SCHEDULE 21-GMP

LOCAL SERVICE SCHEDULE

GREEN MOUNTAIN POWER CORPORATION

I. COMMON SERVICE PROVISIONS

This Local Service Schedule, designated Schedule 21-GMP, governs the terms and conditions of service taken by Transmission Customers over GMP's Transmission System who are not otherwise served under transmission service contracts with GMP that are still in effect. In the event of a conflict between the provisions of this Schedule 21 -GMP and the other provisions of the Tariff, the provisions of this Schedule 21 -GMP shall control.

1. Definitions

Whenever used in this Schedule 21 -GMP, in either the singular or the plural, the following capitalized terms shall have the meanings specified in this Section 1. Terms used in this Schedule 21 -GMP but not defined in this Section 1 shall have the meaning specified elsewhere in the Tariff, or if not defined therein, such terms shall have the meanings customarily attributed to such terms by the electric utility industry in New England.

1.1 Firm Local Point-To-Point Transmission Service: Transmission Service that is reserved and/or scheduled between specified Points of Receipt and Delivery on GMP's Transmission System pursuant to this Schedule 21.

1.2 GMP: Green Mountain Power Corporation.

1.3 GMPs Monthly Transmission System Peak: The maximum firm usage of GMP's Transmission System in a calendar month.

1.4 GMP's Transmission System: The Non-PTF facilities owned, controlled or operated by GMP that are used to provide transmission service under this Schedule 21-GMP. To the extent necessary to provide Local Transmission Service under this Schedule 21-GMP to a Transmission Customer, GMP's Transmission System shall also include GMP's entitlement to the VTransco facilities.

1.5 Interruption: A reduction in non-firm transmission service due to economic reasons pursuant to the terms of this Schedule 21.

1.6 Load Ratio Share: Ratio of a Transmission Customer's Local Network Load to GMP's total load computed in accordance with this Schedule 21-GMP and calculated on a rolling twelve-month basis.

1.7 Local Network Customer: An entity receiving Local Network Service pursuant to the terms of this Schedule 21.

1.8 Local Network Operating Agreement: An executed agreement that contains the terms and conditions under which the Local Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Local Network Service under this Schedule 21.

1.9 Local 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 this Schedule 21.

1.10 Local Reserved Capacity: The maximum amount of capacity and energy that a Transmission Customer has reserved for transmission over GMP's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under this Schedule 21. Reserved Capacity shall he expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.11 Non-Firm Local Point-To-Point Transmission Service: Point-To-Point Transmission Service on GMP's Transmission System under this Schedule 21 that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption. Non-Firm Local Point-To-Point Transmission Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.12 Parties: GMP and the Transmission Customer receiving service under this Schedule 2I-GMP.

1.13 Receiving Party: The entity receiving the capacity and energy transmitted by GMP to Point(s) of Delivery under this Schedule 21.

1.14 Service Commencement Date: The date that GMP begins to provide service pursuant to the terms of an executed Service Agreement, or the date that GMP begins to provide service in accordance with this Schedule 21.

1.15 Short-Term Firm Local Point-To-Point Transmission Service: Firm Local Point-To-Point Transmission Service under this Schedule 21-GMP with a term of less than one year.

1.16 VTransco: Vermont Transco LLC

2. Ancillary Services

Ancillary Services are needed with Transmission Service to maintain reliability within and among the Control Areas affected by the transmission service. A Transmission Customer taking Local Service from GMP is required to purchase the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation Sources.

Scheduling, System Control and Dispatch Service

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

Reactive Supply and Voltage Control from Generation Sources Service

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

3 Billing and Payment

3.1 Billing Procedure:

Within a reasonable time after the first day of each month, GMP shall submit an invoice to the Transmission Customer for the charges for all services furnished under this Schedule 21-GMP during the preceding month. The invoice shall be paid by the Transmission Customer within twenty (20) days of receipt. All payments shall be made in immediately available funds payable to GMP, or by wire transfer to a bank named by GMP.

3.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's

regulations at 18 C.F.R. § 35.1 9a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by GMP.

3.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to GMP on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after GMP 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, GMP may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between GMP and the Transmission Customer, GMP 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 GMP may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

4. Accounting for GMP's Use of the Tariff

GMP shall record the following amounts, as outlined below.

4.1 Transmission Revenues: Include in a separate operating revenue account or sub-account the revenues it receives from Local Point-to-Point Transmission Service when making Third-Party Sales.

4.2 Study Costs and Revenues: Include in a separate transmission operating expense account or sub-account, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies that GMP conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including making Third-Party Sales, and include in a separate operating revenue account or sub-account 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 this Schedule 21.

5. Regulatory Filings

Nothing contained in the Tariff or any exhibit, appendix, schedule, attachment or Service Agreement related thereto shall be construed as affecting in any way the right of GMP unilaterally to file with the Commission, or make application to the Commission for changes in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation with respect to this Schedule 21 -GMP under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder, or any other applicable statutes or regulations. Nothing contained in the Tariff or any exhibit, appendix, schedule, attachment or Service Agreement related hereto shall be construed as affecting in any way the ability of GMP or any Transmission Customer receiving service under Schedule 21 -GMP to exercise any right under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

6. Force Majeure and Indemnification

6.1 Force Majeure: An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing. Neither GMP nor the Transmission Customer will be considered in default as to any obligation under this Schedule 21 if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Schedule 21 is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Schedule 21.

6.2 Indemnification: The Transmission Customer shall at all times indemnify, defend, and save GMP 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 GMP’s performance of its obligations under this Schedule 21 on behalf of the Transmission Customer, except in cases of negligence or intentional wrongdoing by GMP.

7. Creditworthiness

Creditworthiness procedures are specified in Attachment L to Schedule 21.

8. Real Power Losses

Real Power Losses are associated with all transmission service. GMP is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service provided over GMP's Transmission System under this Schedule 21-GMP. The applicable Real Power Loss factors are as follows: Where deliveries on GMP's Transmission System are at 34.5 kv and above – 3%; where deliveries on GMP's Transmission System are at voltages below 34.5 kv – 5.2%.

9. Stranded Cost Recovery

GMP may seek to recover stranded costs from the Transmission Customer pursuant to this Schedule 21 in accordance with the terms, conditions and procedures set forth in FERC Order Nos. 888 and 888-A. However, GMP must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

II. LOCAL POINT-TO-POINT TRANSMISSION SERVICE

Preamble

GMP will provide Firm and Non-Firm Local Point-To-Point Transmission Service over GMP's Transmission System pursuant to the applicable terms and conditions of this Schedule 21 and this Schedule 21-GMP. Local 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.

10. Classification of Firm Transmission Service

The Transmission Customer will be billed for its Local Reserved Capacity under the terms of Schedule 7 of this Schedule 21 -GMP. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in this Schedule 21-GMP. If the Transmission Customer exceeds its firm capacity reserved at each Point of Receipt and each Point of Delivery, GMP will charge the Transmission Customer for the amount of capacity that exceeded the firm capacity reserved at the rate of 200% of the reserved capacity charges under the terms of Schedule 7 of this Schedule 21-GMP. Billing at the rate of 200% firm capacity charge will continue until the problem is resolved. Each unreserved use penalty will be based on the period of unreserved use such that the unreserved use penalty for a single hour will be based on the rate for daily firm service next and where there is more than one assessment for a given duration (e.g. daily) results in the application of the penalty rate for the next longest duration (e.g. weekly).

11. Classification of Non-Firm Point-To-Point Transmission Service

The Transmission Customer will be billed for Non-Firm Local Point-To-Point Transmission Service pursuant to Schedule 8 of this Schedule 21-GMP. If a Transmission Customer exceeds its non-firm capacity reservation, GMP will bill the Transmission Customer for the capacity that exceeded the capacity reservation at a rate of 200% of the rate charged under the Firm Point-to-Point for the Transmission Customer for the scheduled reserved capacity. Each unreserved use penalty will be based on the period of unreserved use such that the unreserved use penalty for a single hour will be based on the rate for daily firm service next and where there is more than one assessment for a given duration (e.g. daily) results in the application of the penalty rate for the next longest duration (e.g. weekly). 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.

