it will become the responsible Market Participant, and the NSPSO shall register such Facilities accordingly immediately on accreditation of that Market Participant.

2.2.6, Process for new or modified connections

2.2.6.1, No new Generating Facility may be Connected to the Transmission System except in accordance with the Standard Generation Interconnection Procedure, which forms exhibit 2 of the Transmission Tariff.

2.2.6.2, No existing Generating Facility Connected to the Transmission System may be significantly modified except in accordance with the Standard Generation Interconnection Procedure, which forms exhibit 2 of the Transmission Tariff. Significant modification shall include expansion or reduction of real or reactive power capability by more than the greater of 5% or 1 MW or 1 MVAR, changes to the excitation system, and changes to transmission-related protection systems.

2.2.6.3, No new or significantly modified Generating Facility may be connected to a Distribution System or Load Facility except in accordance with the Distribution Generator Interconnection Procedures and other requirements of the NSPSO as published in a Market Procedure setting out requirements for connection assessment of embedded Facilities.

2.2.6.4, In addition to assessments set out in the Generation Interconnection Procedure, the NSPSO shall assess a Special Locational Loss Factor applicable to any proposed new or significantly expanded Generating Facility as a basis for the application of a locational loss factor as set out in schedule 9 of the Transmission Tariff. This factor shall represent a reasonable estimate of the marginal loss on the incremental generation, averaged over the year, taking account of its location relative to existing generation, its location relative to the load pool, and its expected operating regime.

2.2.7, Continuing obligations

2.2.7.1, The Market Participant for a Facility shall ensure that the Facility continues to meet the standards set out for Connection.

2.2.7.2, The Market Participant for a Facility shall promptly report to the NSPSO any change in the information that has been provided to the NSPSO for Facility registration.

2.2.8, Disconnection

Voluntary Disconnection

- 2.2.8.1, The Market Participant for a Facility may apply to the NSPSO for permission to Disconnect a Facility from the Transmission System.
- 2.2.8.2, The NSPSO shall promptly review any such application, and shall grant permission unless the Disconnection would jeopardise the Reliability of the Bulk Electricity Supply System or any Zone thereof.
- 2.2.8.3, In any case where Disconnection would jeopardise Reliability, the Market Participant and the NSPSO shall negotiate in good faith for the ongoing provision by the Facility of services necessary to maintain Reliability of the Bulk Electricity Supply System or any relevant Zone thereof until the NSPSO can reasonably secure an alternative means to maintain Reliability.

NSPSO-directed Disconnection

- 2.2.8.4, The NSPSO may direct the Disconnection of a Facility from the Transmission System or the Distribution System on an immediate basis if the NSPSO considers that its continued Connection immediately jeopardises Reliability of the Bulk Electricity Supply System or any Zone thereof.
- 2.2.8.5, The NSPSO may direct the Disconnection of a Facility from the Transmission System as a compliance action as described in section 2.6 below.
- 2.2.8.6, In any event of directed Disconnection, the Facility shall remain Disconnected from the Transmission System until the NSPSO is satisfied with the corrective action, and permits re-Connection.

2.3, Wholesale and Renewable to Retail Market Advisory Committee

2.3.1, Appointment of a Wholesale and Renewable to Retail Market Advisory Committee

2.3.1.1, The NSPSO shall establish a Wholesale and Renewable to Retail Market Advisory Committee (“Advisory Committee”), for the purpose of securing advice on matters relating to the Nova Scotia wholesale and Renewable to Retail electricity market, as detailed in Appendix 2C.

2.3.1.2, The NSPSO shall appoint persons to the Advisory Committee in accordance with the terms of reference set out in Appendix 2C.

2.3.1.3, The NSPSO may require any person appointed to the Advisory Committee to confirm agreement with the terms of reference set out in Appendix 2C.

2.3.2, Meetings and support

2.3.2.1, The NSPSO shall arrange meetings of the Advisory Committee:

- a) at least once in every calendar quarter unless waived by unanimous agreement of all members of the Advisory Committee; and
- b) additionally as required for the conduct of the business of the Advisory Committee.

2.3.2.2, The NSPSO shall provide the following support for the activities of the Advisory Committee as may be required from time to time for the due performance by the Advisory Committee of its functions:

- a) administrative services, including the use of the NSPSO’s support personnel where required;
- b) facilities for meetings of the Advisory Committee;
- c) relevant information held by the NSPSO and analytical support, but not including Confidential Information.

2.3.2.3, The NSPSO shall Publish notice of the agenda for and minutes of meetings held by the Advisory Committee and the recommendations and reports of the Advisory Committee. Such Publication shall be effected from time to time as required to provide timely notice of developments.

2.3.3, Conduct of business

2.3.3.1, Subject to the provisions of this section 2.3 and of Appendix 2C, the Advisory Committee may establish, and may from time to time amend, the procedures and processes in accordance with which it will perform its functions. These procedures and processes, and any amendments thereto, shall be Published by the NSPSO.

2.3.3.2, The Advisory Committee may consult with Market Participants and other interested persons in such manner and at such times as it considers appropriate for the due performance of its functions.

2.3.3.3, Subject to paragraph 2.3.3.4, the Advisory Committee may establish subcommittees or working groups comprised of such persons, including members of the Advisory Committee, as the Advisory Committee considers appropriate for the due performance of its functions.

2.3.3.4, Notwithstanding the establishment of a subcommittee or working group under paragraph 2.3.3.3, any recommendation respecting an amendment to the Market Rules or the review of a Market Procedure or of an Amendment to a Market Procedure shall be made by the Advisory Committee itself.

2.3.4, Confidentiality

2.3.4.1, Members of the Advisory Committee shall enter into such confidentiality agreement as may be required by the NSPSO. The NSPSO may, on an exceptional basis, disclose Confidential Information to the Advisory Committee where such disclosure is necessary for the due performance by the Advisory Committee of its functions, it being understood that in most instances the disclosure of Confidential Information will not be required for this purpose.

2.4, Administration of the Market Manual

2.4.1, General responsibility and authority

2.4.1.1, The NSPSO is responsible for maintaining and Publishing all components of the Market Manual, comprising Market Rules, standards, codes, Market Procedures and related documents.

2.4.1.2, The powers and responsibilities of the NSPSO as set out in this section are all subject to the authority retained by the Government of Nova Scotia in respect of, or associated with, changes in eligibility for participation in the markets.

2.4.2, Market Rules

2.4.2.1, Subject to paragraph 2.4.1.2, the NSPSO may amend the Market Rules in accordance with the process established under this sub-section 2.4.2, and subject to the jurisdiction of the Board which is described in sub-section 2.4.4.

2.4.2.2, The process for amending Market Rules shall:

- a) permit any person including the NSPSO to propose and request consideration of an amendment;
- b) provide evaluation of all proposed amendments in accordance with explicit criteria which reflect the object of the markets as set out in sub-section 1.1.2;
- c) require the NSPSO to designate any proposed amendment as urgent if so directed by the Board in accordance with paragraph 2.4.4.3;
- d) permit the NSPSO to designate any proposed amendment as urgent if, in the time taken to amend the Market Rules by the normal process and in the absence of an urgent rule amendment, either:
 - i) the Market Rules are in conflict with safety,
 - ii) there is a material threat to the Reliability of the Bulk Electricity Supply System or an Zone thereof that would be addressed by the urgent rule amendment, or

- iii) there is a material threat to the integrity of the markets that would be addressed by the urgent rule amendment;
- e) include prompt Publication of all amendment proposals, together with e-mail notification of such Publication to persons requesting such notification;
- f) include stakeholder consultations prior to the making of any amendment except an urgent amendment;
 - i) stakeholder consultation shall include the opportunity for Advisory Committee and other stakeholder comment on any non-urgent amendment,
 - ii) stakeholder consultation shall also include the opportunity for active Advisory Committee discussion of any material non-urgent amendment;
- g) include prompt Publication of stakeholder comments and of a record of Advisory Committee discussion, subject to the redaction of any information considered by the NSPSO to be Confidential;
- h) include the Publication of the NSPSO decision with supporting discussion of issues considered, opinions considered, and reasons for the conclusions reached, in respect of all proposed amendments;
- i) require Publication of amendments at least 30 days before they come into effect, except for urgent amendments which may come into effect immediately on Publication;
- j) permit accelerated Advisory Committee or stakeholder consultations prior to making any urgent rule amendment, and irrespective of any such accelerated stakeholder consultations, require stakeholder consultations including Advisory Committee discussions promptly to follow the coming into effect of any urgent amendment; and
- k) require that NSPSO confirm or revise any urgent amendment following the stakeholder consultations which must take place following an urgent

amendment; such confirmation or revision shall be subject to the same requirements for Publication and notice as apply to non-urgent amendments.

2.4.2.3, The NSPSO shall publish a Market Procedure describing its procedure for initiating, evaluating, stakeholdering, and making amendments to the Market Rules. This procedure shall:

- a) reflect the process defined in paragraph 2.4.2.2;
- b) include details for submission of proposed amendments, comments, etc; and
- c) the NSPSO shall include reference to the process by which a person may appeal to the Board in respect of any Market Rule amendment.

2.4.3, Standards, codes and Market Procedures

2.4.3.1, The NSPSO may establish or adopt and may amend standards, codes and Market Procedures defining technical requirements, detailed calculations, and processes contemplated by these Market Rules.

2.4.3.2, Subject to paragraph 2.4.3.3 the process for establishing or adopting and for amending standards, codes and Market Procedures (collectively identified in this paragraph as changes) shall:

- a) permit any person including the NSPSO to propose and request consideration of a change;
- b) provide for evaluation of all such proposals in accordance with the objects of the markets and the provisions of the Market Rules;
- c) recognise the authority of the Board;
- d) permit the NSPSO to designate any proposed change as urgent if it is required for the implementation of an urgent Market Rule amendment or if in the time taken to effect the change by the normal process and in the absence of an urgent change, either:

- i) the relevant standard, code or Market Procedure is in conflict with safety,
 - ii) there is a material threat to the reliability of the system that would be addressed by the urgent change, or
 - iii) there is a material threat to the integrity of the markets that would be addressed by the urgent change;
- e) include prompt publication of all proposals for changes, together with e-mail notification of such publication to persons requesting such notification;
- f) include stakeholder consultations prior to the making of all changes except urgent changes, where;
- i) stakeholder consultation shall include the opportunity for Advisory Committee and other stakeholder comment on all non-urgent changes, and
 - ii) stakeholder consultation may also include the opportunity for active Advisory Committee discussion of those non-urgent changes considered to have particular materiality to all or some Market Participants;
- g) require Publication of changes sufficiently in advance of their effective date to permit Market Participants to modify their systems and processes accordingly;
- h) require stakeholder consultation including Advisory Committee discussion promptly to follow the coming into effect of any urgent change; and
- i) permit the NSPSO to confirm or revise any urgent change following such stakeholder consultations.

2.4.3.3, The provisions of paragraph 2.4.3.2 are not applicable to the establishment or adoption of standards, codes and Market Procedures made before 1 month after the coming into effect of the Market Rules.

2.4.3.4, Each standard, code and Market Procedure shall indicate the NSPSO contact person responsible for the administration of that document.

2.4.4, Board intervention

2.4.4.1, In recognition of the Board's authority, the coming into effect of

- a) any non-urgent Market Rule amendment,
- b) any non-urgent establishment, adoption or amendment of a standard, code or Market Procedure,
- c) any revision of an urgent Market Rule amendment, or
- d) any revision of an urgently established, adopted or amended standard, code or Market Procedure,

shall immediately be stayed by the NSPSO if so ordered by the Board on its own motion or as a result of a person's appeal to the Board.

2.4.4.2, The NSPSO shall reconsider or cancel any Market Rule amendment or standard, code or Market Procedure or amendment thereto if so ordered by the Board on its own motion or as a result of a person's appeal to the Board.

2.4.4.3, The NSPSO shall amend any Market Rule or standard, code or Market Procedure if so ordered by the Board as a result of a conflict with either the provisions of the Legislation and Regulations, the reliable operation of the transmission system, or the provisions of a tariff approved by the Board.

2.4.4.4, The NSPSO shall include in the Market Procedure described in paragraph 2.4.2.3 a reference to the process by which a person may appeal to the Board in respect of any Market Rule amendment.

2.5, Temporary Waiver of Market Rules obligations

2.5.1, Granting of a Temporary Waiver

2.5.1.1, The NSPSO may grant a Temporary Waiver of a Market Rule to itself, or to a single Market Participant or a group of Market Participants if the NSPSO

considers that the particular application of the Market Rule is inconsistent with the object of the markets.

