

Nova Scotia Power System Operator

Final Report – Proposal to Amend Market Rules
November 23, 2015

This report is written to meet the intent of Market Procedure Five - MP-05-3.2.7.

A) Description of the Proposed Amendments

The proposed amendments to the Wholesale Market Rules are attached to this report as Attachment A (Proposed Amendments). The Proposed Amendments were prepared in response to the new “Renewable to Retail” (RtR) market opening under the *Electricity Act* and address the market design proposed by Nova Scotia Power Inc. (NS Power) in its Application currently before the Nova Scotia Utility and Review Board (UARB or Board) as Matter No. M06214.

As set out in section 3G(1) of the *Electricity Act*, NS Power was directed to develop in consultation with stakeholders, and file with the Board for approval, any new tariffs, procedures and standards of conduct that are necessary to facilitate the purchase of renewable low-impact energy generated within the province of Nova Scotia, including any new or amended market rules.

The Proposed Amendments are driven by four primary objectives:

- To broaden the scope of the existing Wholesale Market Rules and Procedures to include the new RtR market;
- To enable Licensed Retail Suppliers (LRS) who are licenced by the Board to become Market Participants under the Market Rules, and thereby eligible to obtain transmission service and ancillary services under the Nova Scotia Open Access Transmission Tariff (OATT) and to receive other tariffed services through the LRS Participation Agreement with NS Power;
- To expand the scope of the Wholesale Market Advisory Committee (WMAC) to include the RtR market; and
- To provide for any unique market rule and procedure requirements and/or exclusions that are specific to the RtR market and include them in the amended Market Rules and Procedures.

Further details with respect to the rationale of the Proposed Amendments are included in the “Proposal to Amend Market Rule – Issue 01” attached as Attachment B to this report).

B) Related Board Orders

Not applicable. As noted above, the amendments have been proposed to meet the requirements of the new RtR Market opening under the *Electricity Act*.

C) Consultation Process:

- a. On February 18, 2015, a presentation was made to the WMAC on the RtR market opening and included a discussion of the approach on amendments that would be required to the Market Rules.

At a subsequent meeting of the WMAC on May 20, 2015, the WMAC reviewed the amendment process description in Market Procedure MP-05 (Amendment to Market Rules, Standards, Codes and Market Procedures), including procedures for stakeholder review.

On August 18, 2015, a presentation was given to the WMAC outlining the amendments that would be required to support the RtR market opening along with the rationale for the changes.

- b. On September 1, 2015, NS Power filed its Application with the Board for approval of its RtR market design, which included the Proposed Amendments as well as amendments to the OATT.
- c. On September 23, 2015, Nova Scotia Power System Operator (NSPSO) sent notice to interested parties (the participants in NS Power's RtR Application) inviting them to participate in the Market Rules amendment process and be included on the Market Rules Stakeholder List.

A follow up notice was sent to the same parties on September 30, 2015 reminding them to register for the Market Rules amendment stakeholder list. As a result of this process, the Market Rules Stakeholder List was established by the NSPSO, comprised of 37 participants.

- d. On September 30, 2015, NSPSO forwarded the following documents to the Market Rules Stakeholders: (a) the Proposed Amendments; (b) the Proposal to Amend Market Rules entitled "Proposal 01"; and (c) Market Procedure Form MPF-05-02 (stakeholder comment form for proposal to amend market rules). A URL link to the documents was also provided. Stakeholders were given sixteen calendar days to provide comments.
- e. No stakeholder comments were submitted to the NSPSO. The NSPSO informed the WMAC of the outcome of the Market Rule Stakeholder review.
- f. The WMAC had the opportunity to meet and further to discuss the Proposed Amendments. The WMAC did not require any further discussion on the matter and agreed that the NSPSO would complete its report on the process and review with the WMAC at a meeting scheduled for November 18, 2015.

D) NSPSO's Initial Assessment

NSPSO's initial assessment determined that the Proposed Amendments were material and therefore required a stakeholder review process under MP05. This assessment was discussed with the WMAC meeting in May 2015, and there was no opposition to this assessment by the committee members.

E) Summary of Stakeholder Comments and of WMAC Discussions

As no stakeholders comments on the Proposed Amendments were submitted, the WMAC agreed that no further discussion regarding the Proposed Amendments was required.

F) Summary of the NSPSO's Final Assessment

NSPSO's final assessment is that the Proposed Amendments should be incorporated into the Market Rules as proposed. No conflicts are anticipated with the criteria set out in Appendix A of MP-05.