12. Limitations on Assignment or Transfer of Service

If an 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, GMP will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of GMP's Transmission System or the generating or distribution facilities of other Vermont utilities.

13. Compensation for Transmission Service

Rates for Firm and Non-Firm Local Point-To-Point Transmission Service are provided in the following Schedules appended to this Schedule 21-GMP: Long-Term Firm and Shirt-Term Firm Local Point-To-Point Transmission Service (Schedule 7); and Non-Firm Local Point-To-Point Transmission Service (Schedule 8). GMP shall use this Schedule 21-GMP to make its Third-Party Sales. GMP shall account for such use at the applicable rates described herein.

III. LOCAL NETWORK SERVICE

14. Secondary Service

The Local Network Customer may use GMP's Transmission System to deliver energy to its Local 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 Local Point-To-Point Transmission

Service under this Schedule 21-GMP.

15. Network Resources

15.1 Transmission Arrangements for Network Resources Not Physically Interconnected With GMP:

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

15.2 Limitation on Designation of Network Resources:

The Local 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 Local Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under this Schedule 21 and Schedule 21-GMP.

15.3 Use of Interface Capacity by the Network Customer:

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

15.4 Network Customer Owned Transmission Facilities:

The Local Network Customer that owns existing transmission facilities that are integrated with GMP'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 Local Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of GMP to serve its power and transmission customers. For facilities constructed by the Local Network Customer subsequent to the Service Commencement Date, the Local Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with GMP.

Calculation of the credit shall be addressed in either the Local Network Customer's Service Agreement or any other agreement between the Parties.

16. Local Network Load Not Physically Interconnected with GMP

This section applies to both the initial designation and the subsequent addition of new Local Network Load not physically interconnected with GMP. To the extent that the Local Network Customer desires to obtain transmission service for a load not connected to GMP's Transmission System, the Local Network Customer shall have the option of (1) electing to include the entire load as Local Network Load for all purposes under this Schedule 21 and designating Network Resources in connection with such additional Local Network Load, or (2) excluding that entire load from its Local Network Load and purchasing Local Point-To-Point Transmission Service under this Schedule 21. To the extent that the Network Customer gives notice of its intent to add a new Local Network Load as part of its Local Network Load pursuant to this section the request must be made through a modification of service pursuant to a new Application.

17. Load Shedding and Curtailment

17.1 Procedures:

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

17.2 Transmission Constraints:

During any period when GMP determines that a transmission constraint exists on GMP's Transmission System, or that the ISO determines that a transmission constraint exists on the New England Transmission System, and such constraint may impair the reliability of GMP's Transmission System, GMP will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of GMP's Transmission System. To the extent GMP determines that the reliability of GMP's Transmission System can be maintained by redispatching resources, GMP will work with the ISO to initiate procedures pursuant to the Local

Network Operating Agreement to redispatch all Network Resources and GMP'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 GMP's use of GMP's Transmission System on behalf of its Native Load Customers and any Network Customer's use of GMP's Transmission System to serve its designated Local Network Load.

17.3 Cost Responsibility for Relieving Transmission Constraints:

Whenever GMP implements least-cost redispatch procedures in response to a transmission constraint, GMP and Local Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

17.4 Curtailments of Scheduled Deliveries:

If a transmission constraint on GMP's Transmission System or the New England Transmission System cannot be relieved through the implementation of least-cost redispatch procedures and GMP determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with the Local Network Operating Agreement.

17.5 Allocation of Curtailments:

Working with the ISO, GMP shall, on a nondiscriminatory 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 GMP and Local Network Customer in proportion to their respective Load Ratio Shares. GMP shall not direct the Local Network Customer to Curtail schedules to an extent greater than GMP would Curtail its own schedules under similar circumstances.

17.6 Load Shedding:

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

17.7 System Reliability:

Notwithstanding any other provisions of this Schedule, GMP reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Local Network Service

without liability on GMP'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 Local Network Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on GMP's Transmission System or on any other system(s) directly or indirectly interconnected with GMP's Transmission System, GMP, consistent with Good Utility Practice, also may Curtail Local Network 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. GMP will give the Local Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Local Network Service will be not unduly discriminatory relative to GMP's use of GMP's Transmission System on behalf of its Native Load Customers. GMP shall specify the rate treatment and all related terms and conditions applicable in the event that the Local Network Customer fails to respond to established Load Shedding and Curtailment procedures.

18. Rates and Charges

The Local Network Customer shall pay GMP for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, as otherwise described in this Schedule 21 and consistent with Commission policy, and also the following:

18.1 Monthly Demand Charge:

The Local Network Customer shall pay a monthly Demand Charge, which shall be determined each month by multiplying its Load Ratio Share for that month times GMP's Transmission Revenue Requirement for that month as specified in Attachment D of this Schedule 21-GMP.

18.2 Determination of Network Customer's Monthly Local Network Load:

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

18.3 Determination of GMP's Monthly Transmission System Load:

GMP's monthly Transmission System load is GMP's Monthly Transmission System Peak minus the coincident peak usage of all Firm Local Point-To-Point Transmission Service customers pursuant to this Schedule 21 -GMP plus the Local Reserved Capacity of all Firm Local Point-To-Point Transmission Service customers.

18.4 Redispatch Charge:

The Local Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Local Network Customer and GMP. To the extent that GMP incurs an obligation to the Local Network Customer for redispatch costs, such amounts shall he credited against the Local Nctwork Customer's bill for the applicable month.

19. Operating Arrangements

19.1 Operation under The Local Network Operating Agreement:

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

19.2 Local Network Operating Agreement:

The terms and conditions under which the Local Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of this Schedule 21 and this Schedule 21 -GMP of the Tariff shall be specified in the Local Network Operating Agreement. The Local Network Operating Agreement shall provide for the Parties to (i) operate and maintain equipment necessary for integrating the Local Network Customer within GMP's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between GMP and the Local Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside GMP's Transmission System, interchange schedules, unit outputs for redispatch, 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 the Tariff, including scheduling protocols. The Local Network Operating Agreement will recognize that the Local Network Customer shall either (i) operate as a Control Area under applicable guidelines of the North American Electric Reliability Council (NERC) and the Northeast Power Coordinating Council (NPCC), (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with GMP and/or with the ISO for Ancillary Service Nos. 1 through 7, or (iii) satisfy its Control Area

requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies NERC and NPCC requirements. GMP shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Local Network Operating Agreement is included in Attachment C.

19.3 Local Network Operating Committee:

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

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service associated with use of GMP's Transmission System is to be provided by GMP. The Transmission Customer must purchase this service from GMP. The charges for Scheduling, System Control and Dispatch Service are to be based on the rate set forth below. To the extent the ISO performs this service for GMP, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to GMP by the ISO.

Rate Equals	$0.06 per kilowatt month

SCHEDULE 2

Reactive Supply and Voltage Control from Generation or Other Non-generation Sources Service

In order to maintain transmission voltages on GMP's Transmission System within acceptable limits, generation facilities under the control of the ISO are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Non-generation Sources Service must be provided for each transaction on GMP's Transmission facilities. The amount of Reactive Supply and Voltage Control from Generation or Other non-generation Sources Service that must be supplied with respect to the Transmission Customer's transaction will be determined based on the reactive power support necessary to maintain transmission voltages within limits that are generally accepted in the region and consistently adhered to by GMP. Reactive Supply and Voltage Control from Generation Sources Service is to be provided by GMP, the ISO, or another generation or Non-generation source within New England. The Transmission Customer must purchase this service from the ISO. To the extent the ISO performs this service for GMP, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to GMP by the ISO.

GMP Provided Rate Equals: $0.14 per kilowatt month

SCHEDULE 7

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

The Transmission Customer shall compensate GMP each month for Local Reserved Capacity as follows:

A. Reserved Capacity: The sum of the applicable charges set forth below:

1) **Yearly delivery:** one-twelfth of the demand charge of $15.33/KW of Reserved Capacity per year.
2) **Monthly delivery:** $1.28/KW of Reserved Capacity per month.
3) **Weekly delivery:** $.29/KW of Reserved Capacity per week.
4) **Daily delivery:**
on peak: $.059/KW of Reserved Capacity per day;
off peak: $.042/KW of Reserved Capacity per day.