2.5.1.2, Such a Temporary Waiver may be granted in respect of a single Facility or a group of Facilities.

2.5.1.3, The NSPSO may in granting a Temporary Waiver impose conditions, the breach of which would render the Temporary Waiver cancelled.

2.5.1.4, Such a Temporary Waiver may be granted for any period up to 12 months.

2.5.1.5, A Market Participant may apply for extension of a Temporary Waiver up to a total including the original period of 24 months in order to allow time to implement a specific remedy.

2.5.1.6, There shall otherwise be no provision for renewal or extension of a Temporary Waiver.

2.5.2, Publication of a Temporary Waiver

2.5.2.1, The NSPSO shall publish details of any Temporary Waiver, including the reason for its decision to grant such a Temporary Waiver.

2.5.3, Appeal of Temporary Waiver

2.5.3.1, Any Market Participant may appeal to the NSPSO for review of any Temporary Waiver.

2.5.3.2, On receipt of such appeal, the NSPSO shall advise the Market Participant(s) granted the Temporary Waiver and shall provide an opportunity for that Market Participant(s) to provide additional information in response to the appeal.

2.5.3.3, The NSPSO shall then promptly review the Temporary Waiver, taking account of information provided by the appellant and by the Market Participant(s) granted the Temporary Waiver, and shall Publish its decision.

2.5.3.4, These Market Rules do not affect the rights of any Market Participant not satisfied by such review to appeal the Temporary Waiver to the Board.

2.5.3.5, These Market Rules do not affect the rights of any Market Participant to appeal directly to the Board in respect of a Temporary Waiver granted to the NSPSO, without the need for prior review by the NSPSO.

2.5.3.6, The NSPSO shall implement any order of the Board acting either on its own motion or as a result of a person's appeal to the Board, with respect to a Temporary Waiver.

2.5.4, Interaction with Market Rule amendments, tariffs, and Board orders

2.5.4.1, The NSPSO or a Market Participant may in accordance with subsection 2.4 propose an amendment to the Market Rules or any standard, code or Market Procedure invoked by the Market Rules for the purposes of making permanent, or making general, any Temporary Waiver.

2.5.4.2, The NSPSO's power to grant a Temporary Waiver shall not be used in conflict with any recent amendment to the Market Rules except where the particular impact of the amendment was unforeseen with respect to the matter of the Temporary Waiver.

2.5.4.3, The NSPSO's power to grant a Temporary Waiver shall not extend to provisions of any tariff approved by the Board or any order of the Board.

2.5.5, Market Procedure

2.5.5.1, The NSPSO may issue a Market Procedure governing the application process and other processes in respect of Temporary Waivers.

2.6, Compliance, and remedies for non-compliance

2.6.1, Compliance obligations

2.6.1.1, The NSPSO and each Market Participant is responsible to comply with these Market Rules at all times, and to maintain the management and systems to achieve such compliance.

2.6.2, Notice of inability to comply

- 2.6.2.1, In the event that the NSPSO identifies that it has failed to comply with a Market Rule, or will be unable to comply with a Market Rule, it shall promptly notify every affected Market Participant.
- 2.6.2.2, In the event that a Market Participant identifies that it has failed to comply with a Market Rule, or will be unable to comply with a Market Rule, it shall Promptly notify the NSPSO.

2.6.3, Graduated compliance actions

- 2.6.3.1, In the event that the NSPSO identifies that a Market Participant may have failed to comply with a Market Rule the NSPSO may communicate informally with the Market Participant to seek clarification of the circumstance.
- 2.6.3.2, Unless any such informal clarification indicates that there was no non-compliance, the NSPSO shall give notice of any alleged non-compliance to the Market Participant.
- 2.6.3.3, The NSPSO shall provide reasonable opportunity for the Market Participant to provide clarification of its actions and, if appropriate, any steps proposed to prevent recurrence.
- 2.6.3.4, In the event that the NSPSO then determines that there has been an event of non-compliance, the NSPSO shall give notice to the Market Participant of the non-compliance. Such notice shall include details of any actions being taken under any of paragraph 2.6.3.4 to 2.6.3.6.
- 2.6.3.5, In the event of a financial default by a Market Participant, the NSPSO may also require additional credit support, failing which the NSPSO may impose conditions on or may Suspend all or some of the Market Participant's activity.
- 2.6.3.6, In the event of either repeated non-compliance, or of major non-compliance that has jeopardised the Reliability of the Bulk Electricity Supply System or the integrity of the markets, the NSPSO may impose conditions on or may Suspend all or some of the Market Participant's activity, and may also direct that one or

more Facilities involved in the non-compliance be Disconnected from the Transmission System.

2.6.3.7, In addition to the remedies set out in paragraph 2.6.3.6, the NSPSO may assess and impose a financial penalty in accordance with guidelines set out in Appendix 2.B of these Market Rules.

2.6.3.8, In the event that a Market Participant demonstrates material disregard of its obligations by repeated financial defaults or major non-compliances, the NSPSO may Terminate the market participation rights of that Market Participant.

2.6.3.9, Suspension or Termination shall only come into effect following notice by the NSPSO to the Market Participant, and a reasonable opportunity for the Market Participant to be heard by the NSPSO all as provided for in a Market Procedure which will have due regard for terms of the Transmission Tariff.

2.6.3.10, In the event of Disconnection, the NSPSO shall provide notice and an opportunity to be heard but, if the NSPSO considers that delay in effect of Disconnection would jeopardise Reliability of the Bulk Electricity Supply System or a Zone thereof, the Disconnection shall, in accordance with the powers of the Transmission Provider under the Transmission Tariff and related agreements, have immediate effect pending such hearing.

2.6.3.11, In the event of direction from the Board following appeal by a Market Participant, the NSPSO shall grant such temporary relief or modify financial penalties, Suspension, Termination or Disconnection as directed by the Board.

2.7, Market Monitoring

2.7.1, Market monitoring responsibilities

2.7.1.1, The NSPSO shall collect, maintain and analyse data necessary for monitoring the operation of the markets.

2.7.1.2, The NSPSO shall provide to the Board the data and analysis directed by the Board for purposes of the Board's market surveillance.

2.7.1.3, The NSPSO shall perform or assist in any investigations directed by the Board.

2.7.1.4, The NSPSO is under no obligation to disclose to a Market Participant the existence of any analysis or any Board-directed investigation it is undertaking.

2.7.1.5, In the event that the Board directs the NSPSO to provide data held by a Market Participant and not by the NSPSO, the NSPSO shall direct the relevant Market Participant to provide the data direct to the Board.

2.7.1.6, The NSPSO may in the course of its operations identify concerns, anomalies or apparent abuses of the markets, in which case it shall report these to the Board for its consideration and any action.

2.7.2, Market Participant obligations

2.7.2.1, In then event that the NSPSO directs the provision of additional information to the Board for purposes of the Board's market surveillance, the Market Participant shall Promptly provide such information direct to the Board, in the form specified by the Board.

2.7.2.2, The Market Participant may identify information as confidential.

2.7.2.3, In the event of any dispute about the need for certain information, the Market Participant may seek to resolve this directly with the Board.

2.8, Disputes

2.8.1, Correction of errors

2.8.1.1, Any Market Participant or the NSPSO shall, promptly on identifying any apparent error, notify other impacted parties to seek correction.

2.8.2, Dispute resolution procedures

2.8.2.1, Except as otherwise provided in respect of metering disputes, any disputes under the Market Rules shall be subject to the dispute resolution procedures set out in the Transmission Tariff. In particular:

- a) internal dispute resolution, Transmission Tariff section 12.1;
- b) external arbitration resolution, Transmission Tariff section 12.2;
- c) arbitration decisions, Transmission Tariff section 12.3;
- d) costs, Transmission Tariff section 12.4; and
- e) rights under the *Public Utilities Act*, Transmission Tariff section 12.5

2.9, Confidential Information and Market Information

2.9.1, General confidentiality requirements

2.9.1.1, Each Market Participant and the NSPSO shall keep confidential all Confidential Information that it receives, and shall establish procedures that will protect the confidentiality of such Confidential Information and prevent its distribution other than to those individuals requiring access to such information in the fulfilment of their responsibilities.

2.9.1.2, The NSPSO's procedures shall comply with the requirements of the Standards of Conduct attached to the Transmission Tariff.

2.9.1.3, Except as permitted under paragraph 2.9.2.2, any Market Participant or the NSPSO that is required by law to disclose Confidential Information to a third party shall, before making such disclosure, notify the originator of the Confidential Information and, to the extent permitted by such law, provide an opportunity for the originator to intervene to stop or limit such disclosure.

2.9.1.4, These general confidentiality requirements are supplemented in respect of Connected Generating Facilities by the specific requirements of the Generator Interconnection Agreement.

2.9.2, Provision of data to the Board

2.9.2.1, The NSPSO shall file with the Board all Market Rules, all Market Procedures, standards and codes given force by the Market Rules, and all amendments thereof.

2.9.2.2, The NSPSO may, without notice to any Market Participant, provide to the Board any Confidential Information directed by the Board to be provided for purposes of market surveillance or investigation.

2.9.3, Accidental disclosure

2.9.3.1, In the event that any Market Participant or the NSPSO accidentally discloses Confidential Information to another party (including to its unauthorised employees), it shall immediately notify the originator of the Confidential Information and shall collaborate in limiting and mitigating the impact of such accidental disclosure.

2.9.3.2, If the party making accidental disclosure is the NSPSO or any division of NSPI, then actions shall be governed by the Standards of Conduct attached to the Transmission Tariff.

2.9.4, Publication

2.9.4.1, The NSPSO shall Publish certain market information. This shall include information identified for Publication in these market rules, and may include additional reports, notices and aggregated market information as the NSPSO considers appropriate.

2.9.4.2, Such Publication shall be prompt, taking into account the nature of the information to be Published.

2.9.5, Market information

2.9.5.1, Confidential Information in respect of market administration generally includes:

- a) credit support requirements and fulfillment thereof;
- b) compliance actions other than those listed in paragraph 2.9.5.2; and
- c) details of dispute resolution, other than those listed in paragraph 2.9.5.2.

2.9.5.2, The NSPSO shall Publish information in respect of market administration including:

- a) Market Participant list including for each the classes of participation, and addresses for business contacts and the service of notice;
- b) Temporary Waivers;
- c) compliance actions comprising one or more of:
 - i) imposing conditions on, or suspending or limiting, market participation by a Market Participant,
 - ii) imposing a financial penalty,
 - iii) Disconnecting a Facility, and
 - iv) Terminating market participation rights of a Market Participant;
- d) the existence of external dispute resolution process and identities of the parties; and
- e) the outcome of external dispute resolution including identities of the parties, the matter of the dispute and the outcome.

Appendix 2C

Wholesale and Renewable to Retail Market Advisory Committee

Terms of Reference

2C.1 Purpose and scope of Advisory Committee

2C.1.1, The Advisory Committee is established to provide advice to the NSPSO in matters concerning the Nova Scotia wholesale and Renewable to Retail electricity markets, and in particular:

- a) The Advisory Committee will be the primary but not exclusive forum for:
 - i) active consultation with stakeholders on proposed amendments to Market Rules, as required in paragraph 2.4.2.2 (f) and as required following an urgent amendment in paragraph 2.4.2.2 (j);
 - ii) any accelerated consultation with stakeholders on proposed amendments to Market Rules, as permitted in respect of urgent Market Rule amendments in paragraph 2.4.2.2 (j);
 - iii) any active consultation with stakeholders on proposed establishment, adoption or amendment to standards, codes or Market Procedures, as permitted in paragraph 2.4.3.2 (e) and paragraph 2.4.3.2 (g), and on the electronic interface systems used by Market Participants;
 - iv) any active consultation with stakeholders on other wholesale and Renewable to Retail electricity market issues identified by the NSPSO or introduced by committee members or other stakeholders.
- b) The Advisory Committee will at the discretion of the NSPSO provide an opportunity for discussion of matters relating to the implementation of the Transmission Tariff or of possible changes to the Transmission Tariff that are under consideration by the NSPSO in preparation for application to the Board.

2C.1.2, The Advisory Committee is excluded from consideration of individual participant transactions with the NSPSO except to the extent that such consideration is a necessary and appropriate illustration in the context of paragraph 2C 1.1.

2C.1.3, The Advisory Committee is excluded from consideration of matters of Government or Board jurisdiction except to the extent that the Government or the Board requests consideration by the Advisory Committee of a particular matter.

