



NOVA SCOTIA POWER INC.
OPEN ACCESS TRANSMISSION TARIFF

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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

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for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico; 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,

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economy and expedition as applied and practiced in the utility industry with respect to power generation, delivery, purchase and sale.

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.

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- 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 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.

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- 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.
- 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

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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.

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.

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- 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.
- 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.
- 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.

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- 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 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.

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- 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 Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.
- 1.55 Transmission Provider:** Nova Scotia Power Inc.
- 1.55.1 Transmission RtR Customer Operating Agreement:** An executed agreement that contains the terms and conditions under which the RtR Customer whose facilities are physically connected to the Transmission System shall operate its facilities and the technical and operational matters associated with the connection of such facilities to the Transmission System.
- 1.56 Transmission Service:** Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.
- 1.57 Transmission System:** The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.
- 1.58 Wholesale Customer:** This term has the same meaning as under the Act.

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 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

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Suppliers are not required to purchase Energy Imbalance Service from the Transmission 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

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OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.6 below list the seven Ancillary Services.

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

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are based on 18 CFR § 37 of the FERC regulations (Open Access Same-Time

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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 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]

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

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- 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 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.

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.

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.

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.

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- 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 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:

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

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

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

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necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission Service. 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 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

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Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments.

13.7 Classification of Firm Transmission Service:

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

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

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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 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.

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- 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 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

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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 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.

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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 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,

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

The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required, Curtailments or Interruptions will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (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.

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- 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.
- 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

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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.

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:

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- 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 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.

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:

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- (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 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

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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 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

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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 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.

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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 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

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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;
- (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.

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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 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.

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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 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:

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- (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 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

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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, 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

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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 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.

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- 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 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

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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 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

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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 Utility Practice. The Transmission Customer shall reimburse the Transmission

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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.

23.0 Sale or Assignment of Transmission Service

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

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

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

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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.

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 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.

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

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

- 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

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Network 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.

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,

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

29.2 Application Procedures: An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. Applications shall be submitted by entering the information listed below on the OASIS used by the Transmission Provider. Prior to implementation of the OASIS, or if the OASIS used by the Transmission Provider is not functioning, a Completed Application may be submitted by transmitting the required information to the Transmission Provider by fax. This will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall include, but not be limited to, all of the following information:

- (i) The identity, address, e-mail address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;

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- (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;

- (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

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- 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
 - 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

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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 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

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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.

30.0 Network Resources

30.1 Designation of Network Resources: Network Resources shall include all generation and dedicated transmission equipment owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff. Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis. Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources: The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made by a request for modification of service by submitting a new Application under Section 29.

- 30.3 Termination of Network Resources:** The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource at any time but should provide notification to the Transmission Provider as soon as reasonably practicable.
- 30.4 Operation of Network Resources:** Unless otherwise agreed in writing, or provided under the terms and conditions of a Board approved tariff, the Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Operating Area such that the output of those facilities exceeds its designated Network Load, plus non-firm sales delivered pursuant to Part II of the Tariff, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System.
- 30.5 Network Customer Redispatch Obligation:** As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.
- 30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:** The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the Transmission Provider's Transmission System. The Transmission Provider will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without

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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 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 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

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(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 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, 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

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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 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

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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 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 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

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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.
- 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.

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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.

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.

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

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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 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),

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- (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;
- (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;

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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.

ATTACHMENT A

Form For

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

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between Nova Scotia Power Incorporated (the Transmission Provider), and _____ (the "Transmission Customer").
- 2.0 The Transmission Customer has been determined by the Transmission Provider to have a Completed Application for Long-Term Firm Point-To-Point Transmission Service under Section 17.2 of the Tariff.
- 3.0 The Transmission Customer has provided to the Transmission Provider an Application deposit in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed. Service under this agreement shall terminate on such date as set forth in the attached specifications for Long-Term Firm Point-to-Point Transmission Service incorporated herein.
- 5.0 The Transmission Provider agrees to provide and the Transmission Customer agrees to take and pay for Long-Term Firm Point-To-Point Transmission Service in accordance with the provisions of Part II of the Tariff and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

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Transmission Provider:

Mailing Address as posted on OASIS

Transmission Customer:

Company Name: _____

Billing Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

TSIN Code _____

TSIN DUNS _____

Administrative Contact: _____

Address: _____

Telephone: _____

Fax: _____

E-mail _____

7.0 No failure by the Transmission Provider or the Transmission Customer at any time or from time to time to enforce or require a strict observance of any of the provisions of this Service Agreement shall constitute a waiver of the provision or affect or impair such provisions or the right of the Transmission Provider or the Transmission Customer at any time to enforce such provisions or to avail itself of any remedy it may have.