Peak days are Monday through Friday. The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) **Charge for Transmission Over VTransco Facilities:** If the Transmission Customer's transmission service includes service over the VTransco Facilities and/or other intervening parties providing transmission service and the Customer does not pay directly for such transmission, the Customer shall pay to GMP, in addition to any other charges under this Schedule 21-GMP, an amount no less than the VTransco and/or other intervening party charges incurred with respect to the transaction and no greater than the fully allocated cost of all transmission provided to GMP by VTransco and/or other intervening parties providing transmission service.

6) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by GMP 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 merchants or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon

for service on a path, from point(s) of receipt to point(s) of delivery, GMP shall offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

7) **Resales**: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Part I.11 of Schedule 21.

SCHEDULE 8

Non-Firm Local Point-To-Point Transmission Service

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

A. Non Firm Point-to-Point Transmission Service up to the sum of the applicable charges set forth below:

1) **Monthly delivery**: $1.280/KW of Reserved Capacity per month.

2) **Weekly delivery:** $.29/KW of Reserved Capacity per week.

3) **Daily delivery:**

on peak: $.059/KW of Reserved Capacity per day.

off peak: $.042/KW of Reserved Capacity per day.

The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

4) **Hourly delivery:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed $ .0037/MWH for deliveries during on-peak hours or $.0018/MWH for deliveries during off-peak hours.

Peak days are Monday through Friday, and peak hours are 6 AM through 10 PM on such days. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

5) **Charge for Transmission Over VTransco Facilities:** If the Customer's transmission service includes service over the VTransco Facilities and/or other intervening parties providing

transmission service and the Customer does not pay directly for such transmission, the Customer shall pay to GMP, in addition to any other charges under this tariff, an amount no less than the VTransco and/or other intervening party charges incurred with respect to the transaction and no greater than the fully allocated cost of all transmission provided to GMP by VTransco and/or other intervening parties providing transmission service.

6) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by GMP 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 merchants or an affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, GMP shall offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

7) **Resales**: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Part I.11 of Schedule 21.

SCHEDULE 9

Network Integration Transmission Service Rates

GMP's Annual Transmission Revenue Requirement for the calendar year ending December 31, 1995 was: $4,995,901.60

GMP's Average for the 12 Monthly Transmission System Peaks for the calendar year ending December 31, 1995 was: 325,935 KW

SCHEDULE 12

Generator Interconnection

As part of the generator interconnection service that GMP provides a generator that interconnects with GMP's Transmission System, GMP shall receive capacity and/or energy from the generator at the Point of Receipt, which shall be designated as the point at which the generating unit interconnects with GMP's Transmission System. The establishment of a generator interconnection does not carry with it the right to Transmission Service on GMP's system, and the charges for generator interconnection service, which are stated on a case-by-case basis in the applicable interconnection agreement, shall not include any charges for the transmission of capacity and/or energy on GMP's system. Any entity seeking transmission of capacity and/or energy on GMP's Transmission System from the Point of Receipt at which a generator is located to a Point of Delivery must enter into a Service Agreement pursuant to Schedule 21 for Local Point-To-Point Transmission Service or Local Network Service. Nothing in this Schedule 12 of Schedule 21 -GMP eliminates, limits, reduces, or otherwise impairs GMP's right to assess applicable charges for delivery services taken by a generator or any other customer.

ATTACHMENT A

Methodology to assess Available Transfer Capability

Introduction

ISO-NE is the regional transmission organization ("RTO") serving the New England Control Area. ISO is responsible for the development, oversight, and fair administration of New England's wholesale market, management of the bulk electric power system and wholesale markets planning processes. The ISO serves as the Balancing Authority for the New England Control Area. The New England Control Areas is comprised of PTF, non-PTF, OTF, MTF, and is interconnected to three neighboring Balancing Authority Areas ("BAA") with various interface types.

As part of its RTO responsibilities, the ISO is registered with the North American Electric Reliability Corporation ("NERC") as several functional model entities that have responsibilities related to the calculation of ATC as defined in the following NERC Standards: MOD-001 – Available Transmission System Capability ("MOD-001"), MOD-004 – Capacity Benefit Margin ("MOD-004"), and MOD-008 – Transmission Reliability Margin Calculation Methodology ("MOD-008"). The extent of those responsibilities is based on various Commission approved transmission operating agreements and the provisions of the ISO New England Operating Documents.

While the ISO is the Transmission Provider of RNS and Through or Out Service over PTF, certain Participating Transmission Owners ("PTOs") also provide local transmission service over Non-PTF within the RTO footprint and are responsible for calculating TTC and ATC associated with Local Service provided under Schedule 21. GMP is a Transmission Provider for Local Service under Schedule 21 – GMP in accordance with the Transmission Operating Agreement ("TOA"). Pursuant to CFR§37.6(b)[i] of the FERC Regulations Transmission Provider's are obligated to calculate and post TTC and ATC for each Posted Path.

Posted Path means any control area to control area interconnection; any path for which service is denied, curtailed or interrupted for more than 24 hours in the past 12 months; and any path for which a customer requests to have ATC or TTC posted. For this last category, the posting must continue for 180 days and thereafter until 180 days have elapsed from the most recent request for service over the requested path.

For purposes of this definition, an hour includes any part of any hour during which service was denied, curtailed or interrupted.[ii]

GMP's Non-PTF facilities are primarily radial paths that provide transmission service directly to interconnected generators. It is possible, in the future that a particular radial path may interconnect more nameplate capacity generation than the path's TTC.

GMP does not currently have a Posted Path based on the above definition. However, to the extent that GMP does in the future have a Posted Path, GMP will calculate TTC using NERC MOD-029-1 Rated System Path Methodology as outlined below.

Scope of Document

The scope of this document is limited to the following functions performed by GMP as the Transmission Provider of Local Point-to-Point Transmission service over Non-PTF pursuant to this Schedule 21-GMP, the TOA, and the ISO OATT:

- Total Transfer Capability (TTC) methodology
- Available Transfer Capability (ATC) methodology
- Existing Transmission Commitment (ETC)
- Use of Rollover Rights (ROR) in the calculation of ETC

As explained in Section 2, TTC and ATC are required to be calculated only for certain Non-PTF internal Posted Paths over which Local Point-to-Point transmission service is provided under Schedule 21-GMP, TTC and ATC is not calculated by GMP for Local Network Service because ISO employs a market model for economic, security constrained dispatch of generation and advanced reservations are not required for network service.

Transmission Service in the New England Markets

Since the inception of the OATT for New England, the process by which generation located inside New England supplies energy to bulk electric system has differed from the Commission pro forma OATT. The fundamental difference is that internal generation is dispatched in an economic security constrained manner by the ISO rather than utilizing a system of physical rights, advance reservations and point-to-point transmission service. Through this process, internal generation provides offers that are utilized by

the ISO in the Real-Time Energy Market dispatch software. This process provides the least-cost dispatch to satisfy Real-Time load on the system.

In addition to offers from generation within New England, entities may submit External Transactions to move energy into the New England Control Area, out of the New England Control Area or through the New England Control Area. The Real-Time Energy Market clears these External Transactions based on forecast Locational Marginal Pricing (LMPs) and the transfer capability of the associated external interfaces. With those External Transactions in place, the Real-Time Energy Market dispatches internal generation in an economic, security constrained manner to meet Real-Time load within the region. This process for submitting External Transactions into the New England Real-Time Energy Market does not require an advance physical reservation for use of the PTF. In the event that the net of economic External Transactions is greater than transfer the capability of the associated external interface, the External Transactions selected to flow are selected based on the rules specified in the Tariff. For any External Transactions that are confirmed to flow in Real-Time based on the economics of the system, a transmission reservation for RNS and Through or Out Service is created after-the-fact to satisfy the transparency needs of the market.