2C.2 Membership

2C.2.1, Membership of the Advisory Committee shall comprise

- a) one representative of the NSPSO who shall be chair;
- b) one representative of NSPI PP;
- c) one representative of NSPI Customer Service;
- d) one representative of independent generators;
- e) one representative of those eligible to be Market Participants as wholesale loads; and
- f) one representative of those otherwise eligible to be Transmission Customers.

2C.2.2, The Nova Scotia Department of Energy (“Department of Energy”) and the Board may each appoint an observer to the Advisory Committee.

2C.2.3, Each member and observer may have one alternate who may attend and participate in any meeting in place of the member or observer.

2C.2.4, The members appointed under sub-paragraphs 2C.2.1 (a), (b) and (c) may be referred to as the NSPI members.

2C.2.5, The members appointed under sub-paragraphs 2C.2.1 (d), (e) and (f) may be referred to as the independent members.

2C.3 Appointment and term

2C.3.1, The NSPSO shall nominate and appoint its representative and any alternate.

2C.3.2, The NSPSO shall appoint a representative of each of NSPI PP and NSPI Customer Service as nominated by each of those NSPI divisions, and any alternates similarly nominated.

2C.3.3, The NSPSO shall appoint a member representing each other group in accordance with nomination by the Department of Energy, and any alternate similarly nominated.

2C.3.4, In the event that the Department of Energy makes no nomination of a member, an alternate, or both, that position shall remain vacant until such time as the Department of Energy makes such nomination.

2C.3.5, Subject to paragraphs 2C.3.6 to 2C.3.11, each member of the Advisory Committee and each alternate shall be appointed for a term of 3 years and shall be eligible for reappointment for one or more additional terms of no more than three years each. In no event shall a member of the Advisory Committee or alternate, other than the representative of the NSPSO, be eligible for reappointment for any period that would result in the person holding office:

- a) as member for a period of more than 7 years
- b) as alternate for a period of more than 7 years
- c) as member and alternate combined for a period of more than 10 years

2C.3.6, The term of a member of Advisory Committee or alternate appointed to replace a member or alternate whose term had not yet expired shall be the unexpired term of the predecessor member or alternate.

2C.3.7, The term of a member of the Advisory Committee or alternate appointed under paragraph 2C.3.4 after the commencement of the intended term shall be the unexpired portion of the intended term.

2C.3.8, In order that the terms of appointment be staggered, the initial terms of appointment of each initial member of the Advisory Committee and their alternates shall be as follows:

- a) for each member and alternate appointed in accordance with subparagraphs 2C.2.1 (a), (b) and (e), 3 years; and
- b) for each member and alternate appointed in accordance with subparagraphs 2C.2.1 (c), (d) and (f), 18 months.

2C.3.9, A member of the Advisory Committee or alternate ceases to hold office when he or she:

- a) dies;
- b) resigns;
- c) for each NSPI member and alternate, when he or she cease to be employed or engaged by the NSPSO or relevant division of NSPSI; or
- d) is removed in accordance with section 2C.3.9.

2C.3.10, An independent member or alternate whose employment or other circumstances changes shall promptly

- a) notify the Advisory Committee;
- b) notify the Department of Energy;
- c) provide to the Department of Energy information that will enable the Department of Energy to determine whether the member or alternate can continue adequately to represent the interests for which he or she was appointed; and
- d) unless the Department of Energy confirms that it considers that the member or alternate can continue adequately to represent the interests for which he or she was appointed, resign from the appointment to the Advisory Committee.

2C.3.11, The NSPSO may remove any member of the Advisory Committee or alternate from office:

- a) for cause, including a breach of fiduciary duty or confidentiality; or
- b) where the person ceases to be qualified in accordance with sub-section 2C.4.

2C.3.12, In the event of any actual or forthcoming vacancy on the Advisory Committee, the NSPSO shall notify the NSPI division responsible or the Department of Energy as appropriate in order to secure the nomination of a replacement member or alternate.

2C.3.13, In the event of vacancy of a membership of the Advisory Committee, the alternate for that position shall act as member pending the appointment of a replacement member. Unless precluded by paragraph 2C.3.4, the alternate shall be eligible for nomination as the replacement member.

2C.4 Qualifications of members and alternates

2C.4.1, Each member and alternate is expected to:

- a) understand the business of, and be capable of representing the interests of, the organisation or group that he or she is appointed to represent;
- b) develop an understanding of the operation of the wholesale and Renewable to Retail electricity markets, with an appreciation of the technical considerations that underlie the operation of the Bulk Electricity Supply System;
- c) commit the time and effort necessary to participate fully as a member, or sufficiently as an alternate; and
- d) be free of material conflicts of interest that would preclude or limit full participation and representation.

2C.4.2, The following persons are not qualified for appointment to the Advisory Committee, either as member or alternate:

- a) any person less than 18 years of age;
- b) any person of unsound mind, having been so found by a court in Canada or elsewhere;
- c) any person who is not an individual;
- d) any person who has the status of a bankrupt;
- e) any person who is an employee of the Government of Nova Scotia, and
- f) any person who is disqualified by section 2C.4.3.

2C.4.3 A person shall not be appointed to the Advisory Committee as an independent member or alternate if the person is a director, officer, employee or other representative of a person who has, or whose Affiliate has, a director, officer, employee or other representative who is a member of the Advisory Committee or alternate, except that this provision shall not apply in respect of a member and alternate representing the same group.

2C.5 Procedures and processes

2C.5.1, In accordance with paragraph 2.3.3.1, the Advisory Committee may establish, and may from time to time amend, the procedures and processes in accordance with which it will perform its functions.

2C.5.2, The Advisory Committee shall give due regard to the reasonable needs of its members with respect to notice of meetings, as well as to the occasional need for expedited meetings to address issues in a timely manner.

2C.5.3, The adoption of procedures and processes requires the consent of the majority of the committee, including at least half of the independent members (or if appropriate their alternates).

2C.5.4, The Advisory Committee shall recognise the advisory nature of the committee's purpose and scope, and shall therefore provide for the recording and reporting of dissenting views as well as of consensual conclusions.

2C.6 Meetings

- 2C.6.1, Meetings shall take place in Halifax, in facilities to be provided by the NSPSO.
- 2C.6.2, Meetings will normally be held in private, with administrative support provided by the NSPSO and with the support and assistance of experts as necessary. The chair may determine that all or part of a meeting should be open to wider observation or wider participation within the context of broader stakeholding of an issue.
- 2C.6.3, The business of meetings is generally not confidential, but the chair may identify material confidentiality relating to certain issues or information, in which case all members and other attendees shall be bound by such confidentiality.
- 2C.6.4, Members of the Advisory Committee are expected to make all reasonable efforts to participate in all meetings but, if they are unable to participate, may be represented by their alternates.
- 2C.6.5, Department of Energy and Board observers shall be invited to observe meetings, and may at the discretion of the chair be invited to make comment on matters under discussion.
- 2C.6.6, Meeting notices, agendas, preparatory materials, presentation materials and minutes will be made public subject to redaction in the unusual event of confidentiality requirements.
- 2C.6.7, The committee will establish its own processes to govern issues such as telephone participation, non-member presentations, declaration of conflicts, etc.

2C.7 Remuneration and expenses

- 2C.7.1, There is no remuneration for membership or participation in the Advisory Committee.
- 2C.7.2, Each member and alternate is responsible for his or her own expenses arising from membership and participation.
- 2C.7.3, These provisions do not limit members' or alternates' arrangements with their employers or the groups they represent.

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules Appendix 2C, Terms of Reference

3, Reliability Planning Requirements

3.0, Description

This chapter sets out the reliability-related obligations of all parties in the planning timeframe. These rules apply to the NSPSO, to NSPI transmission, and to Market Participants who are responsible for Facilities registered in the market, and to Connection Applicants.

3.1, Reliability planning responsibilities

3.1.1, NSPSO responsibilities

3.1.1.1, The NSPSO is responsible within NSPI for directing the Reliable operation of the Bulk Electricity Supply System in Nova Scotia in fulfillment of NSPI's obligations under:

- a) the Legislation and Regulations;
- b) orders of the Board, including in respect of General Reliability Standards, (including policies and codes) prescribed by such orders;
- c) except as superseded by order of the Board, NSPI's membership agreement in NPCC, the General Reliability Standards, (including policies and codes) associated therewith: and
- d) NSPI's interconnection agreement with the New Brunswick System Operator (NBSO), including in particular those obligations arising in support of the NBSO's function as Reliability Coordinator for the interconnected system in the Maritime region.

3.1.1.2, The NSPSO is responsible for:

- a) fulfillment of its obligations under the Market Rules;
- b) identification of any amendments to Market Rules or changes in standards, codes and Market Procedures required to reflect changes in

General Reliability Standards, (including policies and codes), and the Maritime region requirements; and

- c) general planning and coordination for the Reliability of the Bulk Electricity Supply System.

3.1.2, Other NSPI division responsibilities

3.1.2.1, NSPI PP, NSPI Customer Operations and NSPI Customer Service divisions are responsible within NSPI for their respective obligations arising from:

- a) the Legislation and Regulations;
- b) orders of the Board, including in respect of general reliability standards, (including policies and codes) prescribed by such orders;
- c) except as superseded by order of the Board, NSPI's membership agreement in NPCC, and the General Reliability Standards, (including policies and codes) associated therewith;
- d) NSPI's interconnection agreement with the NBSO,
- e) the Market Rules.

3.1.3, Other Market Participant responsibilities

3.1.3.1, Other Market Participants are responsible for their compliance with:

- a) the Market Rules;
- b) orders of the Board, including in respect of General Reliability Standards, (including policies and codes) prescribed by such orders; and
- c) except as superseded by order of the Board, the General Reliability Standards, (including policies and codes) established by NERC and NPCC.

3.2, Technical Standards

3.2.1, General Reliability Standards

3.2.1.1, General Reliability Standards are those established by NERC, NPCC or by order of the Board, and include all associated policies and codes.

3.2.2, Specific standards

3.2.2.1, The NSPSO may establish technical standards under its authority in section 1.5.

3.2.2.2, Such standards may address the application of General Reliability Standards in Nova Scotia, or may address other matters pertaining to the operation of the Bulk Electricity Supply System or of the wholesale and Renewable to Retail electricity markets.

3.2.2.3, The NSPSO may amend such technical standards in accordance with the process described in section 2.4.

3.2.2.4, No such technical standard or amendment shall be in conflict with the General Reliability Standards.

3.2.2.5, The NSPSO shall Publish all such technical standards, and shall Publish a list of such standards including the latest revision date of each.

3.2.2.6, Market Participants are responsible for the compliance of their Facilities with such standards established by the NSPSO, except as permitted by Temporary Waiver granted in accordance with section 2.5.

3.2.2.7, The NSPSO may also incorporate technical standards into the standard Generator Interconnection Agreement or the Network Operating Agreement attached to the Transmission Tariff. Responsibility for compliance with such standards is established in those agreements.

3.3, Forecasts and assessments

3.3.1, Timing and scope of forecasts and assessments

3.3.1.1, The NSPSO shall make and Publish 18 month forecasts and assessments of system capacity and adequacy by the end of each April and October each year for the periods starting in May and November respectively. This 18 month forecast and assessment shall have an 18 month time horizon and weekly granularity. This 18 month forecast and assessment is intended to provide a basis for outage planning and coordination, and for medium term Market Participant operational planning.

3.3.1.2, The NSPSO shall file with the Board its 10 year energy and demand forecast by the end of April each year for the 10 year period beginning in the following January.

3.3.1.3, The NSPSO shall make and Publish its 10 year forecast and assessment of system capacity and adequacy by the end of June each year for the period beginning in the following January. This 10 year forecast and assessment shall have a 10 year time horizon and monthly granularity. This 10 year forecast and assessment shall contain the information necessary to provide a basis for identification of system-wide or location-specific shortfalls in capability as a basis for planning investment in DSM, generation and transmission.

3.3.1.4, The NSPSO shall, jointly with the NBSO and Maritime Electric Company Limited, prepare a triennial “5 year assessment” of the Maritime area in accordance with the requirements of the General Reliability Standards.

3.3.2, Inputs from others

3.3.2.1, The NSPSO shall perform all of these forecasts and assessments with inputs from NSPI Customer Operations in respect of the Transmission System, Generation Market Participants, Load Market Participants, Licenced Retail Supplier Market Participants, and Connection Applicants.

3.3.2.2, The NSPSO shall specify to Market Participants and Connection Applicants, directly or in a Market Procedure, the information it requires and the date by which it requires such information.

3.3.2.2, Market Participants and Connection Applicants shall provide the required information to the NSPSO by the dates specified.