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8.0 This Service Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and any Assignees of the Transmission Customer authorized pursuant to Section 23.1 of the Tariff.

9.0 The Tariff and the attached Specifications for Long-Term Firm Point-to-Point Transmission Service are incorporated herein and made a part hereof.

10.0 Applicable taxes shall be added to all charges set forth in the Tariff.

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

Transmission Provider:

By: _____	_____	_____
Name	Title	Date

Transmission Customer:

By: _____	_____	_____
Name	Title	Date

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

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

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

3.0 Point(s) of Receipt: _____

Delivering Party: _____

4.0 Point(s) of Delivery: _____

Receiving Party: _____

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

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

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

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

8.1 Transmission Charge: _____

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

8.3 Direct Assignment Facilities Charge: _____

8.4 Ancillary Services Charges: _____

8.5 Redispatch Charge:

8.6 Network Upgrade Charge:

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.

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.

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

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

ATTACHMENT C

Methodology To Assess Available 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.

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, voltage, and stability ratings for the import limit. The interconnection capability relies heavily on the design and operation of Special Protection Systems, as defined by NPCC. Import capability is a function of the power that can be reliably delivered to the interface via the NB Power Transmission System, and the power that can be reliably received into Nova Scotia. The NB Power Transmission Tariff highlights the methodology used to determine the former quantity. It should be noted that the NB Power transmission system has “simultaneous transfer limits”, which means that they cannot support simultaneous transfers on multiple interfaces. The simultaneous transfers on the following interfaces impact the NS-NB transfer limits:

- New Brunswick – New England interface
- New Brunswick – Prince Edward Island interface

Load flow base cases for winter peak and summer conditions are used in the determination of seasonal and long-term TTC and ATC values. For the winter case, an in-province forecasted peak load is modeled. In the summer case, in-province forecasted load is modeled on the basis of residential/commercial load at 60% of winter peak and large industrial at 100% of winter peak. All transmission facilities are assumed to be in-service and “normal” generation dispatch patterns are modeled.

Studies are then conducted to determine the TTC values under all possible combinations of transactions as explained in Section 4. The interface TRM and the CBM are determined using the principles given in Sections 5 and 6 respectively. Firm ATC and non-firm ATC values are calculated using the set of equations given in Sections 7 and 8 respectively.

4. Procedure for Calculating TTC

Based on load flow and stability studies, normal and first contingency scenarios are analyzed

to determine the TTC of each interface independent of transactions on the other interfaces. 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 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).

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.
- 2) List all Non-firm Transmission Reservations on the given interface, and calculate the total Non-firm Reservations.
- 3) Determine the TTC value for this interface (taking into consideration the firm and non-firm transmission reservations on other interfaces that impact the simultaneous TTC value for this interface).
- 4) Determine the TRM and CBM values and the portion of (β) of the TRM, that will not be available for any transactions, because of reliability concerns, where $0 \leq \beta \leq 1$.
- 5) Non-firm ATC = $TTC - \beta (TRM) - \text{Non-firm Transmission Reservations} - \text{Firm Transmission Reservations}$ (all terms of the ATC equation are directional).
- 6) Long term ATC results do not include short-term equipment outages for maintenance and emergency repairs.

9. Updating Periods for the TTC and ATC

Because the TTC and ATC values depend on system conditions, actual schedules and planned transmission reservations, it is necessary to conduct periodic reviews to ensure that the posted values take into consideration the most recent information available to the Transmission Provider. Therefore updating of the TTC and ATC values will be done according to the following guidelines:

9.1 Updating the TTC Values:

The posted seasonal (summer and winter) TTC values for the NS-NB interface (and any future posted interface), under normal conditions, will be considered constant and valid for the entire season. These will be reviewed annually to ensure their 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.

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.

3. Guidelines and Principles

In order to perform a System Impact Study, the Transmission Provider will develop system models for the known transmission system, including appropriate representation of load and generation for the time frame during which the Transmission Service is requested. These models will include existing agreements and other pending Transmission Service Requests. These models may include the representation of neighboring systems using the NPCC library of base cases as required.

The study may include load flow, short circuit, stability, loss evaluation, economic and other analyses as appropriate and will be conducted according to the following:

1. The Transmission Provider criteria and guidelines for operation and planning.
2. NPCC criteria and guidelines for design and operation of interconnected power systems.
3. NERC planning and operating standards.
4. Good Utility Practice.

4. Action Following the Completion

Based on the outcome of the System Impact Study, the Transmission Provider will notify the Eligible Customer of one of the followings findings:

1. The requested service can be accommodated without additional operating measures or new facilities.

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2. There are system constraints or impairments that may be avoided by system re-dispatch within Nova Scotia. The Eligible Customer is responsible for any additional cost incurred as a result of implementing such re-dispatch options.