The process described above is applicable to the PTF within the ISO Area, and non-PTF Local Facilities utilized for Local Network Service by generation or load. However, GMP provides service over Non-PTF over which advance transmission service reservations for firm or non-firm transmission service may be required. On those Local Facilities, the market participant must obtain a transmission service reservation under Schedule 21-GMP prior to delivery of energy into the New England Wholesale Market. This document addresses the calculation of ATC and TTC for the non-PTF internal paths.

Total Transfer Capability (TTC):

The Total Transfer Capability (TTC) is the amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions. TTC for Schedule 21 - GMP is calculated using NERC Standard MOD-029-1 Rated System Path Methodology and posted on the GMP OASIS site.

The TTC on GMP's non-PTF that are eligible for Local Point-to-Point transmission service reservations are relatively static values. GMP thus calculates and posts the TTC for non-PTF Posted Paths that may

require Local Point-to-Point transmission reservations on its OASIS provider page according to NAESB Standards.

TTC is calculated as the rating of the limiting element that constitutes that path.

Capacity Benefit Market (CBM):

The use of Capacity Benefit Margin (CBM) within the ISO Area is governed by the overall ISO approach to capacity planning requirements. Load Serving Entities (LSEs) operating within the New England Control Area are required to arrange for their Capability Requirements prior to the beginning of any given month in accordance with the ISO Tariff, Section III.13.7.3.1 (Calculation of Capacity Requirement and Capacity Load Obligation). Load Serving Entities do not utilize CBM to ensure their capacity needs are met, therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of GMP's ATC calculation and because CBM for the New England Control Area is set to zero (0), GMP utilizes a zero (0) CBM value.

Existing Transmission Commitments, Firm (ETC_F)

The ETC_F are those confirmed Firm transmission reservation (PTP_F) plus any rollover rights for Firm transmission reservations (ROR_F) that have been exercised. There are no allowances necessary for Native Load forecast commitments (NL_F), Network Integration Transmission Service ($NITS_F$), grandfathered Transmission Service (GF_F) and other service(s), contract(s) or agreement(s) (OS_F) to be considered in the ETC_F calculation.

Existing Transmission Commitments, Non-Firm (ETC_{NE})

The (ETC_{NF}) are those confirmed Non-Firm transmission reservations (PTP_{NF}). There are no allowances necessary for Non-Firm Network Integration Transmission Service ($NITS_{NF}$), Non-Firm grandfathered Transmission Service (GF_{NF}) or other service(s), contract(s) or agreement(s) (OS_{NF}).

Transmission Reliability Margin (TRM):

TRM is the amount of transmission transfer capability set aside to provide reasonable assurance that the interconnected transmission network will be secure. TRM accounts for the inherent uncertainty in system conditions and the need for operating flexibility to ensure reliable system operation as system conditions change. It is used only for external interfaces under the New England market design.

GMP does not have any external interfaces, and therefore TRM for GMP's non-PTF is zero (0).

Calculation of ATC for GMP's Local Facilities – General Description

NERC Standards MOD-001-1 – Available Transmission System Capability and MOD-029-1 – Rated System Path Methodology define the required items to be identified when describing a Transmission Provider's ATC methodology. As a practical matter, the ratings of the Non-PTF radial transmission paths are always higher than the transmission requirements of the Transmission Customers connected to that path. As such, transmission services over these posted paths are considered to be always available.

Common practice is not to calculate or post firm and non-firm ATC values for GMP's Non-PTF described above, as ATC is positive and listed as 9999. Transmission Customers are not restricted from reserving firm or non-firm transmission service on GMP's Non-PTF.

As Real-Time approaches, the ISO utilizes the Real-Time energy market rules to determine which of the submitted energy transactions will be scheduled in the coming hour. Basically, the ATC of the non-PTD assets in the New England market is almost always positive. The ATC is equal to the amount of net energy transactions that the ISO will schedule on an interface for the designated hour. With this simplified version of ATC, there is no detailed algorithm to be described or posted other than: ATC equals TTC. Thus for those non-PTF facilities which serve as a path for the GMP Schedule 21-GMP Point-to-Point Transmission Customers, GMP has posted the ATC as 9999, consistent with industry practice. ATC on these paths varies depending on the time of day. However, it is posted with an ATC of "9999" to reflect the fact that there are no restrictions on these paths for commercial transactions.

Calculation of Firm ATC (ATC_F)

Calculation of ATC_F in the Planning Horizon (PH)

For purposes of this Attachment A, PH is any period before the Operating Horizon.

Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for TRM, CBM, ETC_F, $Postbacks_F$ and $Counterflows_F$.

As discussed above, TRM and CBM are zero (0). Firm Transmission Service over Schedule 21 – GMP that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_F$ and $Counterflows_F$ of Schedule 21 – GMP transmission reservations are not considered in the ATC calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F.

Calculation of ATC_F in the Operation Horizon (OH)

For purposes of this Attachment A, OH is noon eastern prevailing time each day. At that time, the OH spans from noon through midnight of the next day for a total of 36 hours. As time progresses the total hours remaining in the OH decreases until noon the following day when the OH is once again reset to 36 hours.

Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for ETC_F, CBM, TRM, $Postbacks_F$ and $counterflows_F$.

As discussed above, TRM and CBM is zero (0). Daily Firm Transmission Service over Schedule 21 – GMP is the only firm service offered in the Operating Horizon (OH). $Postbacks_F$ and $counterflows_F$ of Schedule 21 – GMP transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F.

Firm transmission service is not offered in the Scheduling Horizon (SH) therefore ATC_F in the SH is zero (0).

Calculation of Non-Firm ATC (ATC_{NF})

Calculation of ATC_{NF} in the PH

ATC_{NF} is the capability for Non-Firm transmission reservations that remain after allowing for ETC_F, ETC_{NF}, scheduled CBM (CBM_S), unreleased TRM (TRM_U), Non-Firm Postbacks ($Postbacks_{NF}$) and Non-Firm counterflows ($counterflows_{NF}$).

As discussed above, the TRM and CBM for Schedule 21 – GMP are zero (0). Non-Firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U, $Postbacks_{NF}$ and $counterflows_{NF}$ of

Schedule 21 – GMP transmission reservations are not considered in this calculation. Therefore, ATC_{NF} in the PH is equal to the TTC minus ETC_F and ETC_{NF}.

Calculation of ATCNF in the OH

ATC_{NF} available in the OH includes: Daily and Hourly.

As discussed above TRM and CBM for Schedule 21 – GMP are zero (0). TRM_U, $counterflows_{NF}$ and ETF_{NF} are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F and ETC_{NF} plus postbacks $Postbacks_{NF}$.

Negative ATC

As stated above, the ratings of the radial transmission paths are always higher than the transmission requirements of the Transmission Customers connected to that path. As such, transmission services over these posted paths are considered to be always available. The non-PTF facilities are primarily radial paths that provide transmission service to directly interconnected generators.

It is possible, in the future that a particular radial path may interconnect more nameplate capacity generation than the path's TTC. However, due to the ISO's security constrained dispatch methodology, the ISO will only dispatch an amount of generation interconnected to such path so as not to incur a reliability or stability violation on the subject path. Therefore, ATC in the PH, OH and SH may become zero (0), but will not become negative.

Posting of ATC

Location of ATC Posting

ATC values are posted on GMP's OASIS site in accordance with NAESB Standards.

Updates to ATC

When any of the variables in the ATC equations change, the ATC values are recalculated and immediately posted.