3.3.3, Content of forecasts and assessments

3.3.3.1, The forecasts will reflect the NSPSO's expectations of firm and interruptible demand and energy requirements taking account of information provided by others and of established DSM programs, and may reflect a range of such expectations.

3.3.3.2, The assessments will reflect the requirement to maintain reserves at the level required of NSPI as its contribution to Maritime area fulfillment of the General Reliability Standards.

3.3.3.3, The assessments will reflect the impacts of transmission and generation investments committed in accordance with approved NSPI system plans, generation and DSM investments committed by Market Participants and planned retirements or capability changes advised to the NSPSO.

3.3.3.4, The 18 month assessments will reflect the Outage Plans of NSPI Customer operations in respect of the Transmission System and of other Market Participants in respect of Generating Facilities as notified to the NSPSO.

3.3.3.5, The 10 year assessments will indicate the needs for new investments and the extent to which existing plans and Connection Applications would satisfy such needs.

3.3.4, Imports, exports and Export Generating Facilities

3.3.4.1, The NSPSO shall, subject to its being satisfied as to the nature of the commitments, take account in its assessments of long term firm import contracts that are backed by firm transmission rights or reservations as contributing to the Adequacy of the Bulk Electricity Supply System.

3.3.4.2, The NSPSO shall take account of long term firm export contracts as adding to its energy and demand forecasts.

3.3.4.3, The NSPSO shall reflect in its forecasts and assessments the offsetting effects with respect to energy and demand (but not necessarily with respect to transmission or Ancillary Services) of an Export Generating Facility and its associated export contract.

3.4, NSPSO system planning

3.4.1, Responsibility of the NSPSO

3.4.1.1 The NSPSO is responsible for the preparation of the NSPSO system plan and the coordination of inputs thereto. The NSPSO shall specify information needed from NSPI divisions and other Market Participants and Connection Applicants, shall set the deadlines for submission of such information, and shall establish the parameters and methodology to be used in evaluation of alternatives.

3.4.1.2, The NSPSO shall reflect in the NSPSO system plan the information received from NSPI divisions and from other Market Participants and Connection Applicants.

3.4.1.3, The NSPSO shall evaluate the information received from NSPI divisions and from other Market Participants and Connection Applicants in order to develop the NSPSO system plan.

3.4.1.4, Nothing in these Market rules or the NSPSO system plan affects the requirement for capital expenditure approval by the Board pursuant to the provisions of the *Public Utilities Act*.

3.4.2, Scope of the NSPSO system plan

3.4.2.1, The NSPSO system plan will address:

- a) transmission investment planning;

- b) DSM programs operated by NSPI Customer Service division or others;
- c) NSPI generation planning for existing Facilities, including retirements as well as investments in upgrades, refurbishment or life extension;
- d) new Generating Facilities committed in accordance with previous approved NSPSO system plans;
- e) new Generating Facilities planned by Market Participants or Connection Applicants other than NSPI;
- f) requirements for additional DSM programs and / or generating capability (for energy or ancillary services), and
- g) load transitioning to non-NSPI supply.

3.4.3, Planning horizon and scope

3.4.3.1, The purpose of the plan is to set out planned system developments, and to identify particular major investment decisions and other investment plans which are expected to be subject to Board approval, and that would require to be approved by the Board within 18 months of plan completion date, within the context of the system requirements over at least the next 10 years.

3.4.3.2, The plan shall include identification of explicit major decisions to undertake certain investments, and of implicit decisions which may constrain options for future decisions.

3.4.3.3, The plan shall include all significant transmission system upgrades that are planned or expected to be required in service within 5 years of the plan completion date.

3.4.4, Planning criteria

3.4.4.1, In developing its system plan the NSPSO shall have due regard to:

- a) reliability of the Bulk Electricity Supply System including in particular its Adequacy in accordance with General Reliability Standards;

- b) compliance with environmental legislation and regulations; and
- c) economic evaluation of options.

3.4.4.2, The NSPSO shall not discriminate amongst options on the basis of ownership.

3.4.5, Confidentiality, Publication and Board process

3.4.5.1, The NSPSO shall submit the draft NSPSO system plan to the Board for the Board's public comment process and for any Board review, and shall at the same time Publish the plan.

3.4.5.2, NSPI PP or Market Participants or Connection Applicants for proposed new generation projects may request to NSPSO that certain information be treated as Confidential Information if its Publication would be expected to be prejudicial to commercial interests beyond the context of the NSPSO system plan.

3.4.5.3, NSPSO shall evaluate any such request for confidentiality and shall:

- a) determine the extent of such information essential to enable readers to understand the NSPSO system plan and the evaluation of options undertaken in preparation of that plan;
- b) inform the provider of the information the details of information that the NSPSO considers to be thus an essential part of the Published system plan;
- c) seek to resolve any difference of opinion over appropriate confidentiality with the provider of the information; and
- d) include essential information in the Publication of the NSPSO system plan.

3.4.5.4, The NSPSO shall file additional supporting Confidential Information with the Board as an appendix to the draft NSPSO system plan, including the request from the relevant party that the Board treat this information as confidential.

3.4.5.5, Following the completion of the Board's public comment process and of any review by the Board, the NSPSO may update the plan and shall publish the final version of the NSPSO system plan.

3.4.6, Timelines

3.4.6.1, Subject to any contrary order of the Board, the NSPSO shall submit the draft NSPSO system plan to the Board for the Board's public comment process and for any Board review, and shall Publish the draft plan each year by the end of June.

3.5, Outage management

3.5.1, Responsibilities and basic obligations

3.5.1.1, The NSPSO shall coordinate Transmission System and Generating Facility Outages to maintain the Reliability of the Bulk Electricity Supply System, including in particular the Adequacy of the system.

3.5.1.2, Except as noted in paragraphs 3.5.1.3 and 3.5.1.4, NSPI Customer Operations in respect of the Transmission System and Generation Market Participants in respect of their Generating Facilities shall not undertake any Outage except a Forced Outage, without:

- a) NSPSO approval of the Outage Plan, and
- b) NSPSO approval to commence the Outage.

3.5.1.3, The Generation Market Participant for an Export Generating Facility shall advise the NSPSO of its Outage Plans in respect of such Export Generating Facility, and may undertake such planned Outages subject to only the normal requirement for approval to De-synchronize as set out in section 4.7.

3.5.1.4, The Generation Market Participant for an Minor Generating Facility shall advise the NSPSO of its Outage Plans in respect of such Minor Generating Facility, and may undertake such planned Outages in accordance with such notification.

3.5.2, Outage coordination principles

3.5.2.1, The NSPSO shall coordinate and approve Outage Plans in accordance with the following principles:

- a) The NSPSO shall not approve any Outage Plan that would jeopardise the Reliability of the Bulk Electricity Supply System or any Zone thereof except to the extent that this is unavoidable.
- b) The NSPSO shall seek to facilitate coordination of Outage Plans among the NSPI Customer Operations in respect of the Transmission System, and Generation Market Participants, subject to confidentiality constraints and the willingness of the NSPI Customer Operations in respect of the Transmission System and of Generation Market Participants.
- c) In facilitating coordination among NSPI Customer Operations in respect of the Transmission System and Generation Market Participants, the NSPSO shall support efforts to optimise economic as well as Reliability impacts.
- d) The NSPSO shall not discriminate amongst Facility Outage Plans on the basis of Facility ownership or Generating Market Participant.

3.5.3, Outage coordination process, and Outage Plan approval and rejection

3.5.3.1, The NSPSO shall establish the process for coordination and approval of Outage Plans in accordance with the following framework, and shall publish a Market Procedure setting out this process.

3.5.3.2, The NSPSO shall publish a calendar setting out deadlines for each stage in the annual Outage planning cycle, including the “year” to which it applies.

Equipment, Facility and Outage classification

3.5.3.3, The NSPSO shall include in its Market Procedure the classification for Outage planning purposes of transmission circuits and elements, and Generating

Facilities and elements, into those having major, intermediate or only local impact.

3.5.3.4, The NSPSO shall include in its Market Procedure the classification of Outages depending on classification of the equipment or Generating Facility and the planned duration of the Outage.

Information required

3.5.3.5, The NSPSO shall include in its Market Procedure the information to be included in an Outage Plan submission, which shall include information relating to the opportunity for recall.

Annual Outage planning cycle

3.5.3.6, The NSPSO annual Outage planning cycle shall comprise:

- a) NSPI Customer Operations shall Publish its preliminary plan for at least all major and to the extent known, intermediate, Outages in the Transmission System.
- b) NSPI PP and other Generation Market Participants for Generating Facilities shall advise the NSPSO of their preferred Outage Plans for all major and to the extent known, intermediate, Outages, as well as any identified conflicts with the preliminary Transmission System Outage Plan.
- c) NSPI Customer Operations shall communicate with Load Market Participants, with other wholesale customers of NSPI, and with other large customers of NSPI in order to identify any conflicts between such parties' requirements and the preliminary Transmission System Outage Plan, and shall advise the NSPSO of any consequent changes to its preliminary Transmission System Outage Plan.
- d) The NSPSO shall review the preliminary Transmission System Outage Plan and the Generating Facility Outage Plans, and shall identify any Outage Plans:

- i) that cannot be approved without avoidable jeopardy to the Reliability of the Bulk Electricity Supply System or any Zone thereof;
 - ii) for which approval would be contingent on the ability to recall the equipment or Generating Facility from Outage; or
 - iii) for which better coordination would be expected to result in less economic loss.
- e) The NSPSO shall notify NSPI Customer Operations in respect of the Transmission System, NSPI PP and other impacted Generation Market Participants, of any of their Outage Plans that cannot be approved and of those Outage Plans that could be better coordinated.
- f) To the extent permitted by the respective Generation Market Participants (including NSPI PP) the NSPSO shall seek to mediate or to facilitate discussion amongst the impacted parties.
- g) NSPI Customer Operations in respect of the Transmission System and Generation Market Participants (including NSPI PP) may submit revised Outage Plans.
- h) The NSPSO shall review the revised Transmission System and Generating Facility Outage Plans, and shall identify and reject any Outage Plans that cannot be approved without avoidable jeopardy to the Reliability of the Bulk Electricity Supply System or any Zone thereof. .
- i) The NSPSO shall approve all Outage Plans that can be approved without avoidable jeopardy to the Reliability of the Bulk Electricity Supply System or any Zone thereof.
- j) In the event of conflict between Outage Plans, the NSPSO shall reject first that Outage Plan for which NSPI Customer Operations in respect of the Transmission System or the Generation Market Participant has shown the least commitment to collaborative rescheduling.
- k) In the event that, in the judgment of the NSPSO, the impacted parties are equally committed to collaborative re-scheduling, the NSPSO shall reject

first the Outage Plan whose rejection would in its opinion have the least total economic impact.

- l) The NSPSO may make its approval of an Outage Plan contingent on the recallability of equipment from Outage on certain terms.

Changes and additional Outages

3.5.3.7, Any Outage Plan rejected in accordance with the process described in paragraph 3.5.3.6 above may, at the request of NSPI Customer Operations or the Generation Market Participant, stand as an open request, in which case it shall be evaluated in advance of Outage Plans submitted later.

3.5.3.8, Outage Plans submitted to the NSPSO after the deadline for submissions under paragraph 3.5.2.2 above shall be evaluated in the order received.

3.5.3.9, Any material change to an approved Outage Plan shall be evaluated as a new Outage Plan.

3.5.3.10, The NSPSO shall include in its Market Procedure the minimum notice periods by which NSPI Customer Operations in respect of the Transmission System and Generation Market Participants are required to endeavour to submit Outage Plans in respect of different classes of outage that have not been included in the annual Outage planning cycle.

3.5.3.11, The NSPSO shall endeavour to provide advanced approval of Outage Plans, recognising that this is not always possible in view of uncertainties with respect to load forecast, system conditions, or other Outages.

3.5.3.12, The NSPSO shall make its final determination of Outage Plan approval or rejection following its first issue in accordance with paragraph 4.2.1.3 of a forecast covering the first full day of the planned Outage and shall advise NSPI Customer Operations in respect of the Transmission System and each affected Generation Market Participant accordingly.

3.5.3.13, The NSPSO may in an emergency, in order to avoid an emergency, or in order to preserve Reliability of the Bulk Electricity Supply System or any Zone thereof, retract approval of an approved Outage Plan.

3.5.4, Outage commencement, recall and completion

3.5.4.1, The approval of an Outage Plan does not constitute final approval to commence the Outage.

3.5.4.2, NSPI Customer Operations in respect of the Transmission System shall request approval of Outage commencement no more than 2 Business Days, and no less than 6 hours, before the planned commencement of the Outage.

