SCHEDULE 1

SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE

Scheduling, System Control and Dispatch Service is the service required to schedule at the regional level the movement of power through, out of, within, or into the New England Control Area. Local level service is provided by the PTOs under Schedule 21 to this OATT. For transmission service under this OATT, this Ancillary Service can be provided only by the ISO and the Transmission Customer and Large Load Transmission Customer must purchase this service from the ISO. Charges for Scheduling, System Control and Dispatch Service are to be based on the expenses incurred by the ISO, and by the individual PTOs in the operation of Local Control Center dispatch centers or otherwise, to provide these services. The expenses incurred by the ISO in providing these services recovered under Section IV of the OATT. A surcharge for the expenses incurred by PTOs in the provision of these services for transmission service over the PTF will be added to the Through or Out Service rate and to the Regional Network Service rate. Any Scheduling, System Control and Dispatch Service expenses for the provisions of these services for MTF Service shall be determined separately and assessed to Transmission Customers receiving MTF Service, in accordance with the arrangements between the Transmission Customers receiving MTF Service and the MTF Provider.

The expenses incurred in providing Scheduling, System Control and Dispatch Service for transmission service over the PTF for each PTO will be determined by an annual calculation based on the previous calendar year's data as shown, in the case of PTOs which are subject to the Commission's jurisdiction, in the PTO's FERC Form 1 report for that year, and shall be based on actual data in lieu of allocated data if specifically identified in the Form 1 report. The surcharge shall be redetermined annually as of June 1 in each year and shall be in effect for the succeeding twelve (12) months. The rate surcharge per kilowatt for each month is one-twelfth of the amount derived by dividing the total annual PTO expenses for providing the service by the sum of the average of the coincident Monthly Peaks (as defined in Section II.21.2) of all Local Networks for the prior calendar year.

Each Transmission Customer which is obligated to pay the rate for Regional Network Service for a month shall pay the surcharge on the basis of the number of kilowatts of its Monthly Network Load (as defined in Section II.21.2 of this OATT) for the month. Each Transmission Customer which is obligated to pay the rate for Through or Out Service for the applicable period shall pay the surcharge on the basis of the

highest amount of its Reserved Capacity for each transaction scheduled as Through or Out Service for such period. Each Large Load Transmission Customer that is obligated to pay for the Regional Network Service for a month shall pay the surcharge on the basis of the number of kilowatts of its demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service, as determined in Section II.62 of the OATT for the month.

The details for implementation of Schedule 1 for transmission service over the PTF shall be established in accordance with the Implementation Rule for Schedule 1 attached to this OATT.

SCHEDULE 1 IMPLEMENTATION RULE

This rule provides detail with respect to the calculation of the rate surcharge each year for Scheduling, System Control and Dispatch Service, which is defined in the OATT as the service required to schedule the movement of power through, out of, within, or into the New England Control Area over Pool Transmission Facilities ("PTF"). This service also includes the dispatch and security analysis of the system. Scheduling, System Control and Dispatch Service for transmission service over transmission facilities other than PTF is provided under Schedule 21 of the OATT. For transmission service under the OATT, this Ancillary Service will be provided by the ISO, and rates collected under Schedule 1 are based on expenses incurred by the Local Control Centers, and the PTOs (as described herein) in providing the necessary elements of this service to the ISO. All of the costs of the ISO for the provision of service under Schedule 1 will be recovered under Section IV of the Transmission, Markets and Services Tariff. Schedule 1 of the OATT is for collection only of the revenue requirements for Local Control Centers and PTOs for System Control and Dispatch Service. Any Transmission Customer taking Regional Network Service or Through or Out Service shall be subject to the rate surcharge calculated under Schedule 1 of the OATT as described in more detail in this rule below.

The PTOs shall make an annual informational filing on or before July 31 of each year showing the Schedule 1 rate surcharge to be utilized by the ISO in the billing of Schedule 1 Ancillary Service that will be in effect for the period beginning June 1 of that year through May 31 of the subsequent year. If there are any corrections made to the information reflected in the informational filing after it has been submitted, the PTOs would file corrections to the informational filing. At least thirty (30) days before the informational filing is made with the Commission, the PTOs shall make available to Transmission Customers and any other interested parties a draft of the proposed filing for review and comment prior to the filing by posting such draft on the RTO NE website. The filing of the informational filing does not

reopen the formula rate set forth below for review, but rather is contestable only with respect to the accuracy of the information contained in the informational filing. The ISO shall have the discretion to conduct audits of such charges, with advisory Stakeholder input on the scope of audit, including on any agreed-upon procedures to be used by the auditor. In this provision, the term "agreed-upon procedures" shall have the meaning afforded to it by the American Institute of Certified Public Accountants.