It is recommended, however, that the publishing and effective date of the Proposed Amendments be made subject to and conditional upon the Board's decision in respect of NS Power's RTR Application (M06214), as changes to NS Power's RTR market design and processes and/or direction from UARB may necessitate additional changes to the Proposed Amendments. If the NSPSO determines that Board's decision in that matter necessitates further or different amendments to Wholesale Market Rules (other than what is included in the Proposed Amendments), the Proposed Amendments should not be incorporated into the Market Rules and the matter should be referred back to the WMAC for further review and discussion.

G) Changes to the Transmission Tariff, the Standards of Conduct, or any rate approved by the Board.

Changes to the OATT have been proposed and were included as Appendix 22 to NS Power's RtR Application before the Board (M06214). The changes deal with enabling the LRSs to become Network Customers under the OATT, the incorporation of a new Schedule 4A related to generation forecasting, as well as the inclusion of several RtR-related definitions. The title of the Standards of Conduct (Attachment E to the OATT) has also been amended to include a reference to the RtR market. These changes are subject to approval by the Board.

A red-line version of the OATT showing the proposed changes is appended to this report as Attachment C.

H) Consequential changes required to standards, codes or Market Procedures.

Upon receipt of the Board's Decision in NS Power's RtR Application (M06214), NSPSO will assess whether new Wholesale Market Procedures or amendments to the existing Wholesale Market Procedures are required for the new RtR market.

I) Actions and time reasonably required by the NSPSO and Market Participants prior to the coming into effect of the amendment.

NSPSO recommends that an implementation period consistent with the implementation period established by the Board for the RtR market.

Nova Scotia Power System Operator

Attachment A – Proposed Amendments to Market Rules

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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.

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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.

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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

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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.

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Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules
Chapter 1, Introduction

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1.1.4, Scope of eligibility for participation in the wholesale electricity market and Renewable to Retail electricity market

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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.

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a) The present definition of eligible persons for the wholesale electricity market is:

j) In accordance with the Electricity Act, S.N.S. 2004, c.25:

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a Wholesale Customer,

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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

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(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."

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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-

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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.

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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 though the wholesale market and a portion as Bundled Service.

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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

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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.

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1.1.5.2. Nova Scotia Power Inc. is bound by these Market Rules:

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- 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

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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;

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- 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

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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.

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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.

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- 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.

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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:

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- 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.

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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

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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:

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- 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.

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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.

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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.

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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.

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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.

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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.

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules
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Appendix 1A

Definitions and acronyms

Ref	Acronym or term	Chapter	Definition or reference
<u>1A.000</u>	<u>Act</u>	<u>General</u>	<u>The Electricity Act, S.N.S. 2004, c. 25, as amended from time to time.</u>
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.

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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><u>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.</u></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>

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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 <u>and Renewable to Retail electricity</u> 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.
<u>1A.016.1</u>	<u>Distribution Generator Interconnection Procedures</u>	<u>2</u>	<u>The NSPI standard generator interconnection procedures applicable to Generating Facilities \geq 101kW, connected to Distribution Systems.</u>
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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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.

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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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 Appendix 1A, Definitions and Acronyms

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1A.033.1	<u>Licenced Retail Supplier</u>	<u>General</u>	<p><u>A Retail Supplier who:</u></p> <p><u>(a) holds a valid Retail Supplier Licence; and</u></p> <p><u>(b) has a valid LRS Participation Agreement executed with NSPI.</u></p> <p><u>For certainty, a Wholesale Customer is not a Licenced Retail Supplier.</u></p>
1A.033.2	<u>LRS Participation Agreement</u>	<u>General</u>	<p><u>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.</u></p>
1A.033.3	<u>Licenced Retail Supplier Market Participant</u>		<p><u>A Licenced 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.</u></p>
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 <u>and Renewable to Retail</u> electricity market in Nova Scotia.

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 Appendix 1A, Definitions and Acronyms

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). <u>For certainty, a person may be a Market Participant with respect to the wholesale electricity market or the Renewable to Retail electricity market.</u>
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 <u>and Renewable to Retail</u> 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.
<u>1A.042.1</u>	<u>Municipal Utility</u>	<u>1</u>	<u>This term has the same meaning as under the Act.</u>
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	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". As used in the Market Rules the term also includes Network Integration Transmission Service under part III of the Transmission Tariff.
1A.062	Point of Receipt	5	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." As used in the Market Rules the term also includes Network Integration Transmission Service under part III of the Transmission Tariff.
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 Point(s) of Delivery under part II of the Transmission Tariff.