3.5.4.3, Generation Market Participants in respect of their Generating Facilities shall request approval of Outage commencement and of any associated De-synchronization of the Facility no more than 2 Business Days and no less than 6 hours before the planned commencement of the Outage.

3.5.4.4, The NSPSO shall approve Outage commencement unless this would jeopardise the Reliability of the Bulk Electricity Supply System or any Zone thereof, in which case it may either reject the Outage or in consultation with the relevant parties, defer the commencement.

3.5.4.5, The NSPSO may in an emergency, in order to avoid an emergency, or in order to preserve Reliability of the Bulk Electricity Supply System or any Zone thereof, to the extent practical recall equipment from an Outage.

3.5.4.6, NSPI Customer Operations in respect of the Transmission System or the Generation Market Participant for the Generating Facility shall use all reasonable efforts to comply with such recall instructions and to restore the specified equipment or Generating Facility to service.

3.5.4.7, NSPI Customer Operations in respect of the Transmission System and the Generation Market Participant for a Generating Facility shall use all reasonable efforts to complete planned Outages in accordance with the approved Outage Plan and to return the specified equipment or Generating Facility to service by the dates specified in such plan.

3.5.4.8, In the event that NSPI Customer Operations in respect of the Transmission System and the Generation Market Participant for a Generating Facility identifies that notwithstanding all reasonable efforts to complete planned Outages in accordance with the approved Outage Plan and to return the specified equipment or Generating Facility to service by the dates specified in such plan, NSPI or the Generation Market Participant expects that completion of the Outage in accordance with such approved Outage Plan is at material risk, it shall notify the NSPSO and may seek approval of an extension of the Outage.

3.5.5, Coming into effect – transition provisions

3.5.5.1, The NSPSO shall, within one month of the effective date of these Market Rules, undertake an expedited review of existing Outage Plans with NSPI Customer Operations in respect of the Transmission System and Generation Market Participants in respect of their Generating Facilities in order to reconcile and if necessary facilitate the adjustment of such Outage Plans and approve or reject such Outage Plans. Such expedited review and the associated approval or rejection shall take the place of the annual Outage planning process described in paragraph 3.5.3.6.

3.5.5.2, The NSPSO may, notwithstanding sub-section 3.5.3, issue an interim Market Procedure which may be incomplete with respect to the requirements set out in subsection 3.5.3, but which shall as a minimum provide to Generation Market Participants the information required for their submission of Outage Plans.

3.6, Emergency and system restoration planning and execution

3.6.1, Designation of Emergency Planning Participants

3.6.1.1, The NSPSO shall from time to time identify which Market Participants other than divisions of NSPI are required to participate in planning for response to electricity system emergencies and for electricity system restoration in order to mitigate damage and optimise restoration of the Bulk Electricity Supply System.

3.6.1.2, The NSPSO shall designate such Market Participants as Emergency Planning Participants, shall advise each such Emergency Planning Participant, and shall maintain a list of such Emergency Planning Participants.

3.6.2, Preparation of Plans

3.6.2.1, Each Emergency Planning Participant shall prepare and maintain a Participant Emergency Plan which shall:

- a) define the levels of authority of responsible personnel of the Emergency Planning Participant in the event of a declared electricity system emergency or of a complete or partial system blackout;
- b) set out the means by which NSPI or other responsible persons may communicate with the responsible personnel of the Emergency Planning Participant;
- c) set out the actions to be taken immediately by responsible personnel in the event of a declared electricity system emergency or of a complete or partial system blackout;
- d) set out the key NSPI or other contact persons and channels of communication to be used in such circumstances, and describe the authority of such contract persons, recognising the provisions in the Standards of Conduct associated with the Transmission Tariff which permit suspension of those Standards of Conduct in declared electricity system emergencies;
- e) set out any standard procedures to be implemented by responsible persons in the event of a declared electricity system emergency or of a complete or partial system blackout;

- f) recognise the role of the Nova Scotia Emergency Measures Organisation in the event of an emergency declared in accordance with the *Emergency Measures Act*, SNS 1990, c.8.

3.6.2.2, Each Participant Emergency Plan shall address electricity system emergencies and electricity system restoration and may also be part of a plan that addresses other declared emergencies.

3.6.2.3, Each Emergency Planning Participant shall submit its draft Participant Emergency Plan to the NSPSO for review, and shall modify its Participant Emergency Plan to fulfil the reasonable requirements of the NSPSO.

3.6.2.4, Each Emergency Planning Participant shall maintain its plan up to date, and shall provide every update to the NSPSO.

3.6.2.5, The NSPSO shall provide to each Emergency Planning Participant the relevant information from, or the relevant portions of, the NSPI emergency and restoration plan.

3.6.2.6, The NSPSO shall disseminate Participant Emergency Plan information within NSPI as appropriate.

3.6.2.7, The NSPSO may specify confidentiality provisions concerning emergency planning information.

3.6.3, Training and systems

3.6.3.1, Each Emergency Planning Participant shall train all responsible personnel and shall maintain all communication and other systems required to support execution of its Participant Emergency Plan in good working condition.

3.6.3.2, The NSPSO shall coordinate the participation of Emergency Planning Participants in coordinated training exercises.

3.6.3.3, The NSPSO may review and audit an Emergency Planning Participant's training and preparedness.

3.6.4, Declaration of an emergency and execution of plans

3.6.4.1, The NSPSO may declare an electricity system emergency in accordance with its authority under sub-section 4.9.1 and may or may not suspend its Standards of Conduct in general or in particular.

3.6.4.2, In the event of any such declared electricity system emergency or a system blackout, the provisions of Participant Emergency Plans take precedence over Market Rules only to the extent required for execution of those Participant Emergency Plans.

3.7, Publication and Confidentiality

3.7.1, Confidential Information

3.7.1.1, Confidential Information in respect of Reliability and planning generally includes:

- a) Market Participant and Connection Applicant information provided for NSPSO forecasts and assessments;
- b) Market Participant Outage Plans for Generating Facilities;
- c) Participant Emergency Plans (subject to special provisions as defined by the NSPSO).

3.7.2, Publication

3.7.2.1, The NSPSO shall Publish the following information in respect of Reliability and planning:

- a) technical and other standards;
- b) system forecasts, assessments and plans;
- c) aggregate forecast information with respect to long term import and export contracts considered in the forecasts and assessments, including information aggregated by type of contract;

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- d) Outage planning calendar;
- e) aggregated Outage planning information; and
- f) any electricity system emergency planning information that is required to be published for emergency preparedness.

4, Wholesale and Renewable to Retail Market Operations

4.0, Description

This chapter sets out the rules relating to the Day Ahead and real time operation of the system. These rules apply to the NSPSO and to Market Participants who are responsible for Generating Facilities registered in the market, who are scheduling energy or Ancillary Service transactions over the Transmission System, or who are providing Ancillary Services to the NSPSO.

4.1, Scheduling and dispatch objectives

4.1.1.1, The NSPSO shall, in scheduling and dispatching energy transactions and Ancillary Services, pursue the following objectives in descending order of priority:

- a) maintain safety and the Reliability of the Bulk Electricity Supply System in accordance with the requirements of the General Reliability Standards;
- b) undertake congestion management of interconnection transactions in accordance with the interconnection agreement between NSPI and the NBSO;
- c) complete firm energy transactions and unit-contingent firm energy transactions scheduled by Market Participants;
- d) minimise Control Actions except those that only impact non-firm energy transactions energy transactions other than those scheduled by Market Participants or as Ancillary Services, such as purchasing emergency energy and inadvertent exchange;
- e) complete non-firm energy transactions scheduled by Market Participants;

- f) in instances when the NSPSO is required to Re-dispatch resources in order to fulfil the above objectives, the NSPSO shall make the most economical use of the resources available for such Re-dispatch, based on the information provided by Market Participants.

4.1.1.2, In pursuing the above objectives, the NSPSO shall have regard for the capabilities of the Transmission System and of each Facility.

4.2, Information

4.2.1, Daily forecasts

4.2.1.1, The NSPSO may set out in a Market Procedure the information required from Market Participants for the NSPSO's preparation of its daily forecast, and the time by which such information shall be submitted.

4.2.1.2, Market Participants shall provide in a timely manner all information thus specified in a Market Procedure.

4.2.1.3, The NSPSO shall Publish by 10:00 each Business Day its forecast of the net system daily peak demand for each of the following five Dispatch Days.

4.2.2, System status

4.2.2.1, Market Participants may access certain Transmission System status information and messages on the NSPI OASIS.

4.3, Submission of energy schedules

4.3.1, Transmission Customer responsibilities for Bundled Service, Unbundled Service, and Partially Unbundled Service

4.3.1.1, NSPI PP is the Transmission Customer in respect of all Bundled Service and in respect of the bundled portion of Partially Unbundled Service.

4.3.1.2, The Load Market Participant for a Facility taking Unbundled Service or Partially Unbundled Service may be the Transmission Customer for the delivery of the

Unbundled Service or the unbundled portion of Partially Unbundled Service, or may designate another Market Participant as the Transmission Customer

4.3.1.3, In executing or amending a service agreement for Network Integration Transmission Service in accordance with the Transmission Tariff, the Transmission Customer for the unbundled portion of Partial Unbundled Service shall designate either:

- a) that the unbundled portion is the primary service (as described in paragraph 4.3.1.4); or
- b) that the bundled portion is the primary service (as described in paragraph 4.3.1.4).

4.3.1.4, In either case all energy flows and demands up to the MW values scheduled for whichever is the primary service in accordance with section 4.3 shall be attributed to the primary service, and all amounts in excess thereof shall be attributed to the secondary service.

4.3.2, Schedules for Bundled Service, including the bundled portion of Partially Unbundled Service

4.3.2.1, NSPI PP shall submit a single schedule in respect of all Bundled Service, including the bundled portion of Partially Unbundled Service.

4.3.2.2, Each such schedule shall identify in respect of each hour:

- a) withdrawals:
 - i) for individual consumers over 25 MW peak gross demand, the individual withdrawal net of the output of any Load Displacement Generating Facilities, and
 - ii) for all other customers, the aggregated balance of system wide total withdrawal, net of the output of Load Displacement Generating Facilities; and
- b) injections:
 - i) import transactions, and

- ii) individual Generating Facility injections recognising the requirements or permissions of the NSPSO in accordance with paragraphs 2.2.1.5 and 2.2.1.6 and including any net injections from Facilities aggregated in accordance with paragraph 2.2.1.7, but excluding the output from Load Displacement Generating Facilities.

4.3.2.3, Bundled Service schedules shall exclude exports.

4.3.2.4, The Bundled Service schedule in respect of any Generating Facility shall not exceed the capability of that Generating Facility minus any provision for Ancillary Services to be provided from that Generating Facility, and minus any export or Unbundled Service to be scheduled from that Generating Facility.

4.3.3, Schedules for Unbundled Service, including the unbundled portion of Partially Unbundled Service

4.3.3.1, Each Transmission Customer shall submit a schedule in respect of Unbundled Service, including the unbundled portion of Partially Unbundled Service.

4.3.3.2, A Transmission Customer for more than one Load Market Participant shall submit no more than one schedule in respect of each such Load Market Participant in any hour, and may chose to consolidate schedules for service to more than one such Load Market Participant, subject to; each such schedule shall identify in respect of each hour:

- a) withdrawals:
 - i) individual net withdrawal for each Load Market Participant and Point of Delivery net of the output of any Load Displacement Generating Facilities; and
- b) injections:
 - i) import transactions, and
 - ii) individual Generating Facility injections recognising the requirements or permissions of the NSPSO in accordance with paragraphs 2.2.1.5 and 2.2.1.6 and including any net injections from

Facilities aggregated in accordance with paragraph 2.2.1.7, but excluding the output from Load Displacement Generating Facilities.

4.3.4, Imports and exports

4.3.4.1, Import schedules may be integrated with either Bundled Service or Unbundled Service schedules as appropriate and as noted above.

4.3.4.2, Export transactions shall be scheduled as Point to Point transactions separately from imports and service to Nova Scotia loads.

4.3.4.3, Multiple export transactions may be consolidated into a single schedule reflecting a single nominal Point of Receipt for export service, and identifying the amount of supply from individual Generating Facilities.

4.3.4.4, All import and export schedules are subject to NERC e-tagging requirements.

4.3.4.5, Licenced Retail Supplier Market Participants do not qualify for Import and Export transactions.