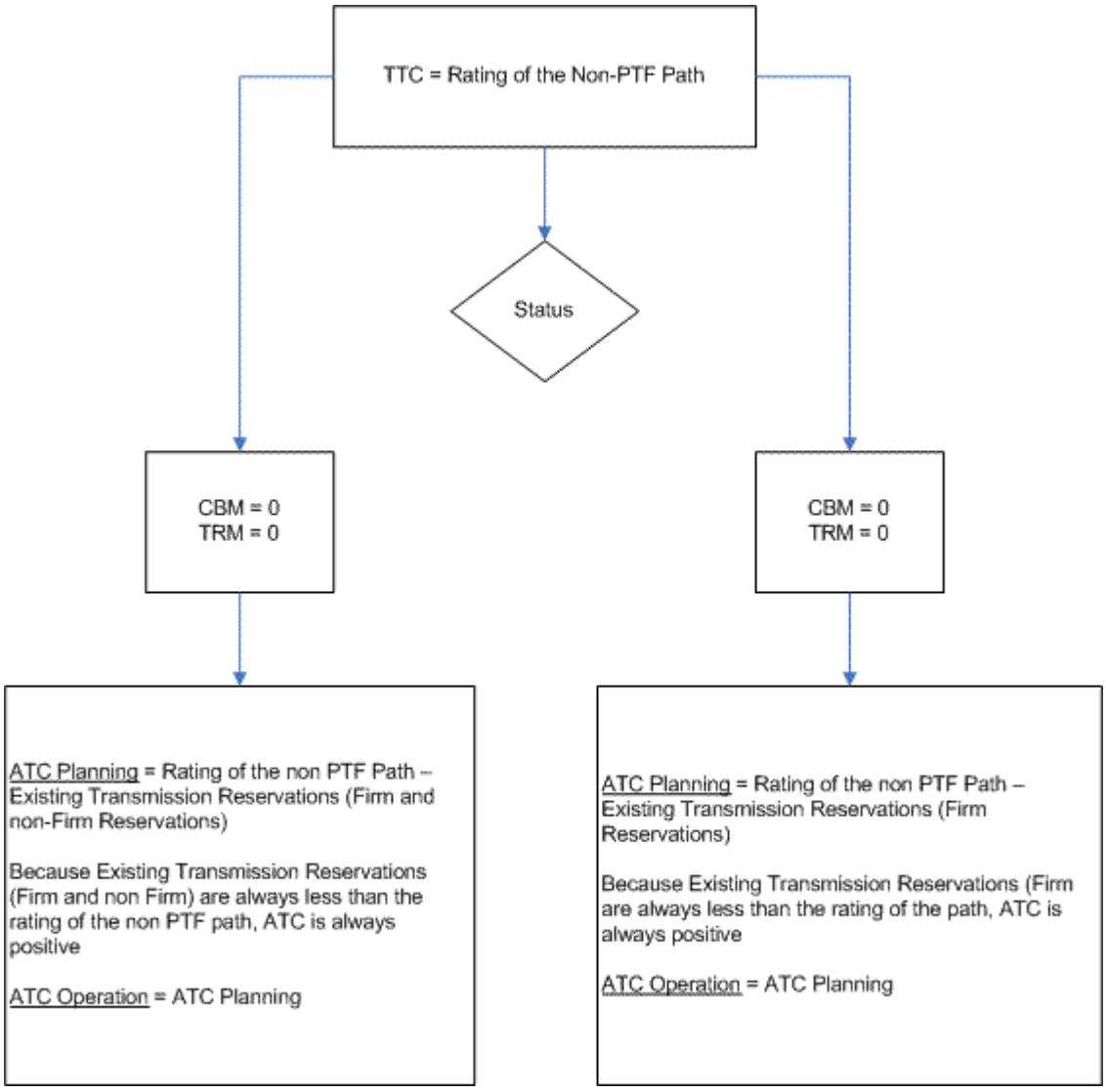
Coordination of ATC Calculations

Schedule 21 – GMP non-PTF has no external interfaces. Therefore it is not necessary to coordinate the values.

Mathematical Algorithms – A link to the actual mathematical algorithm for the calculation of ATC for GMP's non-PTF internal interfaces is located on GMP's website at

http://greenmountainpower.com/mathematicalalgorithms.html

Non-PTF Transmission Path ATC Process Flow Diagram



ATTACHMENT B

Methodology for Completing a System Impact Study

GMP (or its designated agent) or the ISO may require System Impact Studies for the purpose of determining the feasibility of providing Long Term Firm Local Point-To-Point Transmission Service, integrating Network Resources or integrating Local Network Load for Transmission Customers (or Local Network Customers) under Schedule 21 of the ISO Open Access Transmission Tariff. When a determination is made that a System Impact Study is needed because GMP's Transmission System will be inadequate to accommodate a request for service, the following outlines the study methodology that will be employed to estimate the transmission system impact of a Request for Local Firm Transmission Service and/or any Costs for System Redispatch, Direct Assignment Facilities or Local Network Upgrades that would be incurred in order to provide the requested transmission service.

1. System Impact will be estimated based on consideration of reliability requirements to

- meet obligations under GMP agreements that predate this Schedule 21-GMP;
- met obligations of existing and pending Valid Requests for Local Point-To-Point Transmission Service under this Schedule 21-GMP;
- meet obligations of existing firm and pending Valid Request for Local Network Integration Transmission Service Under this Schedule 21-GMP; and
- maintain thermal, voltage and stability system performance within acceptable regional practices.

2. Guidelines and Principles followed by GMP - GMP is an ISO Participant and a member of the NPCC. When a System Impact Study is performed, the following criteria and guidelines, as amended and/or adopted from time to time, will be applied.

- Good Utility Practice;
- Criteria, rules and reliability standards of the ISO;
- NPCC criteria and guidelines; and
- GMP's criteria and guidelines.

3. Transmission System Model Representation - The Transmission System model will be based on a library of loadflow cases prepared by the ISO for studies of the New England area. (VTransco for the state of Vermont transmissions grid and GMP for its own transmission system). The models may include representations of other NPCC and neighboring systems. These represent forecasted system conditions of up to ten years in to the future. System models will be used that are deemed to be appropriate for study of the Request for Service. Additional system models and operating conditions, including assumptions specific to a particular analysis, may be developed for conditions not available in the library of loadflow cases. The system models may be modified, if necessary, to include additional system information on load, transfers and configuration, as it becomes available.

4. System Conditions - Loading of all transmission system elements shall be less than normal ratings for precontingency conditions and less than long-term emergency (LTE) ratings for post-contingency conditions. Post-contingency loading above LTE rating and less than short-term emergency (STE) rating may be allowed where demonstrated that loading can be reduced below the LTE rating within 15 minutes.

Transmission system steady state voltages shall be within the applicable design ratings of connected equipment for normal and emergency conditions. Normal and post-contingency voltages shall be in accordance with GMP and ISO standards.

5. Short Circuits - Transmission system short circuit currents shall be within the applicable equipment design ratings.

6. Study Analysis - System impact of the integration of a new Network Resource, or new member system, will be evaluated to meet the requirements of design, identified in the guidelines and principles under Item 2, to provide sufficient transmission capability to maintain stability and to maintain thermal and voltage levels of lines and equipment within applicable limits. The same applies to the evaluation of Firm Local Point-to-Point Transmission Service when it has been determined that insufficient transmission capacity is available and the Eligible Customer requests a System Impact Study to be conducted.

7. Loss Evaluation - The impact of losses on GMP's Transmission System will be taken into account in the System Impact Study to ensure Good Utility Practice in the design and operation of its system.

8. **System Protection** - Protection requirements will be evaluated by GMP in accordance with ISO criteria rules and reliability standards, NPCC criteria and guidelines, any applicable VTransco interconnection requirements and GMP's criteria and guidelines.

9. **Approvals** - GMP will conduct the System Impact Study to ensure compliance with its planning and design policies and practices. However, the actions to be taken by the Parties to implement the recommendations of the System Impact Study are subject to approval under the ISO criteria rules and standards as amended and/or adopted from time to time.

10. **Study Scope and Reporting** - The study will determine the impacts and identify changes required, if any, to GMP's existing Transmission System. GMP will provide the Eligible Customer with a written report of the physical interconnection alternative(s), required GMP system additions and/or modifications, associated study cost estimates and the results of the analysis.

ATTACHMENT C

Local Network Operating Agreement

This Local Network Operating Agreement is made this _____day of , 20__, by and between Green Mountain Power Corporation ("GMP"), and ("Local Network Customer").