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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	<u>renewable low-impact electricity</u>	<u>General</u>	<u>This term has the same meaning as in the Renewable Electricity Regulations (Nova Scotia).</u>
1A.068.2	<u>Renewable to Retail</u>	<u>General</u>	<u>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.</u>
1A.068.3	<u>Retail Customer</u>	<u>General</u>	<u>This term has the same meaning as under the Act. For certainty, a customer of a Municipal Utility is not a Retail Customer.</u>
1A.068.4	<u>Retail Supplier</u>	<u>General</u>	<u>This term has the same meaning as under the Act.</u>
1A.068.5	<u>Retail Supplier Licence</u>	<u>General</u>	<u>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.</u>
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	<u>Standard Small Generator Interconnection and Operating Agreement</u>	<u>2, 5</u>	<u>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.</u>
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 <u>and Renewable to Retail</u> 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.
<u>1A.087</u>	<u>Wholesale Customer</u>	<u>General</u>	<u>This term has the same meaning as under the Act.</u>

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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.

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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.

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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) Licenced Retail Supplier Market Participant: A Licenced Retail Supplier Market Participant is a Market Participant in respect of the aggregate of the Retail Customer load subscribed to the Licenced 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 Licenced Retail Supplier Market Participants must also be Transmission Customers if they are to schedule transactions on the Transmission System.

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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:

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- 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.

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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.

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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.

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Separation and aggregation

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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.

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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.

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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.

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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.

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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

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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

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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.

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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.

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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.

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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.

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2.3.2, Meetings and support

2.3.2.1, The NSPSO shall arrange meetings of the Advisory Committee:

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a) at least once in every calendar quarter unless waived by unanimous agreement of all members of the Advisory Committee; and

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b) additionally as required for the conduct of the business of the Advisory Committee.

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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:

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a) administrative services, including the use of the NSPSO's support personnel where required;

b) facilities for meetings of the Advisory Committee;

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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.

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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.

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2.3.3.2, The ~~Advisory Committee~~ may consult with Market Participants and other interested persons in such manner and at such times at it considers appropriate for the due performance of its functions.

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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.

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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.

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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.

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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

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- 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

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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, stakeholding, 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 market~~s~~ 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:

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- 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 market~~s~~ 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.

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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

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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 appellante 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.

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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

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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.

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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:

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- 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.

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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.

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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:

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- 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.

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules, Appendix 2C, Terms of Reference

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.

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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.

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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.

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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~~.

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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 or 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:

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- 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.

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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.

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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.

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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.

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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.

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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.

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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

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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.

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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.

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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;

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- 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.

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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;

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- 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.

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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

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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:

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- 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

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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.

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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.

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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.

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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.

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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;

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- 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.

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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;

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- 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

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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

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- 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

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Facilities aggregated in accordance with paragraph 2.2.1.7, but
excluding the output from Load Displacement Generating Facilities.

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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.

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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

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its Renewable to Retail customer load. Such withdrawals are included in the NSPI PP hourly system load schedule.

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4.3.7. Loss factors

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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.

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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.

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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.

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4.3.8. Day Ahead scheduling

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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.

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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.

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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

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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.

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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.

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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.

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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.

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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.

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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.

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4.3.9, Additional schedules and updates

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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.

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4.3.10, Dispatch Day scheduling

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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:

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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;

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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.

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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.

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4.3.11, Late changes

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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.

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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.

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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:

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- 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.

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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

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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.

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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.

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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

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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.

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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;

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- 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;

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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

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environmental restrictions advised by Market Participants, and taking account of marginal locational loss factors if relevant.

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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.

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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.

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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.

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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;

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- 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.

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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

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- ii) annual Generating Facility reliability and availability data in the form and detail requiring to be filed with NERC or NPCC.

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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.

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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.

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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-

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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.

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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

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- 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.

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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.

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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.

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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.

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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;

Nova Scotia Wholesale and Renewable to Retail Electricity Market Rules
Chapter 5, Settlement



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- c) information specified in sub-paragraph 5.4.6.1 (d); and
- d) the System Reactive Power Capability.

Nova Scotia Power System Operator

Attachment B - MP-05-01 Issue 01 September 30 2015

Proposal to Amend Market Rule

All information submitted in this process will be used by the NSPSO solely in support of its obligations under the "Electricity Act, S.N.S. 2004", C. 25, the "Market Rules" and associated policies, standards and procedures. All submitted information will be assigned the appropriate confidentiality level upon receipt.