4.3.5, Classes of import and export schedules

4.3.5.1, The Market Participant scheduling an import shall designate its class with respect to firmness of energy:

- a) Firm imports are subject to curtailment only in accordance with the interconnection agreement between NSPI and the NBSO as a result of inter-tie constraint, general New Brunswick system shortfall or impactive Transmission Loading Relief.
- b) Unit-contingent imports are also subject to curtailment in the event of a shortfall in the output of the generating facility designated as the source
- c) Other recallable provisions to be specified and subject to acceptance by the NSPSO.

4.3.5.2, The Market Participant scheduling an export shall designate its class with respect to firmness of energy:

- a) Firm exports are subject to curtailment only in accordance with the interconnection agreement between NSPI and the NBSO as a result of inter-tie constraint, general Nova Scotia system shortfall or impactive Transmission Loading Relief.
- b) Unit-contingent exports are also subject to curtailment in the event of a shortfall in the output of the Generating Facility designated as the source.
- c) Other recallable provisions to be specified and subject to acceptance by the NSPSO.

4.3.5.3, The rules relating to schedules for an import or export of an Ancillary Service are set out in subsection 4.5.4.

4.3.6, Submission of Energy Schedules for the Renewable to Retail Market

4.3.6.1, The Licenced Retail Supplier Market Participant is the Transmission Customer in respect of their aggregate Renewable to Retail generation resources.

4.3.6.2, The Licenced Retail Supplier as the Transmission Customer shall submit a schedule in respect of its aggregate generation resource injections.

4.3.6.3, A Licenced Retail Supplier as the Transmission Customer shall submit no more than one schedule in respect of that Licenced Retail Supplier's Generating Facility(ies) (whether owned or contracted) in any hour; such schedule shall identify in respect of each hour:

- a) injections:
the aggregate of all individual Generating Facility injections (whether owned or contracted) recognising the requirements or permissions of the NSPSO in accordance with paragraphs 2.2.1.5 and 2.2.1.6.

4.3.6.4 The Licenced Retail Supplier as the Transmission Customer is not required to provide hourly schedules of its aggregate net withdrawals related to supply of

its Renewable to Retail customer load. Such withdrawals are included in the NSPI PP hourly system load schedule.

4.3.7, Loss factors

NSPI PP Bundled Service scheduling

4.3.7.1, NSPI PP shall in scheduling its Generating Facilities and import transactions for Bundled Service take account of its best estimates of actual energy losses in transmission, including the application of any Special Locational Loss Factor.

Unbundled Network Integration Transmission Service scheduling

4.3.7.2, Any Market Participant submitting a schedule for unbundled Network Integration Transmission Service shall take account of the system average loss factor published by the NSPSO for this purpose, and of any Special Locational Loss Factors applicable in respect of Generating Facilities.

Point to Point Transmission Service scheduling

4.3.7.3, Any Market Participant submitting a schedule for Point to Point Transmission Service shall take account of the path-specific loss factor published by the NSPSO for this purpose, and of any Special Locational Loss Factors applicable in respect of Generating Facilities.

4.3.8, Day Ahead scheduling

4.3.8.1, NSPI PP and any other Market Participant scheduling energy under Network Integration Transmission Service (including for Bundled Service) shall submit a complete schedule for each Dispatch Day no earlier than 07:00 and no later than 11:00 on the Day Ahead.

4.3.8.2, NSPI PP and any other Market Participant wishing to schedule energy under firm Point to Point Transmission Service are required by the Transmission Tariff to submit such a schedule for each Dispatch Day by 11:00 on the Day Ahead.

4.3.8.3, NSPI PP and any other Market Participant wishing to schedule energy under non-firm Point to Point Transmission Service are permitted by the Transmission

Tariff to submit such a schedule for each Dispatch Day by 11:00 on the Day Ahead, and are requested but not required so to do.

4.3.8.4, NSPSO shall review those schedules that are submitted by 11:00 on the Day Ahead, and shall by 12:00 notify the Market Participant of any identified problems and of any changes required for purposes of system security.

4.3.8.5, Any Market Participant receiving such notification shall address the identified problems and any required changes for purposes of system security and shall by 13:00 submit a revised complete schedule.

4.3.8.6, Following review and internal approval of such schedules, the NSPSO is required to provide the schedules to the Reliability Coordinator as required for security coordination.

4.3.8.7, In the event that the Reliability Coordinator identifies security concerns with such schedules to the NSPSO, the NSPSO shall advise the relevant Market Participants of such problems, and the Market Participant shall promptly address those problems and submit such schedule revisions as may be required.

4.3.8.8, Any rescheduling of Generating Facility output required and carried out in accordance with paragraphs 4.3.8.4 to 4.3.8.7 shall, unless associated with Point to Point Service, be considered as Re-dispatch for purposes of settlement in accordance with paragraph 5.4.1.1.

4.3.9, Additional schedules and updates

4.3.9.1, Any Market Participant may submit additional or updated schedules between the times prescribed in sub-section 4.3.8 and sub-section 4.3.10.

4.3.10, Dispatch Day scheduling

4.3.10.1, NSPI PP shall before the start of each hour submit an update to the schedule for Bundled Service (including the aggregate net withdrawals related to supply of all Renewable to Retail customer load) that:

- a) confirms the last previously submitted schedule for the hour about to start (hour 1) except in the event that the NSPSO has directed a change as a result of Control Actions or in response to a Forced Outage or other activation of operating reserve;
- b) confirms the last previously submitted schedule for the next hour (hour 2) unless unforeseen circumstances have caused the need for change; and
- c) updates without restriction the last previously submitted schedule for the next two hours (hours 3 and 4).

4.3.10.2, NSPI PP, except in respect of the schedule for Bundled Service, and other Market Participants may in accordance with the tariff submit new or revised schedules in respect of any hour until 30 minutes before the start of that hour, but are requested to make such submissions no later than 60 minutes before the start of the hour in order to facilitate and provide better assurance of checkout of any import or export transactions.

4.3.10.3, NSPSO shall promptly notify any Market Participant whose schedule is not accepted or which fails checkout in respect of import or export.

4.3.11, Late changes

4.3.11.1, Schedule changes after the times prescribed in sub-section 4.3.10 are not permitted except in the event that the NSPSO has directed a change as a result of Control Actions or in response to a Forced Outage or other activation of Operating Reserve, or except in the event that the NSPSO grants special authorisation.

4.4, Intermittent Generating Facility operations

4.4.1.1, The Market Participant for an Intermittent Generating Facility shall submit and update schedules in respect of such Facility operation in accordance with section 4.3.

4.4.1.2, In submitting such schedules, the Market Participant shall undertake commercially reasonable efforts to forecast the hourly output of such Facilities, in accordance with a protocol to be established by agreement with the NSPSO recognising that:

- a) the need for forecast accuracy depends on the size of the Intermittent Generating Facility; and
- b) the need for forecast accuracy may vary according to the location of the Facility connection and the condition of the Transmission System. Accuracy is particularly critical if transmission constraints would require the re-dispatch of other Generating Facilities to accommodate the output of an Intermittent Generating Facility.

4.4.1.3, Subject to the approval of the NSPSO, the protocol for scheduling output of a particular Intermittent Generating Facility may reflect its aggregation in accordance with paragraph 2.2.1.6 with other Generating Facilities, including with other Intermittent Generating Facilities, and if applicable its aggregation in accordance with paragraph 2.2.1.7.

4.4.1.4, Subject to the approval of the NSPSO, the protocol for scheduling output of a particular Intermittent Generating Facility may provide for a Wholesale Customer to utilise Generator Balancing Service by others as permitted under the Transmission Tariff.

4.5, Ancillary Service scheduling

4.5.1, Energy imbalance service

4.5.1.1, The NSPSO may re-dispatch any available Dispatchable Generating Facility in accordance with section 4.8 in order to provide energy imbalance service.

4.5.2, Reactive Power and Voltage Support

4.5.2.1, The NSPSO shall determine the reactive power or voltage set-points for all Generating Facilities with reactive power or voltage control capability, taking

account of scheduled and actual grid conditions. In determining the set-points of each generating facility the NSPSO shall:

- a) give primacy to the security of the grid;
- b) within any region of the grid, generally and over time allocate reactive power service obligations on a non-discriminatory basis in proportion to the Facility Reactive Power Capability of each Generating Facility; and
- c) seek to minimise control adjustments.

4.5.2.2, The NSPSO may provide an initial schedule of VAR requirements to Market Participants in advance, or may provide directions for immediate implementation at any time.

4.5.2.3, Market Participants for Generating Facilities shall promptly adjust the dispatch of their Facilities to comply with the direction of the NSPSO, and shall promptly notify the NSPSO of any inability to comply or any delay in compliance.

4.5.3, Other Nova Scotia Ancillary Services

4.5.3.1, In accordance with the provisions of the Transmission Tariff, Transmission Customers may self-supply Ancillary Services otherwise covered by schedules 3, 4, 5 and 6 of the Transmission Tariff.

4.5.3.2, Any Market Participant that is providing self-supplied Ancillary Services shall submit its schedule for the provision of such self-supplied Ancillary Services, and shall update such schedules, at the same times as it submits its energy schedules as set out in section 4.3.

4.5.3.3, NSPI PP is the sole provider to the NSPSO of Ancillary Services from generation other than those that are self-supplied by Transmission Customers.

4.5.3.4, NSPI PP shall submit its schedule for the provision of such Ancillary Services, and shall update such schedules, at the same times as it submits its Bundled Service schedules as set out in section 4.3.

4.5.4, Ancillary Service import and export schedules

- 4.5.4.1, The self-supply of certain Ancillary Services in accordance with paragraph 4.5.3.2 may, subject to activation arrangements satisfactory to the NSPSO include import of such Ancillary Service.
- 4.5.4.2, The supply by NSPI PP of certain Ancillary Services in accordance with paragraph 4.5.3.4 may, subject to activation arrangements satisfactory to the NSPSO include import of such Ancillary Service.
- 4.5.4.3, A Transmission Customer may subject to paragraph 4.5.4.4 and to the provisions applicable to export schedules for energy submit an export schedule for Ancillary Services.
- 4.5.4.4, A Transmission Customer may only submit an export schedule for an Ancillary Service if the Transmission Customer has secured prior approval from the NSPSO of the process for communicating activation of the Ancillary Service and for adjustment to energy schedules to reflect such activation.

4.6, Data setting out estimated marginal costs, energy limits, and environmental restrictions

- 4.6.1.1, Each Market Participant for a Dispatchable Generating Facility shall submit marginal cost estimates for use by the NSPSO in Re-dispatch of such Dispatchable Generating Facilities.
- 4.6.1.2, Each Market Participant for a Generating Facility that is subject to a limit on the total energy production in a given Dispatch Day shall submit to the NSPSO details of such limit.
- 4.6.1.3, Each Market Participant for a Generating Facility that is subject to firm environmental restrictions on its operations in a given Dispatch Day shall submit to the NSPSO details of such restrictions.
- 4.6.1.4, Market Participants shall make the submissions identified in this section no later than the first submission of the schedule to which they relate.

4.6.1.5, The NSPSO shall issue a Market Procedure setting out the form, content and other details of the submissions required in accordance with this sub-section.

4.7, Synchronization and De-synchronization

4.7.1.1, The Market Participant for a Generating Facility other than a Minor Generating Facility may not Synchronize or De-synchronize such Generating Facility or any unit thereof without prior authorization of the NSPSO except in the event of a Forced Outage.

4.7.1.2, The Market Participant for a Generating Facility shall make all reasonable efforts to request authorization to Synchronize or to De-synchronize with at least one hour's notice.

4.7.1.3, The NSPSO shall respond within one hour of a Market Participant's request to Synchronize or De-synchronize.

4.7.1.4, The NSPSO may direct or authorise Synchronization or De-synchronization of a Generating Facility or unit thereof at such shorter notice as may be required for Reliability of the Bulk Electricity Supply System.

4.8, Real time operation and Re-dispatch

4.8.1, Market Participant obligations

4.8.1.1, The Market Participant for a Dispatchable Generating Facility or for a non-Dispatchable Export Generating Facility shall either establish a protocol with the agreement of the NSPSO for ramping the Generating Facility between its scheduled output levels in successive hours, or shall secure approval each hour for such ramping.

4.8.1.2, The Market Participant for a Dispatchable Generating Facility or for a non-Dispatchable Export Generating Facility shall make all reasonable efforts to operate the Generating Facility in accordance with approved schedules or subsequent Re-dispatch instructions from the NSPSO, recognising the ramping

provisions of paragraph 4.8.1.1, and particularly to operate the Facility so as not to deviate therefrom by more than the control dead-band established as part of the Facility registration process.