3. The requested service can be accommodated by changing the operating procedures and/or securing Transmission Service in another Operating Area. The Eligible Customer shall be responsible for contacting the other Operating Area to determine the general availability of such operating procedures or services.

4. The requested service cannot be accommodated because of equipment limitations or it can cause unacceptable system performance or reliability risks. The Eligible Customer can decide whether to modify or cancel the request.

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

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
- (b) it is a subsidiary of a company that is that others subsidiary. R.S., c. 81, s. 2; 1990, c.15, s. 2.

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. 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

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Sales unit or Affiliate, and the employee's position within the chain of 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.

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- ii) Nova Scotia Power will distribute the written procedures to all its 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

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information) through access to information not posted on the OASIS or that is not otherwise also available to the general public without restriction.

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.

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- iv) A non-affiliate transmission customer may voluntarily consent, in writing, to allow Nova Scotia Power's Transmission Function to 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

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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 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

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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 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

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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

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Service under this agreement shall terminate on _____.

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 _____

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:

12.0 Name (s) of any Intervening Transmission providers:

13.0 The Network Integration Service Customer’s obligation for the following services will be provided as follows:

Ancillary Service	Source
1. Scheduling, System Control and Dispatch	<u>NSPI</u>
2. Reactive Supply and Voltage Control	<u>NSPI</u>
3. Regulation and Frequency Response:	
3a. Regulation	_____
3b. Load Following	_____
4. Energy Imbalance	_____
5. Operating Reserve - Spinning Reserve	_____
6. Operating Reserve	
6a. Supplemental (10-minute) Reserve	_____
6b. Supplemental (30 Minute) Reserve	_____

The Transmission Provider will confirm the acceptability of each source of supply proposed by the Transmission Customer.

14.0 Description of required Direct Assignment Facilities:

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15.0 In addition to the charge for Transmission Service and charges for Ancillary Services as set forth in the Tariff, the customer will be subject to the following charges:

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

15.2 Direct Assignment Facilities Charges:

15.3 Redispatch Charges:

15.4 Network Upgrade Charges:

16.0 Credit for Network Customer Owned Transmission Facilities will apply in accordance with Section 30.9 of the Tariff.

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

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

Transmission Provider:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

ATTACHMENT 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.

NETWORK OPERATING AGREEMENT

Between

NOVA SCOTIA POWER INCORPORATED

And

(Insert Customer Name)

(Date)

NETWORK OPERATING AGREEMENT

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

BETWEEN: NOVA SCOTIA POWER INCORPORATED

a body corporate, with head office at Halifax, Province of Nova Scotia, hereinafter referred to as "NSPI";

- and -

and Eligible Customer, in accordance with Section 1.14 of NSPI's Open Access Transmission Tariff, having its head office in _____, hereinafter referred to as "the Customer",

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

WHEREAS the Customer is the owner and operator of facilities located in _____, the County of _____ in the Province of Nova Scotia (the "Customer's premises"), and requires a supply of power and energy for its operation;

AND WHEREAS NSPI has agreed to deliver and the Customer has agreed to purchase from NSPI transmission services for aforesaid Customer premises pursuant to the terms and conditions of this Agreement.

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

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.

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 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 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 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.

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

the Customer's premises, the Customer shall reimburse NSPI for the full cost of repair or replacement.

3.8 Insulation Contamination

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

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

4.0 GENERAL RIGHTS AND OBLIGATIONS OF NSPI

4.1 Interruption of Supply

NSPI shall provide a regular and uninterrupted delivery of transmission services under the terms of this Agreement but shall have no liability to the Customer for loss or damage from any failure of delivery in respect of any abnormality, delay, interruption or other partial or complete failure in the said delivery when such loss or damages are caused by something that is beyond the ability of NSPI to control by reasonable and practicable effort, said effort

to be measured by Good Utility Practice as defined herein.

NSPI 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.

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 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.

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 no warranties, representations or other agreements between the parties in connection with the subject matter of this Agreement except as specifically set forth herein.

10.0 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 benefit of this Agreement shall not be assignable by either party without the consent in writing of the other party. Such consent shall not be unreasonably withheld.

11.0 MODE OF DELIVERY

11.1 Mode of Delivery

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

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

Attention:

- b) In the case of NSPI, to:

Nova Scotia Power Incorporated

P.O. Box 910

Halifax, NS B3J 2W5

Attention: Secretary and General Counsel

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

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

12.0 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

NSPI

Open Access Transmission Tariff

Scotia and any applicable Federal laws.

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: _____

RM

Appendix O
OATT Schedules 4 and 4A

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;
- Support interconnected system frequency; or to

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- 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:

- 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

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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:

- 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.

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- 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:

- 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.

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- 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.

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:

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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.