1. Proposer's Identification

Name of proposer: Nova Scotia Power System Operator

Market Participant ID: (if applicable; 4 digits) NSSO

Contact person for this request (Name and position): Dave Kelly

Contact person phone: 902-428-7719

Contact person E-mail: dave.kelly@nspower.ca

2. Proposed Market Rule Amendment

Urgent Amendment Minor Amendment Material Amendment Special

Please provide the following information:

a) Section(s) of the Market Rules to which the proposed change relates:

- Chapter 1 – Sections 1.0 through 1.4
- Chapter 1 Appendix 1A - Multiple definitions
- Chapter 2 – Sections 2.1 through 2.7
- Chapter 2 Appendix 2C – 2C.1 through 2C.7
- Chapter 3 – Sections 3.2, 3.3, 3.4,
- Chapter 4 – Sections 4.3, 4.4,
- Chapter 5 – Sections 5.1, 5.8

b) The reason for the request:

The Electricity Act, as amended by the Electricity Reform (2013) Act, enables retail customers to purchase renewable low-impact electricity generated in Nova Scotia from a licensed retail supplier (LRS). The amendment to the Act instituted the opening of a new competitive electricity market in Nova Scotia referred to as the Renewable to Retail (RtR) market.

As set out in section 3G(1) of the Act, NS Power was directed to develop in consultation with stakeholders, and file with the Board for approval, any new or amended tariffs, procedures and standards of conduct that are necessary to facilitate the purchase of renewable low-impact energy including:

- a) a new or amended open access transmission tariff (OATT);
- b) a distribution tariff;

Proposal to Amend Market Rule

- c) a new or amended backup/top-up service tariff;
- d) a new or amended non-dispatchable supplier spill tariff;
- e) new or amended interconnection procedures;
- f) new or amended market rules; and
- g) any other tariffs, procedures or standards of conduct prescribed by the regulations or that the Board requires Nova Scotia Power Incorporated to develop or amend in order to facilitate the purchase of renewable low-impact electricity.

This document and its attachments pertain to item f), above.

c) A detailed description of the proposed content of the requested change:

- Changes proposed to MR 1 broaden the nature and scope of the existing Wholesale Market Rules to include the Renewable to Retail Market and provide for eligibility for Licensed Retail Suppliers to participate in the market.
- Definitions in MR Appendix 1A Definition and Acronyms have been updated to include terms related to the Renewable to Retail Market and to include definitions for NS Power's distribution generator interconnection procedure documents and agreements.
- The amendments proposed to MR 2 introduce the Licenced Retail Supplier as a new class of market participant and thereby enable the Licensed Retail Supplier to become qualified as a Market Participant under the expanded Wholesale and Renewable to Retail Electricity Market Rules. In addition, the role of the WMAC is also expanded to encompass the Renewable to Retail market via the amendments proposed in MR 2.3 and MR Appendix 2C.
- MR 3 amendments recognize the Licenced Retail Suppliers and the RtR market as required inputs to the NSPSO's forecasts and assessments and system planning.
- MR 4 amendments address the scheduling requirements for the Licenced Retail Suppliers, recognizing the geographically dispersed nature of the Licenced Retail Supplier's RtR customer load (as opposed to a single point of delivery), and the requirements for RtR generation scheduling.
- MR 5 amendments update the references to NSPI's distribution generation interconnection agreement (SSGIA) in 5.1.2 and 5.1.4.
- Several other revisions of a more minor nature have been made to support the changes described above and to provide links to other RtR tariffs and documentation, where necessary.
- All chapters and appendices are retitled as "Wholesale and Renewable-to-Retail Electricity Market Rules".

Proposal to Amend Market Rule

d) A description of any adverse impacts if the NSPSO does not proceed with the adoption of the requested change and the any positive impacts if the NSPSO proceeds with the adoption of the requested change:

- Inability to implement the Renewable to Retail market.

3. Additional Information

These proposed amendments to the Market Rules assume the tariffs, procedures and documents being proposed by NS Power to facilitate the Renewable to Retail market (as referenced in Section 2(b) above) will be approved by the Nova Scotia Utility and Review Board (UARB).

As such, the NSPSO's decision and any implementation of these amendments to the Market Rules must be made conditional on the UARB approving those tariffs, procedures and documents as well as these proposed Amendments to the Market Rules.