4.8.1.3, The Market Participant for a Generating Facility including an Intermittent Generating Facility shall make all reasonable efforts to operate the Generating Facility exactly in accordance with and with the reactive power or voltage control directions of the NSPSO.

4.8.1.4, The Market Participant for a Generating Facility shall immediately advise the NSPSO of any unforeseen event that limits or is expected to limit the capability of the Generating Facility to provide energy or Ancillary Services (whether scheduled or not), or that impairs the operation of protection or communications systems. Any such event shall be designated as a Forced Outage, and shall be subject to the reporting provisions of sub-section 4.8.5.

4.8.1.5, To the extent reasonable practical, the Market Participant for a Generating Facility subject to a Forced Outage shall not remove the Generating Facility from service until after it has advised the NSPSO of the Forced Outage event and any requirement to remove the Generating Facility from service.

4.8.1.6, The NSPSO may request that the Market Participant retain the Generating Facility in service for sufficient time, recognising what is reasonably practical in the circumstances, to mitigate impact on the Bulk Electricity Supply System.

4.8.1.7, The Market Participant shall reasonable consider any such request and, subject to overriding considerations of safety and prevention of damage, shall seek to comply with such request.

4.8.2, NSPSO Re-dispatch instructions

Reasons for Re-dispatch

4.8.2.1, In the event that:

- a) the actual system load varies from the forecast reflected in schedules;

- b) a transmission constraint precludes the implementation of schedules as submitted;
- c) voltage support or reactive power requirements require Re-dispatch;
- d) a Generating Facility suffers a Forced Outage or otherwise fails to fulfill its schedule;
- e) the actual output of Intermittent Generating Facilities varies from the scheduled output;
- f) the NSPSO needs to correct accumulated inadvertent energy flows on the interconnection with New Brunswick; or
- g) the New Brunswick System Operator initiates activation of Operating Reserve, or requests emergency support, in accordance with the interconnection agreement between NSPI and the New Brunswick System Operator;

the NSPSO may Re-dispatch one or more Dispatchable Generating Facilities as required.

Selection of Generating Facilities for Re-dispatch

4.8.2.2, The NSPSO shall select Generating Facilities for Re-dispatch taking account of:

- a) the capability of the Generating Facility to serve the requirement (particularly with respect to transmission constraints and voltage control / reactive power);
- b) ramping capability (particularly in the activation of Operating Reserve in response to a contingency event);
- c) election by the Market Participant for any Generating Facility to be preferentially constrained-off in the event of particular transmission constraints; and
- d) the most economic fulfillment of the need, based on the marginal cost estimates provided by Market Participants and any energy limits and

environmental restrictions advised by Market Participants, and taking account of marginal locational loss factors if relevant.

4.8.2.3, In the event that the Re-dispatch of Dispatchable Generation Facilities will not completely resolve the event identified in paragraph 4.8.2.1, then the NSPSO may issue a Re-dispatch instruction to a Market Participant for the reduction of the output of an Intermittent Generating Facility. In the event of a need to Re-dispatch Intermittent Generating Facilities, the NSPSO shall do so on a non-discriminatory basis, having regard for any environmental considerations and, in the event that a single Market Participant is responsible for more than one impacted Intermittent Generating Facility, the preferences of that Market Participant with respect to those Facilities.

Issue of Re-dispatch instructions

4.8.2.4, The NSPSO shall issue Re-dispatch instructions to the person so designated by each Market Participant.

4.8.3, NSPSO operation of Generating Facilities

4.8.3.1, A Market Participant may with the agreement of the NSPSO assign to the NSPSO the direct control of certain Generating Facilities.

4.8.3.2, The NSPSO shall use all reasonable efforts to operate such Generating Facilities in accordance with the schedule provided by the Market Participant, subject to Re-dispatch in accordance with sub-section 4.8.2.

4.8.3.3, If the NSPSO operator initiates any deviation from schedule in respect of such Generating Facilities, it shall be considered as an instructed Re-dispatch.

4.8.4, Regulation service

4.8.4.1, The NSPSO shall have the ability for direct and automatic control of Generating Facilities providing regulation and frequency response service.

4.8.5, Forced Outage reporting

- 4.8.5.1, The Market Participant for any Generating Facility, other than a Load Displacement Generating Facility, that suffers a Forced Outage shall within two Business Days of the start of such Forced Outage submit a report in a form acceptable to the NSPSO describing the Forced Outage, its cause, and any remedial actions undertaken or planned.
- 4.8.5.2, To the extent that the information is incomplete at that time, the Market Participant shall make a complete report promptly on the information becoming available.
- 4.8.5.3, The NSPSO may require sufficient additional information to determine nature of the Forced Outage, the root and proximate causes, and the appropriate remedial actions, and may request such information from the Market Participant, from NSPI Customer Operations and any other Market Participant who may have relevant information.
- 4.8.5.4, NSPI Customer Operations or the Market Participant receiving any such request shall promptly provide such additional information, as well as subsequent confirmation of the completion of any remedial actions.
- 4.8.5.5, The NSPSO shall advise the Market Participant of any findings it makes with respect to the cause of a Forced Outage.

4.9, Control Actions and special operating states

4.9.1, NSPSO responsibilities and authority

- 4.9.1.1, The NSPSO is responsible to preserve the security of the Nova Scotia Transmission System and to take actions determined by the Reliability Coordinator for the preservation of security of the transmission system in the Maritime region.
- 4.9.1.2, The NSPSO is responsible, subject to paragraph 4.9.1.1, to undertake congestion management of interconnection transactions in accordance with the interconnection agreement between NSPI and the NBSO.

4.9.1.3, In order to complete its responsibilities under paragraphs 4.9.1.1 and 4.9.1.2, and to minimise disruption of firm energy transactions and unit-contingent firm energy transactions scheduled by Market Participants the NSPSO has the authority to take Control Actions including:

- a) interruption of transactions utilising non-firm transmission service;
- b) operation of the system in accordance with emergency or high risk operating state limits or with reduced operating or supplementary reserves;
- c) mobilisation of all available generation resources, including requests that Market Participants seek temporary waiver of environmental restrictions on Generating Facility operations;
- d) recall of transmission equipment and Generating Facilities from Outages, where practical;
- e) interruption of all non-firm load;
- f) interruption of firm exports;
- g) load reduction through 5% voltage cuts;
- h) declaration of an electrical system emergency operating state and purchase of emergency energy; and
- i) interruption of firm load.

4.9.1.4, Subject to the applicable provisions of the interconnection agreement between NSPI and the NBSO, the sequencing of Control Actions is a matter for the NSPSO operating personnel operating in accordance with guidelines established by the NSPSO and taking account of the circumstances as they arise.

4.9.1.5, The NSPSO shall seek to give reasonable notice of conditions that may lead to the use of Control Actions and of the invocation of particular Control Actions, recognising that circumstances may limit or preclude notice.

4.9.1.6, When issuing any directive to a Market Participant for implementation of a Control Action, the NSPSO shall identify this as a Control Action requirement either:

- a) by a prior general notice of an actual or expected emergency operating state;
- b) in any prior notice of the expected Control Action requirement; or
- c) in issuing the directive to the Market Participant.

4.9.1.7, The NSPSO shall initiate interruption of all supply designated as economically interruptible in advance of, and in every case no later than, initiating any Control Action.

4.9.2, Market Participant obligations

4.9.2.1, A Market Participant receiving a directive for a Control Action shall use all efforts to comply, and shall immediately advise the NSPSO of any actual or expected delay or problems in compliance.

4.10, Confidential Information and Publication

4.10.1, Confidential Information

4.10.1.1, Confidential information includes the following categories of information:

- a) Generating Facility and Load Facility operating status and current capability;
- b) Generating Facility and Load Facility environmental data not otherwise in the public domain;
- c) Generating Facility and Load Facility operating plans;
- d) schedules for energy transactions and the provision of Ancillary Services;
- e) estimated and actual cost data;

- f) re-dispatch instructions;
- g) Forced Outage reports;
- f) communications relating to the above matters; and
- i) Facility data except as listed in paragraph 4.10.2.1.

4.10.2, Publication

4.10.2.1, The NSPSO shall Publish:

- a) Transmission System data:
 - i) system data, and
 - ii) emergency or high risk states, beginning and end:
- b) forecast data:
 - i) short term forecasts as set out in section 4.2.1:
- c) current (10 minute average) estimated data:
 - i) total net Nova Scotia load,
 - ii) net energy flow to / from New Brunswick,;
 - iii) net energy flow "Cape Breton Export", and
 - iv) net energy flow "Onslow South";
- d) historic data, to be published within 10 business days of the end of each month:
 - i) hourly total net Nova Scotia load,
 - ii) hourly net energy flows to / from New Brunswick, Cape Breton Export, and Onslow South, and
 - iii) hourly New Brunswick intertie TTC & ATC; and
- e) historic data, to be published within 2 months of the end of each year:
 - i) monthly Generating Facility energy output, and

- ii) annual Generating Facility reliability and availability data in the form and detail requiring to be filed with NERC or NPCC.

5, Settlement

5.0, Description

This chapter sets out the rules relating to the settlement arising from market operations. These rules therefore apply to settlement between the NSPSO and Market Participants, and do not apply to settlement between Market Participants and other parties (including other Market Participants) in respect of their bilateral transactions which may be scheduled over the Transmission System by the NSPSO. These rules do not apply to settlement between NSPI and its customers for Bundled Service. The rules for invoicing and payment do not apply to transactions between the NSPSO and other divisions of NSPI; such inter-divisional transactions will be recorded where appropriate as book entries.

5.1, Metering Data Management

5.1.1, Meter reading

5.1.1.1, The NSPSO shall arrange for the collection and management of all metering data required for settlement under the Market Rules, including through the use of the resources of NSPI Customer Service division.

5.1.2, Error correction

5.1.2.1, For all Generating Facilities that are the subject of a Generator Interconnection Agreement, the process for error correction and adjustment shall be as set out in article 7 of that agreement. For all Generating Facilities that are the subject of a Standard Small Generator Interconnection and Operating Agreement the process for error correction and adjustment shall be as set out in article 2.5 of that agreement.

5.1.2.2, For all Load Facilities or Distribution Systems, the process for error correction and adjustment shall be in accordance with Regulation 5.5 of the NSPI Rates and Regulations approved by the Board.

5.1.3, Data access

5.1.3.1, Metering data is the confidential property of the NSPSO.

5.1.3.2, Metering data, including meter output data and all error corrections and adjustments, shall be made available in a reasonable and convenient form to the Transmission Provider and to any Market Participant whose settlement under the Transmission Tariff or Market Rules is directly dependent on such metering data.

5.1.4, Metering disputes

5.1.4.1, For all Generating Facilities that are the subject of a Generator Interconnection Agreement, any disputes over metering are subject to resolution in accordance with Section 7 of the transmission Generator Interconnection Agreement or Section 2.5 of the Standard Small Generator Interconnection Agreement as applicable.

5.1.4.2, For all Load Facilities or Distribution Systems, any disputes over metering are subject to resolution in accordance with Regulation 6.7 of the NSPI Rates and Regulations approved by the Board.

5.2 Adjustments

5.2.1, Local loss factors and adjustments

5.2.1.1, All metered energy and demand quantities shall for the purposes of settlement under the Market Rules be adjusted as necessary to reflect the quantities at transmission voltage.

5.2.2, Special Locational Loss Factor

5.2.2.1, In the event that a new or significantly expanded Generating Facility has been assigned a Special Locational Loss Factor in accordance with paragraph 2.2.6.4, the metered output of the Facility shall be further adjusted accordingly.

5.3, Settlement – general

5.3.1.1, The NSPSO shall undertake settlement calculations and prepare settlement statements for all Market Participants including NSPI, on a common basis, subject to limitations imposed by the unavailability of revenue-quality metering data at NSPI PP Generating Facility Points of Receipt and at transmission Points of Delivery used only for the supply of Bundled Service.

5.3.1.2, Settlement within NSPI, including transactions between the NSPSO and other parts of NSPI, will not be subject to invoicing and cash payment, but will be recorded as book entries only.

5.4, Energy Re-dispatch

5.4.1, Eligibility for energy Re-dispatch settlement

5.4.1.1, In accordance with paragraph 4.3.7.8 and except as noted in paragraphs 5.4.1.3 to 5.4.1.5, Market Participants for Generating Facilities that are required to adjust their schedule including in the Day Ahead in order to address transmission constraints, except in the case of Point to Point Transmission Service, or voltage support requirements are eligible for energy Re-dispatch settlement.