I. DEFINITIONS

Capitalized terms used in this rule that are not defined in the Tariff have the following definitions:

Scheduling and Dispatch Surcharge Rate shall equal the rate surcharge that is determined for the applicable period beginning on June 1, 1999, in accordance with Section II of this rule below.

PTF Transmission-Related Local Control Center Scheduling and Dispatch Expense shall equal the PTF transmission related expenses incurred by the PTO from REMVEC II, CONVEX/ESCC, and the Maine Local Control Center as recorded in each PTO's FERC Form 1, Account Nos. 561-561.4, excluding any charges recorded in this account that were incurred under the OATT or Schedule 21 of the OATT. The expenses shall be net of any revenues, as reflected in FERC Account No. 456, received by the PTO for providing scheduling and dispatch services, excluding any revenues recorded in this account that where received as a result of charges under the OATT.

REMVEC II is a Local Control Center of the ISO providing security analysis of PTF.

Local PTF Transmission-Related Scheduling and Dispatch Expense shall equal the sum of (1) each PTO's expenses as recorded in FERC Account Nos. 561-561.4, excluding any ISO and Local Control Center related expenses and any expenses recorded in these accounts, that were incurred under this OATT or the Schedule 21 of this OATT of each PTO as a Transmission Customer, multiplied by the PTF Transmission Plant Allocator, (2) NSTAR Electric Company (East) SCADA-related expenses as calculated in accordance with Appendix A of this Rule, (3) the Central Maine Power Company Local Control Center revenue requirements as calculated in accordance with Appendix B of this Rule, and (4) the CL&P Dispatch Center Revenue Requirement as calculated in accordance with Appendix C of the Rule.

PTF Transmission Plant Allocation Factor is the factor for allocating transmission costs and expenses between PTF and Non-PTF as determined for the applicable period pursuant to Attachment F of the OATT.

II. CALCULATION OF THE SCHEDULING AND DISPATCH SURCHARGE

A. Surcharge for Regional Network Service Customers and Large Load Transmission Customers

For Network Customers, the scheduling and dispatch surcharge for Regional Network Service shall equal the Network Customer's Regional Monthly Network Load, as defined in Section II.21.2 of the OATT, multiplied by the Monthly Scheduling and Dispatch Surcharge Rate as determined in accordance with Section II.C below.

For Large Load Transmission Customers, the scheduling and dispatch surcharge for Regional Network Service shall equal the Large Load Transmission Customers' demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service, as determined in Section II.62 of the OATT, multiplied by the Monthly Scheduling and Dispatch Surcharge Rate as determined in accordance with Section II.C below.

B. Surcharge for Through or Out Customers

For Through or Out Service Customers, the Scheduling and Dispatch Surcharge shall equal the Transmission Customer's Reserved Capacity for each transaction scheduled for the month multiplied by the applicable Monthly or Hourly Scheduling and Dispatch Surcharge Rate, as determined in accordance with Section II.C below.

C. Scheduling and Dispatch Surcharge Rate

The Scheduling and Dispatch Surcharge Rate will be the surcharge rate in effect from time to time for the applicable period, determined pursuant to the formula described below based on the prior calendar year's data. The Scheduling and Dispatch Surcharge Rate shall be redetermined each year, with the new Surcharge Rate going into effect on June 1 of each year, and be effective for the succeeding twelve months.

In the case of PTOs which are subject to the Commission's jurisdiction, the data used shall be as identified in the PTO's FERC Form 1 report for that year, and shall be based on actual data in lieu of allocated data if specifically identified in the FERC Form 1. When FERC Form 1 data is not the direct source of the data used in the formula, the worksheets used to develop the inputs will reflect Appendix A, Appendix B, and Appendix C of this Rule.

The Scheduling and Dispatch Surcharge Rate shall be equal to the sum of (1) PTF Transmission-Related Local Control Center Scheduling and Dispatch Expense, (2) Local PTF Transmission Related Scheduling and Dispatch Expense, (3) less Schedule 1 revenues from the prior year surcharges for Short-Term Point-

To-Point Transactions, and divided by the annual average of the sum of all Regional Network Customers Monthly Peak Load, as defined in Section II.21.2 of the OATT, from the prior calendar year plus the Long-Term Firm Point-To-Point Service Reserved Capacity, from the prior calendar year, plus all Large Load Transmission Customers' demand for Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service, as defined in Section II.62 of the OATT from the previous calendar year.