WHEREAS, GMP has determined that the Local Network Customer has made a valid request for Local Network Service in accordance with Schedule 21 of the ISO's Open Access Transmission Tariff ("Tariff"); and

WHEREAS, the Local Network Customer has represented that it is an Eligible Customer qualified to take service under the Tariff,

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

1. General Terms and Conditions

This Local Network Operating Agreement is an implementing agreement for Local Network Service under the Tariff and Schedule 21-GMP thereunder and is subject to the Tariff and Schedule 21-GMP, as the Tariff and Schedule 21-GMP are in effect at the time this Agreement is executed or as they thereafter may be amended. In the case of any conflict between this Local Network Operating Agreement and the Tariff and/or Schedule 21 -GMP, the Local Network Operating Agreement shall control.

GMP agrees to provide transmission service to the Local Network Customer's equipment or facilities, subject to the Local Network Customer operating its facilities in accordance with applicable criteria, rules, standards, procedures, or guidelines of GMP, its Affiliates, the ISO, and the Northeast Power Coordinating Council ("NPCC"), as they may be adopted and/or amended from time to time. In addition to those requirements, service to the Local Network Customer's equipment or facilities is provided subject to the following specified terms and conditions.

a. Electrical Supply: The electrical supply to the Point(s) of Delivery shall be in the form of three-phase sixty hertz alternating current at a voltage class determined by mutual agreement of the parties.

b. Coordination of Operations: GMP shall consult with the Local Network Customer regarding timing of scheduled maintenance of the Transmission System, and GMP shall schedule any shutdown or withdrawal of facilities to coincide with the Transmission Customer's equipment or facilities, etc. scheduled outages of the Transmission Customer's resources, to the extent practicable. In the event GMP is unable to schedule the shutdown of its facilities to coincide with Transmission Customer's schedule, GMP shall notify the Transmission Customer and/or its Designated Agent, in advance if feasible, of reasons for the shutdown, the time scheduled for it to take place, and its expected duration. In the event of a curtailment of service or the implementation of load shedding procedures, GMP shall use due diligence to resume delivery of electric power as quickly as possible.

2. Reporting Obligations QQQ

a. The Local Network Customer shall be responsible for providing all information required by the ISO and NPCC and by GMP's dispatching functions. Failure by the Transmission Customer to do so may constitute default. Delinquency in responding by the Transmission Customer will result in a fine as described in 11 below. The Local Network Customer shall respond promptly and completely to GMP's requests for information, including but not limited to data necessary for operations, maintenance, regulatory requirements and analysis. In particular, that information may include:

i. For Local Network Loads: 10-year annual peak load forecast; load power factor performance; load shedding capability; under frequency load shedding capability; disturbance/interruption reports; protection system setting conformance; system testing and maintenance conformance; planned changes to protection systems; metering testing and maintenance conformance; planned changes in transformation capability; conformance to harmonic and voltage fluctuation limits; dead station tripping conformance; and voltage reduction capability conformance.

ii. For Network Resources and interconnected generators: 10 year forecast of generation capacity retirements and additions; generator reactive capability verification; generator under frequency relaying conformance; protection system testing and maintenance conformance; planned changes to protection system; and planned changes to generation parameters.

b. The Local Network Customer shall supply accurate and reliable information to GMP regarding

metered values for MW, MVAR, volt, amp, frequency, breaker status indication, and all other information deemed necessary by GMP for safe and reliable operation. Information shall be gathered for electronic communication using one or more of the following: supervisory control and data acquisition ("SCADA"), remote terminal unit ("RTU") equipment, and remote access pulse recorders ("RAPR"). All equipment used for metering, SCADA, RTU, RAPR, and communications must be approved by GMP.

3. Operational Obligations

The Local Network Customer shall request permission from GMP prior to opening and/or closing circuit breakers in accordance with applicable switching and operating procedures. The Local Network Customer shall carry out all switching orders from GMP, GMP's Designated Agent, or the ISO in a timely manner.

a. The Local Network Customer shall balance the load at the Point(s) of Delivery such that the differences in the individual phase currents are acceptable to GMP.

b. The Local Network Customer's equipment shall conform with harmonic distortion and voltage fluctuation standards of GMP.

c. The Local Network Customer's equipment must comply with all environmental requirements to the extent they impact the operation of GMP's system.

d. The Local Network Customer shall operate all of its equipment and facilities connected to GMP's system in a safe and efficient manner and in accordance with manufacturers' recommendations, Good Utility Practice, applicable regulations, and requirements of GMP, the ISO, NPCC, the National Electric Safety Code and the National Electric Code.

e. The Local Network Customer is responsible for supplying voltage regulation equipment on its subtransmission and distribution facilities.

4. Notice of Transmission Service Interruptions

If at any time, in the reasonable exercise of GMP's judgment, operation of the Local Network Customer's equipment adversely affects the quality of service or interferes with the safe and reliable operation of the system, GMP may discontinue transmission service until the condition has been corrected. Unless GMP

perceives that an emergency exists or the risk of an emergency is imminent, GMP shall give the Local Network Customer reasonable notice of its intention to discontinue transmission service and, where practical, allow suitable time for the Local Network Customer to remove the interfering condition. GMP's judgment with regard to the discontinuance of service under this paragraph shall be made in accordance with Good Utility Practice. In the case of such discontinuance, GMP shall immediately confer with the Local Network Customer regarding the conditions causing such discontinuance and its recommendation concerning timely correction thereof.

5. Access and Control

Properly accredited representatives of GMP shall at all reasonable times have access to the Local Network Customer's facilities to make reasonable inspections and obtain information required in connection with Schedule 21 of the Tariff. Such representatives shall make themselves known to the Local Network Customer's personnel, state the object of their visit, and conduct themselves in a manner that shall not interfere with the construction or operation of the Local Network Customer's facilities. GMP shall have control such that it may open or close the circuit breaker or disconnect and place safety grounds at the Point(s) of Delivery, or at the station, if the Point(s) of Delivery is remote from the station.

6. Point(s) of Delivery

Local Network Service shall be provided by GMP to the Point(s) of Delivery as specified by the Local Network Customer in accordance with the Tariff. Each Point of Delivery shall have a unique identifier, meter location, meter number, metered voltage, terms on meter compensation and, the actual, or if not currently in service, the projected in-service year.

7. Maintenance of Equipment

a. Unless otherwise agreed, GMP shall own all metering equipment.

b. The Local Network Customer shall maintain all of its equipment and facilities connected to GMP's system in a safe and efficient manner and in accordance with manufacturers' recommendations, Good Utility Practice, applicable regulations and requirements of GMP, the ISO and NPCC.

c. GMP may request that the Local Network Customer test, calibrate, verify or validate the data link, metering, data acquisition, transmission, protective, or other equipment or software owned by the

Local Network Customer, consistent with the Local Network Customer's routine obligation to maintain its equipment and facilities or for the purposes of investigating potential problems on the Local Network Customer's facilities. The Local Network Customer shall be responsible for the cost to test, calibrate, verify or validate the equipment or software.

d. GMP shall have the right to inspect the tests, calibrations, verifications and validations of the Local Network Customer's data link, metering, data acquisition, transmission, protective, or other equipment or other software connected to GMP's system.

e. The Local Network Customer, at GMP's request, shall supply GMP with a copy of the installation, test, and calibration records of the data link, metering, data acquisition, transmission, protective or other equipment or software owned by the Local Network Customer and connected to GMP's system.

f. GMP shall have the right, at the Local Network Customer's expense, to monitor the factory acceptance test, the field acceptance test, and the installation of any metering, data acquisition, transmission, protective or other equipment or software owned by the Local Network Customer and connected to GMP's system.

8. Emergency System Operations

a. The Local Network Customer's equipment and facilities, etc. shall be subject to all applicable emergency operation standards required of and by GMP to operate in an interconnected transmission network.

b. GMP reserves the right to take whatever actions or inactions it deems necessary during emergency operating conditions to: (i) preserve the integrity of the Transmission System, (ii) limit or prevent damage, (iii) expedite restoration of service, or (iv) preserve public safety.