5.4.1.2, Except as noted in paragraphs 5.4.1.3 to 5.4.1.5, Market Participants for Generating Facilities that are Re-dispatched up or down by the NSPSO relative to their schedule, are eligible for energy Re-dispatch settlement, including in respect of reserve activation initiated by the Reliability Coordinator and the repayment following reserve activation.

5.4.1.3, Market Participants for Generating Facilities that are Re-dispatched down as a result of proportionate reduction of Point-to-Point transmission flows are not eligible for energy Re-dispatch settlement in respect thereof.

5.4.1.4, NSPI PP is not eligible for energy Re-dispatch settlement in respect of Re-dispatch to address energy imbalance.

5.4.1.5, NSPI PP is not eligible for energy Re-dispatch settlement in respect of Re-dispatch associated with inadvertent energy flows on the intertie to New Brunswick or the repayment of such inadvertent flows.

5.4.2, Determination of quantity of Re-dispatch eligible for settlement

5.4.2.1, The quantity of eligible Re-dispatch up in any hour, measured in MWh, is the lesser of:

- a) the excess of the total MWh output implied by a Re-dispatch instruction over the hour or the relevant portion thereof, over that implied by the Market Participant's schedule; and
- b) the excess of the total actual MWh output measured over the hour or the relevant portion thereof, over that implied by the Market Participant's schedule.

5.4.2.2, The quantity of eligible Re-dispatch down in any hour, measured in MWh, is the greater of:

- a) the excess of the total MWh output implied by the Market Participant's schedule over that implied by a Re-dispatch instruction, measured over the hour or the relevant portion thereof; and
- b) the excess of the total MWh output implied by the Market Participant's schedule over the actual output, measured over the hour or the relevant portion thereof, but not more than 120% of the excess implied by the Re-dispatch instruction.

5.4.3, Determination of settlement amount for Re-dispatch up

5.4.3.1, Following any event of Re-dispatch up, the Market Participant may, at any time prior to the end of the month following the event, submit a claim for Re-dispatch settlement to the NSPSO.

5.4.3.2, Any such claim shall be supported by data setting out the actual variable fuel and operation and maintenance cost per MWh of compliance with the Re-

dispatch instruction, which may include reference to previously filed cost information.

5.4.3.3, For the case of a hydraulic Generating Facility for which the Re-dispatch up has an opportunity cost, the Market Participant may make its claim on the basis of such opportunity cost per MWh, together with appropriate supporting data.

5.4.3.4, The rate per MWh of Re-dispatch up shall be the lesser of the appropriate actual or opportunity cost thus established and 120% of the Re-dispatch cost estimate provided to the NSPSO in accordance with section 4.6.

5.4.3.5, The amount payable by the NSPSO to the Market Participant shall be the product of the rate thus established and the quantity established in accordance with paragraph 5.4.2.1.

5.4.4, Determination of settlement amount due for Re-dispatch down

5.4.4.1, Following any event of Re-dispatch down, the NSPSO shall determine the Re-dispatch settlement amount, and shall provide its determination prior to the end of the month following the event.

5.4.4.2, The NSPSO may require the Market Participant to submit data setting out the actual variable fuel and operation and maintenance cost per MWh that the Market Participant has avoided through compliance with the Re-dispatch instruction, which may include reference to previously filed cost information.

5.4.4.3, For the case of a hydraulic Generating Facility for which the Re-dispatch down has an opportunity benefit, the NSPSO may require the Market Participant to provide data with respect to such opportunity benefit per MWh.

5.4.4.4, The NSPSO may require the Market Participant to submit its calculation of the settlement amount in respect of Re-dispatch down.

5.4.4.5, Any Market Participant required by the NSPSO to submit data in accordance with paragraphs 5.4.4.2, 5.4.4.3 or 5.4.4.4 shall do so within 10 business days.

5.4.4.6, The NSPSO may rely on previously filed cost information, including that filed under sub-section 5.4.3 above, in its determination of the settlement amount for Re-dispatch down.

5.4.4.7, The rate per MWh of Re-dispatch down shall be the greater of the actual saving or opportunity benefit thus established and 80% of the Re-dispatch cost estimate provided to the NSPSO in accordance with section 4.6.

5.4.4.8, The settlement amount payable by the Market Participant to the NSPSO shall be the product of the rate thus established and the quantity established in accordance with paragraph 5.4.2.2.

5.4.5, NSPSO right to audit data and to make adjustments

5.4.5.1, The NSPSO may request additional supporting data and may review or audit data submitted under this section at any time within a year of the Re-dispatch event to which it applies.

5.4.5.2, The Market Participant shall promptly submit any additional data thus requested, and shall assist the NSPSO in any review or audit.

5.4.5.3, If the NSPSO determines that such additional data, review or audit reveals any Re-dispatch settlement to have been in error, it may following notice to the Market Participant make appropriate settlement adjustments.

5.4.6, Offsets and waivers

5.4.6.1, The NSPSO and a Market Participant may, subject to the following conditions, agree to offset or waive settlement for Re-dispatch:

- a) such agreement shall be for no more than one year at a time;
- b) such agreement shall generally apply to all transactions between the NSPSO and the Market Participant with respect to one or more categories listed in paragraph 5.4.7.1;
- c) such agreement shall not in the judgement of the NSPSO be expected to cause additional cost or harm to any other Market Participant; and

- d) the NSPSO shall Publish the existence of such agreements, including their duration, scope and Market Participant.

5.4.7, Accounting for Re-dispatch settlement amounts

5.4.7.1, The NSPSO shall allocate all Re-dispatch settlement amounts to:

- a) reactive power and voltage control;
- b) imbalance; or
- c) congestion management.

5.4.7.2, The NSPSO may make such allocation on the basis of its estimates of the causes of Re-dispatch.

5.4.8, Re-dispatch in response to a Control Action directive

5.4.8.1, In the event that a Generation Market Participant other than NSPI PP is subject to Re-dispatch as a Control Action either;

- a) in respect of a Dispatchable Generating Facility to a level of output that is not covered by a marginal cost estimate provided in accordance with subsection 4.6; or
- b) in respect of a Generating Facility that is not a Dispatchable Generating Facility;

then that Generation Market Participant shall be eligible for Re-dispatch settlement notwithstanding the lack of an applicable marginal cost estimate.

5.4.9, Market Procedure

5.4.9.1, The NSPSO may issue a Market Procedure setting out the process for submitting Re-dispatch settlement claims and the information that the NSPSO requires.

5.5, Ancillary Services procured

5.5.1, Reactive power and voltage support

5.5.1.1, The NSPSO shall pay Generation Market Participants for the variable and opportunity costs of actual provision of reactive power and, for the balance, in proportion to the capability of their Generating Facilities, all as set out below.

Determination of Generating Facility reactive power capability

5.5.1.2, On an annual basis, and otherwise as required as a result of the addition, retirement or modification of a Generating Facility, the NSPSO shall determine the Facility Reactive Power Capability of each registered Generating Facility that provides reactive power under the direction of the NSPSO. The Facility Reactive Power Capability shall be measured in MVAR at transmission voltage and shall be the lesser of:

- a) actual reactive power injection capability while generating energy output at its nominal energy capability; and
- b) reactive power injection capability requirement at nominal energy capability as determined by the applicable technical standard or any higher standard determined in the System Impact Study to be applicable to that Facility.

Determination of System Reactive Power Capability and Facility Reactive Power Capability Share

5.5.1.3, The System Reactive Power Capability is the total of all the Facility Reactive Power Capabilities.

5.5.1.4, The Facility Reactive Power Capability Share of any Facility in any month is the Facility Reactive Power Capability divided by the System Reactive Power Capability.

Determination of the variable and opportunity costs of providing reactive power

5.5.1.5, The variable cost of providing reactive power is limited to:

- a) the variable cost of synchronous condenser operation; and
- b) the net cost of Re-dispatch of energy in order to address voltage support requirements as determined in accordance with section 5.4.

5.5.1.6, Any requirement by the NSPSO for synchronous condenser operation of a generation facility for the purposes of providing reactive power and voltage support shall be treated as a Re-dispatch up and settled in accordance with section 5.4.

5.5.1.7, The opportunity cost of providing reactive power is limited to circumstances where the NSPSO requires provision of reactive power in excess of the Facility Reactive Power Capability as determined above.

5.5.1.8, To the extent that the provision of reactive power in excess of the Facility Reactive Power Capability results in a net variable cost to the Market Participant, it shall be settled as Re-dispatch down in respect of the reduced energy output in accordance with section 5.4.

Determination of total reactive power revenue and net reactive power revenue

5.5.1.9, The total reactive power revenue in any month is the amount determined in accordance with schedule 2 of the transmission tariff, as applied to all transmission service including that used by NSPI for Bundled Service and other purposes.

5.5.1.10, The net reactive power revenue in any month is the total reactive power revenue less the variable and opportunity costs of providing reactive power as determined in accordance with paragraphs 5.5.1.5 to 5.5.1.8 above for the respective month.

Determination of Market Participant reactive power credit

5.5.1.11, The Market Participant Reactive Power Capability Share in any month as the total of the Facility Reactive Power Capability Shares in respect of the Facilities for which it is the Market Participant.

5.5.1.12, The NSPSO shall credit to each Market Participant its Reactive Power Capability Share of the net reactive power revenue for each month.

5.5.2, Energy imbalance procurement

5.5.2.1, NSPI PP fulfills all energy imbalance requirements except those fulfilled by re-dispatch of other Market Participant Generating Facilities.

5.5.2.2, The NSPSO shall therefore credit the full amounts collected for energy imbalance under the transmission tariff to NSPI PP, less the net amount of settlement with other Market Participants in respect of Re-dispatch for purposes of matching energy imbalance.

5.5.3, Other Ancillary Service procurement

5.5.3.1, Certain other Ancillary Services are procured only from NSPI PP, so that the NSPSO shall credit to NSPI PP the full amounts collected under the transmission tariff schedules in respect of :

- a) load following;
- b) operating reserve; and
- c) supplemental reserve.

5.6, Transmission Tariff

5.6.1.1, Charges to Transmission Customers shall be determined and invoiced in accordance with the Transmission Tariff.

5.7, Reserved

5.8, Invoicing and financial settlement

5.8.1, Invoice and settlement statement

5.8.1.1, The NSPSO shall invoice each Market Participant for the net amount of charges and credits arising in the respective month.

5.8.1.2, The NSPSO shall make available to each Market Participant, in the invoice or by other agreed means, the calculation of each amount included in the invoice.

5.8.2, Deadlines

5.8.2.1, The NSPSO shall issue its invoices within a reasonable time after the end of the month in which the charges and credits arise.

5.8.2.2, The NSPSO and Market Participants shall make full payment of such invoices no later than the last Business Day not more than 20 days after the date of issue of the invoice. For payments by mail, the payment date shall be the date of the postmark.

5.8.3, Disputes

5.8.3.1, If a Market Participant becomes aware of an error or otherwise disputes an invoice, it shall promptly notify the NSPSO.

5.8.3.2, The NSPSO may if appropriate issue a revised invoice.

5.8.3.3, Disputes that cannot be resolved at the normal staff level shall be subject to the dispute resolution process set out in section 2.8, unless the disputes relate to metering data, in which case the relevant metering data dispute resolution process identified in sub-section 5.1.4 shall apply.

5.8.3.4, Payment of invoiced amounts is due in full, irrespective of any such notification of error or dispute, and without prejudice to the resolution of such error or dispute.

5.8.3.5, A Market Participant may, following notification to the NSPSO, pay any disputed portion into an independent escrow account pending resolution of the dispute.

5.8.4, Delay and Default

5.8.4.1, Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified in Regulation 5.4 of NSPI Rates and Regulations as approved by the Board.

5.8.4.2, In the event of a Market Participant payment default that has not been remedied within 30 days of notice by the NSPSO, the NSPSO may suspend all or certain of the Market Participant's rights as a Market Participant in accordance with the provisions of section 2.5, and may ultimately Terminate market participation in accordance with that section. Such actions are in addition to, and not in replacement of, rights of recovery and rights under the Transmission Tariff or other agreements.

5.9, Publication and Confidentiality

5.9.1, Confidential Information

5.9.1.1, Settlement information is confidential except as specifically required to be Published.

5.9.2, Publication

5.9.2.1, The NSPSO shall Publish the following information:

- a) invoicing dates and payment deadlines;
- b) system aggregates of energy and peak monthly demand, based on metering data, and as used in the determination of charges under the Transmission Tariff;

- c) information specified in sub-paragraph 5.4.6.1 (d); and
- d) the System Reactive Power Capability.