The Monthly Scheduling and Dispatch Surcharge Rate shall equal one-twelfth of the Scheduling and Dispatch Surcharge Rate.

The Hourly Scheduling and Dispatch Surcharge Rate shall be the annual rate divided by 8760.

APPENDIX A TO SCHEDULE 1 IMPLEMENTATION RULE

NSTAR ELECTRIC COMPANY (EAST) SCADA

This service is required to schedule the movement of power through, out of, within, or into the New England Control Area over Pool Transmission Facilities (PTF). Service under this schedule represents the contribution to that service provided by the PTO's own Dispatch Center, commonly referred to as SCADA. These costs are excluded from costs in Attachment F.

The PTF Revenue Requirement for the scheduling, system control and dispatch service that is based on data for the calendar year 2004 or later shall include an allocated PTF-related amount of Incremental Return and Associated Income Taxes on SCADA-related transmission plant investments included in the Regional System Plan and placed in-service on or after January 1, 2004 (such investments referred to herein as "Post-2003 Dispatch Center Investment"). The Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment shall reflect a surcharge of a 100 basis point ROE adder applicable to certain investment base components as specified in the formula below. The data used in determining the Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment shall be based on actual data in lieu of allocated data if specifically identified in NSTAR Electric's (East) accounting records.

Definitions: Dispatch Center Wages and Salaries Allocation Factor: Ratio of Dispatch Center Related Direct Wages and Salaries to NSTAR Electric's (East) total Direct Wages and Salaries excluding Administrative and General Wages and Salaries.

Dispatch Center Plant Allocation Factor: Ratio of Total Investment in Dispatch Center Plant plus Dispatch Center Related General Plant, to Total Plant in service.

Dispatch Center Transmission Plant Allocation Factor: Ratio of Total Investment in Dispatch Center Plant plus Dispatch Center Related General Plant, to Total Investment in Transmission Plant.

ADIT Worksheet shall mean the worksheet set forth in Appendix D to Schedule 1 Implementation Rule.

The PTF Revenue Requirement for the Scheduling System Control and Dispatch Service shall equal the sum of the PTO's: (A) Return and Associated Income Taxes (including the Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment), (B) Dispatch Center Depreciation Expense, (C) Dispatch Center Related Amortization of Investment Tax Credits, (D) Dispatch Center Related Municipal Tax Expense, (E) Dispatch Center Related Payroll Tax Expense (F) Dispatch Center Operation and Maintenance Expense, (G) Dispatch Center Related Administrative and General Expense, and (H) Dispatch Center Amortization of Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities; multiplied by the PTF Transmission Plant Allocation Factor.

The Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment shall be calculated using the Dispatch Center investment base components specifically identified in Section A.1 of the formula below.

A. Return and Associated Income Taxes shall equal the product of the Dispatch Center Investment Base and the Cost of Capital Rate. To calculate the Incremental Return and Associated Income Taxes for Post–2003 Dispatch Center Investment, the Dispatch Center Investment Base will only include items (a), (d) and (e) under Section (A)(1), calculated in the manner indicated.

1. **The Dispatch Center Investment Base** will consist of (a) Dispatch Center Plant in FERC accounts 350-359, plus (b) Dispatch Center Related General Plant, plus (c) Dispatch Center Plant Held for Future Use, less (d) Dispatch Center Related Depreciation Reserve, less (e) Dispatch Center Related Accumulated Deferred Taxes, plus or minus (f) Other Regulatory Assets/Liabilities, plus (g) Dispatch Center Prepayments, plus (h) Dispatch Center Materials and Supplies, plus (i) Dispatch Center Related Cash Working Capital.

a. Dispatch Center Plant will equal the year-end balance of the PTO's Investment in Dispatch Center per FERC accounts 350 through 359. Dispatch Center Plant Investment is not included in PTF investment in the Attachment F revenue requirement. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment, Post-2003 Dispatch Center Plant shall be separately identified.

b. Dispatch Center Related General Plant shall equal the PTO's year-end balance of Investment in General Plant multiplied by the Dispatch Center Wages and Salaries Allocation Factor described above.

c. Dispatch Center Plant Held for Future Use shall equal the year-end balance of Transmission related Dispatch Center Investment in FERC account 105.