9. Cost Responsibility

The Local Network Customer shall be responsible for all costs incurred by GMP relative to the Local Network Customer's facilities. Appropriate costs may be allocated to more than one Local Network Customer, in a manner within the reasonable discretion of GMP.

10. Additional Operational Obligations of Local Network Customer

a. Voltage or Reactive Control Requirements:

i. Unless directed otherwise by GMP, the Local Network Customer shall ensure that all generating facilities designated as Network Resources are operated with an automatic voltage regulator(s). The Local Network Customer shall ensure that the voltage regulator(s) control voltage at the Point(s) of Receipt consistent with the range of voltage scheduled by GMP, GMP's agent or the ISO.

ii. At the discretion of GMP, GMP's Designated Agent or the ISO, the Local Network Customer may be directed to deactivate the automatic voltage regulator and to supply reactive power in accordance with a schedule which shall be provided by GMP, GMP's Designated Agent or the ISO, and in such event the Local Network Customer shall act in accordance with such direction.

iii. If the Local Network Customer does not have sufficient installed capacity in generating facilities designated as Network Resources to enable the Local Network Customer to operate such facilities consistent with recommendations of GMP, or if Network Resources fail to operate at such capacity, GMP or GMP's Designated Agent may install, at the Local Network Customer's expense, reactive compensation equipment necessary to ensure the proper voltage or reactive supply at the Point(s) of Receipt.

b. Station Service: When generating facilities designated as Network Resources are producing electricity, the Local Network Customer shall supply its own station service power. If and when the Local Network Customer's generation facility is not producing electricity, the Local Network Customer shall obtain station service capacity and energy from the franchise utility providing service or other source.

c. Protection Requirements: Protection requirements are defined in GMP's standard interconnection contract and in ISO, VTransco and NPCC documents as may be adopted or amended from time to time.

d. Operational Obligations:

i. The ISO may require that generation facilities designated as Network Resources be equipped for Automatic Generation Control ("AGC"). The Local Network Customer shall be responsible for all costs associated with installing and maintaining an AGC system on applicable Network Resources.

ii. GMP retains the right to require reduced generation at times when system conditions present transmission restrictions or otherwise adversely affect GMP's other customers. GMP shall use due diligence to resolve the problems to allow the generator to return to the operating level prior to GMP's notice to reduce generation.

iii. All operations (including start-up, shutdown and determination of hourly generation) shall be coordinated with the ISO, GMP or GMP's Designated Agent.

e. Coordination of Operations:

i. The Local Network Customer shall furnish GMP with generator annual maintenance schedules for all Network Resources and shall advise GMP if a Network Resource is capable of participation in system restoration and/or if it has black start capability.

ii. GMP reserves the right to specify turbine and/or generator control (e.g., droop) settings as determined by the System Impact or Facilities Study or subsequent studies. The Local Network Customer agrees to comply with such specifications by GMP at the Local Network Customer's expense.

iii. If the generator is not dispatchable by the ISO, the Local Network Customer shall notify GMP at least 48 hours in advance of its intent to take its resource temporarily off-line and its intent to resume generation. In circumstances such as forced outages, the Local Network Customer shall notify GMP as promptly as possible of the Network Resource's temporary interruption of generation and/or transmission.

f. Power Factor Requirement: The Local Network Customer agrees to maintain an overall Load Power Factor and reactive power supply within predefined sub-areas as measured at the Point(s) of Delivery within ranges specified by GMP or ISO criteria, rules and standards which identify the power factor levels that must be maintained throughout the applicable sub-area for each anticipated level of total

New England load. The Local Network Customer agrees to maintain Load Power Factor and reactive power requirements within the range specified by GMP or the ISO, as appropriate for the sub-area based on total New England load during that hour. The ISO may revise the power factor limits required from time to time. If the Local Network Customer lacks the capability to maintain the Load Power Factor within the ranges specified, GMP may install, at the Local Network Customer's expense, reactive compensation equipment necessary to ensure proper load power factor at the Point(s) of Delivery.

g. Protection Requirement: The Local Network Customer's relay and protection systems must comply with all applicable GMP, ISO and NPCC criteria, rules, procedures, guidelines, standards or requirements as may be adopted or amended from time to time.

h. Operational Obligation: The Local Network Customer shall be responsible for operating and maintaining security of its electric system in a manner that avoids adverse impact to GMP's or other's interconnected systems and complies with all applicable GMP, ISO and NPCC operating criteria, rules, procedures, guidelines and interconnection standards as may be amended or adopted from time to time. These actions include, but are not limited to: Voltage Reduction Load Shedding; Under Frequency Load Shedding, Block Load Shedding; Dead Station Tripping; Transferring Load Between Point(s) of Delivery; Implementing Voluntary Load Reductions Including Interruptible Customers; Starting Stand-by Generation; Permitting GMP Controlled Service Restoration Following Supply Delivery Contingencies on GMP Facilities.

11. Failure to perform

If the Local Network Customer fails to carry out its obligations under this Agreement, then the Transmission Customer will be deemed to be in default and service may be suspended immediately and subject to a termination through a FERC filing. If the Transmission Customer fails to provide the information required in above in a timely manner, the Company shall be permitted to assess a penalty of $100 per day until such information is provided in its entirety to the Company.

The Parties whose authorizing signatures appear below warrant that they shall abide by the foregoing terms and conditions.

GREEN MOUNTAIN POWER CORPORATION

By:

Title:

Dated:

(name of Local Network Customer)

By:

Title:

Dated:

ATTACHMENT D

Formula For Calculation Of Redispatch Costs

The following procedure and formula will be used in the determination of redispatch costs. GMP may charge costs determined through application of this procedure and formula to Transmission Customers on an embedded cost basis, consistent with the provisions of this Schedule 21 -GMP, without making a filing with the Commission pursuant to Section 205 of the Federal Power Act; or charge such costs to Transmission Customers on an incremental basis by filing pursuant to Section 205.

For relieving identified transmission constraints and allowing additional firm transactions, the feasibility, effectiveness, and estimated cost of generation redispatch will be evaluated. The methodology for evaluating the impact of a prospective firm transmission transaction on GMP's transmission system is detailed above. The feasibility of redispatch is conditioned on maintaining acceptable reliability to existing firm transmission customers. If a transmission limitation would result from the prospective firm transaction, generation redispatch that could effectively alleviate the transmission limitation will be quantified and an estimated redispatch cost developed for the duration of the proposed transaction. If GMP determines that the Transmission Customer is potentially liable for redispatch costs on an incremental basis, it will provide the customer a non-binding cost estimate along with supporting cost data and supplement the Transmission Customer's Service Agreement and tender the modified Service Agreement to the Commission. For each hour that generation redispatch occurs, the total redispatch costs for all firm transactions will be computed "a priori" by comparing the base economic dispatch to the actual dispatch by using detailed unit commitment and production costing models which compute the various redispatch cost components (energy cost, variable O&M, unit start-up/shut-down cost, capacity costs, etc.) The hourly generation redispatch costs shall be determined based on the following formula:

RDC = RDT - EDT
Where: RDC: hourly generation cost differential
RDT: total hourly generation cost with redispatch
EDT: total hourly generation cost without redispatch
(base economic dispatch)

In any hour, if all firm transmission transactions are priced at the embedded transmission rate, all redispatch

costs will be rolled into the embedded cost of service and borne by all transmission customers. If some transactions are priced at an embedded cost rate and others have a "potential" incremental redispatch cost burden, separate accounting will be established to track transactions with redispatch costs at embedded rates and redispatch costs to be assigned to transactions with potential liability for incremental costs. Each firm transaction with a potential for incremental redispatch costs will be evaluated in priority order to determine the portion of the hourly redispatch costs assigned to that transaction. In any month, if the redispatch costs assigned to a transaction with potential liability for incremental redispatch costs exceed embedded costs, the Transmission Customer billing will be trued-up to reflect the redispatch costs. For firm transactions less than one (1) year, a final billing true-up will be calculated at the end of the transaction. For transactions of one (1) year or more, a billing true-up will be calculated at the end of each year, and at the end of the transaction.