4. Confidential Information

Is Confidential Information being submitted and included in Schedule A? **No Confidential Information.**

If yes, confirm whether the third party (a) has read and understood the provisions of the Market Rules, and Market Procedure MP-01 as they relate to the treatment of Confidential Information; and (b) understands that the NSPSO will Publish information relating to this request as described in Market Procedure MP-01. (Y/N)

5. Attachments

List all documents attached to this request:

Market Rules Proposed Amendments.pdf

6. Number assigned to this request (to be provided by the NSPSO): **MRAP-2015-001**

Nova Scotia Power System Operator

Attachment C – Proposed Amendments to OATT

Nova Scotia Power Incorporated
Open Access Transmission Tariff – 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 – 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:

EFFECTIVE:

Nova Scotia Power Incorporated
Open Access Transmission Tariff – 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:

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Open Access Transmission Tariff – 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:

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Open Access Transmission Tariff – 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:

Amendments to the

Open Access Transmission Tariff

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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.

1.56 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.

Deleted: six

- 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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Open Access Transmission Tariff**III. NETWORK INTEGRATION TRANSMISSION SERVICE****Preamble**

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

[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, and
- (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.

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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 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;

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- (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
 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

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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
- (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

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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.

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.

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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 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

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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.

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

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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 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

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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.

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

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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 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,

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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.
- (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

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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 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

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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.

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

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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 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.

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- 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 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.

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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]:

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.

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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

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

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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.

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;

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- (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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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**

NOTE TO READER: NSPI HAS PROPOSED AMENDING OATT 2014 SCHEDULE 4 AND THE ADDITION OF A NEW OATT SCHEDULE 4A (GENERATION FORECASTING SERVICE) WHICH HAVE BEEN PROVIDED SEPARATELY WITH THE COMPANY'S APPLICATION.

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;

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- 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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- 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

NSPI

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

NSPI**Open Access Transmission Tariff**

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.

NSPI

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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Open Access Transmission Tariff

- (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.

NSPI

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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Open Access Transmission Tariff

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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- 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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8.6 Network Upgrade Charge:

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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

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 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 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.

NSPI**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 – 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.

NSPI**Open Access Transmission Tariff**

- 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 – β (TRM) – Non-firm Transmission Reservations – 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.

NSPI

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.

NSPI

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 following 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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Open Access Transmission Tariff

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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Open Access Transmission Tariff

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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- 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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Open Access Transmission Tariff

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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Open Access Transmission Tariff

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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Open Access Transmission Tariff

7.0 Term of Transaction:

Start Date:

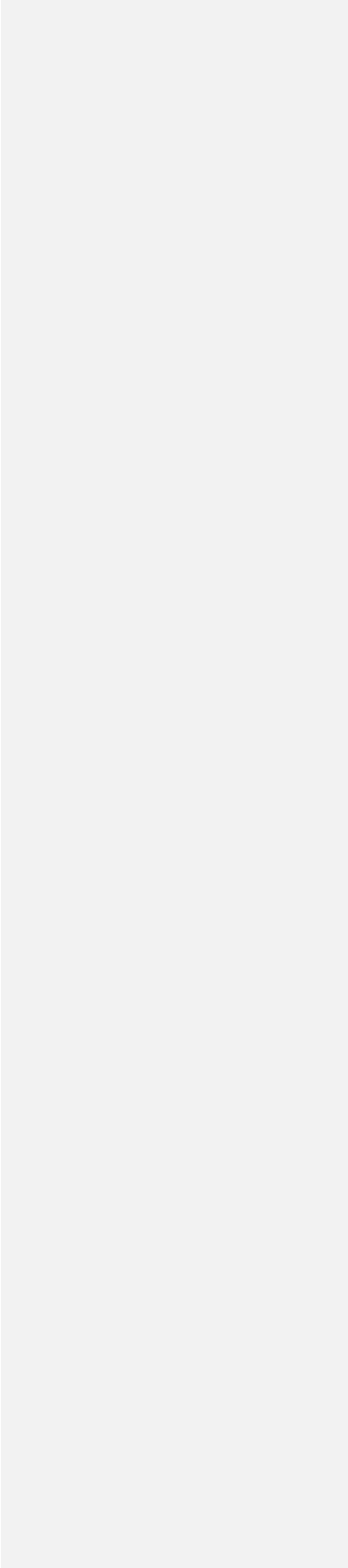
Termination Date:

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",

Deleted: 11

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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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

Open Access Transmission Tariff

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.

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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.

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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.

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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.

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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

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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.

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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: _____