Attachment L-GMP

Creditworthiness

Credit Review:

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service under ISO New England Inc., ISO New England Inc. Transmission, Markets and Services Tariff, Section II- Open Access Transmission Tariff Schedule 21 ("tariff") and Schedule 20A of the OATT for GMP (referred to as "Transmission Service" or "Transmission Services"), GMP may require reasonable credit review procedures. The credit review procedures shall consist of an evaluation of the Transmission Customer's ability to meet the creditworthiness criteria set out in this attachment. A credit review shall be conducted for each Transmission Customer not less than annually and upon reasonable request by the Transmission Customer.

Information requested in this Attachment L should be forwarded to:

Chief Financial Officer/Controller
Green Mountain Power Corporation
163 Acorn Lane
Colchester, VT 05446

Creditworthiness:

A Transmission Customer that meets the following requirements shall not be required to provide any form of security against risk of nonpayment for any type of service, including deposits that otherwise would be required pursuant to Schedule 21:

(i) the Transmission Customer is not in default of any payment obligation under the Tariff; and it meets one of the following criteria:

a. the Transmission Customer has been in business at least one year and has a senior secured credit rating of at least Baa1 (Moody's) or BBB+ (Standard & Poor's); or

b. the Transmission Customer's parent company meets the criteria set out in (a) above, and the parent company provides a written guarantee that the parent company will be unconditionally responsible for all financial obligations associated with the Transmission Customer's receipt of transmission service.

Requirements for Non-Creditworthy Customers:

A Transmission Customer that does not meet the creditworthiness criteria set out above shall comply with one of the following:

(i) not less than five days prior to the commencement of service, the Transmission Customer shall provide an unconditional and irrevocable letter of credit from a financial institution reasonably acceptable to GMP or an alternative form of security proposed by the Transmission Customer and acceptable to GMP and consistent with commercial practices established by the Uniform Commercial Code that is equal to the lesser of the total charge for service or the charge for 90 days of service; or

(ii) for service for one month or less, the Transmission Customer shall pay to GMP or place in an escrow account that is accessible to GMP the total charge for service by the later of five business days prior to the commencement of service or the time when it makes the request for transmission service; or

(iii) for service of greater than one month, the Transmission Customer shall pay to GMP or place in an escrow account that is accessible to GMP the charge for each month's service not less than five business days prior to the beginning of the month. For Network Integration Transmission Service customers, the advance payment for each month shall be based on a reasonable estimate by GMP of the charge for that month.

GMP shall pay interest on any prepayments that it receives pursuant to this Section at the rates established pursuant to 18 C.F.R. § 35.1 9a(a)(2)(iii). The deposits provided for in Sections I.5.c and II.3.a of Schedule 21 shall not be required.

Other Considerations

GMP Provider will consider qualitative factors in conjunction with the quantitative factors above. The following are some of the factors considered:

- Years in business: a company in business fewer than five years will be considered as having

greater riskiness.

- Management's experience in the industry: a management team with an average of less than five year's experience will be considered as having greater riskiness.
- Market risk: consideration of pricing exposure, credit exposures, and operational exposures.
- Litigation Risk: a pending legal action with potential monetary damages approaching 3% of gross revenues will be considered as significantly increasing company risk.
- Regulatory Environment (State and Local): a company subject to significant exposure to regulatory decisions, such as key planning decisions, shall be considered as having increased risk.
- Prior payment history with other Transmission Providers or other vendors: a company with an excellent payment history of greater than or equal to five years shall be considered a good result in this category.

Credit Levels

If the Transmission Customer meets the applicable criteria outlined in Section 3, that Transmission Customer may receive unsecured credit equivalent to three (3) months of transmission charges, of three (3) months of the annual facilities charges and other ongoing charges. Transmission Customers not meeting the Creditworthiness Requirements above in Sections 3 and 4 may not receive unsecured credit from GMP.

Contesting Creditworthiness Determination.

The Transmission Customer may contest GMP's determination of creditworthiness by submitting a written request for re-evaluation within 20 calendar days of notification of the creditworthiness determination. Such request should provide information supporting the basis for a request to re-evaluate a Transmission Customer's creditworthiness. GMP will review and respond to the request within 20 calendar days.

Changes in Creditworthiness Status:

In the event that GMP plans to revise its requirements for credit levels or collateral requirements as detailed in this Attachment L, GMP shall submit such changes in a filing to the Federal Energy Regulatory Commission ("Commission") under Section 205 of the Federal Power Act. GMP shall follow the notification requirements pursuant to Section 3.04(a) of the Transmission Operating Agreement and reflected herein.

General Notification Process

- GMP shall provide written notification to ISO-NE and stakeholders of any filing described above, at least 30 days in advance of such filing.
- Filing notifications shall include a detailed description of the filing, including a redlined document containing revised change(s) to the Creditworthiness Policy.
- GMP shall consult with interested stakeholders upon request.
- Following Commission acceptance of such filing and upon the effective date, GMP shall revise its Attachment L Creditworthiness Policy and an updated version of Schedule 21-GMP shall be posted the ISO-NE website

Transmission Customer Responsibility

When there is a change in requirements, it is the responsibility of the Transmission Customer to forward updated financial information to GMP, to the address noted above, and indicate whether the change affects the Transmission Customer's ability to meet the requirements of the Creditworthiness Policy. Transmission Customer must take the necessary steps to comply with the revised requirements of the Creditworthiness Policy by the effective date of the change.

Notification of Active Customers

Active Transmission Customers are defined as any current Transmission Customer that has reserved Transmission Service within the last three (3) months.

All Active Transmission Customers will be notified via either e-mail or U.S. mail that the above posting has been made. They must follow the steps outlined in this procedure.

Posting Collateral Requirements

Changes in Customer's Financial Condition:

Each Transmission Customer must inform GMP, in writing, within five (5) business days of any material change in its financial condition or the financial condition of a parent providing a guarantee. A material change in financial condition includes, but is not limited to, the following:

- Change in ownership by way of a merger, acquisition or substantial sale of assets;
- A downgrade of long- or short-term debt rating by a major rating agency;
- Being placed on a credit watch with negative implications by a major rating agency;
- A bankruptcy filing;

- Any action requiring filing of a Form 8-K;
- A declaration of or acknowledgement of insolvency;
- A report of a significant quarterly loss or decline in earnings;
- The resignation of key officer(s);
- The issuance of a regulatory order and/or the filing of a lawsuit that could materially adversely impact current or future financial results.

Change in Creditworthiness Status:

A Transmission Customer who has been extended unsecured credit under this Creditworthiness Policy must comply with the terms of Financial Assurance in if one or more of the following conditions apply:

- The Transmission Customer no longer meets the applicable criteria for Creditworthiness;
- The Transmission Customer exceeds the amount of unsecured credit extended by GMP, in which case Financial Assurance equal to the amount of excess must be provided within five (5) business days; or
- The Transmission Customer has missed two or more payments for any of the Transmission Services offered by GMP in the last 12 months.

Ongoing Financial Review:

Each Transmission Customer is required to submit to GMP when issued, as applicable:

- Current rating agency report;
- Audited financial statements from a registered independent auditor; and
- 10-Ks, 10-Q's and 8-Ks, promptly upon their issuance.

Suspension of Service:

GMP may immediately suspend Transmission Service (with notification to Commission) to a Transmission Customer, and may initiate proceedings with Commission to terminate Transmission Service, if the Transmission Customer does not meet the terms described above at any time during the term of Transmission Service or if the Transmission Customer's payment obligations to GMP exceed the amount of unsecured or secured credit to which it is entitled under this Creditworthiness Policy. A Transmission Customer is not obligated to pay for Transmission Service that is not provided as a result of a suspension of Transmission Service.

[i] §37.6(b) Posting transfer capability. The available transfer capability on the Transmission Provider's system

(ATC) and the total transfer capability (TTC) of that system shall be calculated and posted for each Posted Path as set out in this section.

[ii] §37.6(b)(1)(i)