d. Dispatch Center Related Depreciation Reserve shall equal the year-end balance of Transmission Dispatch Center Depreciation Reserve, plus the year-end balance of Dispatch Center Related General Depreciation Reserve. Dispatch Center Related General Plant Depreciation Reserve shall equal the product of General Plant Depreciation Reserve and the Dispatch Center Wages and Salaries Allocation Factor described above. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment, Dispatch Center Depreciation Reserve associated with the Post-2003 Dispatch Center Investment, shall equal the balance of the Dispatch Center Depreciation Reserve multiplied by the ratio of Post-2003 Dispatch Center Plant to total investment in Dispatch Center Plant.

e. Dispatch Center Related Accumulated Deferred Taxes shall equal the year-end balance of Total Accumulated Deferred Income Taxes, multiplied by the Dispatch Center Plant Allocation Factor described above. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment, Total Accumulated Deferred Income Taxes associated with the Post-2003 Dispatch Center Investment, shall equal the balance of total property-related accumulated deferred income taxes as recorded in FERC Accounts 281 and 282, multiplied by the Dispatch Center Plant Allocation Factor, further multiplied by the ratio of the Post-2003 Dispatch Center Plant to total investment in Dispatch Center Plant.

f. Other Regulatory Assets/Liabilities shall equal the year-end balance of FAS 106 multiplied by the Dispatch Center Wages and Salaries Allocation Factor described in Section (A) (2) (b) above and the year-end balance of FAS 109, net of FAS 109 liability, multiplied by the Dispatch Center Plant Allocation Factor, plus or minus Dispatch Center Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities in FERC Account Nos. 182.3 and 254 as a result of changes in Federal, State, or Local income tax rates, as calculated in the ADIT Worksheet, multiplied by the Dispatch Center Transmission Plant Allocation Factor.

g. Dispatch Center Prepayments shall equal the year-end balance of Prepayments multiplied by the Dispatch Center Wages and Salaries Allocation Factor described above.

h. Dispatch Center Materials and Supplies shall equal the year-end balance of Transmission Plant Materials and Supplies multiplied times the Dispatch Center Plant Allocation Factor described above.

i. Dispatch Center Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Dispatch Center Transmission Related Operation and Maintenance Expense and Dispatch Center Transmission Related Administrative and General Expense.

2. The Cost of Capital Rate shall equal (a) the Weighted Cost of Capital, plus (b) Federal Income Taxes, plus (c) State Income Taxes.

a. the Weighted Cost of Capital will be calculated based upon the PTO's capital structure at the end of each year and will equal the sum of (i), (ii) and (iii) below.

The Cost of Capital Rate to be used in calculating the Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment, shall only reflect item (iii) below and shall apply in the manner indicated below.

i. the Long Term Debt Component, which equals the product of the actual weighted average embedded cost to maturity of Long Term Debt then outstanding and the ratio that Long-Term Debt is to Total Capital.

ii. the Preferred Stock Component, which equals the product of the actual weighted average embedded cost to maturity of Preferred Stock then outstanding and the ratio that Preferred Stock is to Total Capital.

iii. the Return on Equity Component, which equals the product of the PTO's Return on Equity as set in the PTO's RNS open access rate and the ratio that Common Equity is to Total Capital. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment, the incremental return on equity shall be the product of 1.00% and the ratio of Common Equity to Total Capital.

b. Federal Income Taxes shall equal

$$\frac{A + [(B+C+D)/E]) \times FT}{1 - FT}$$

Where FT is the Federal Income Tax Rate and A is the sum of the Preferred Stock Component and the Return on Equity Component, as determined in Sections A.2.(a)(ii) and (iii) above, B is Dispatch Center Related Amortization of Investment Tax Credits, as determined in Section II.D. below, C is the Equity AFUDC component of Dispatch Center Depreciation Expense, as defined in Section B., D is Dispatch Center Amortization of Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities, as defined in Section II.H., below, and E is Dispatch Center Investment Base, as determined in A.1., above. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment, the incremental Federal Income Tax shall equal:

$$(A'*FT)/(1-FT)$$

Where FT is the Federal Income Tax Rate and A' is the incremental return on equity component, as determined in Section A.2.(a)(iii) above.

c. State Income Taxes shall equal

$$\frac{(A + [(B+C+D)/E] + \text{Federal Income Tax}) \times ST}{1 - ST}$$

Where ST is the State Income Tax Rate and A is the sum of the Preferred Stock Component and the Return on Equity Component, as determined in Section A.2.(a)(ii), and Section A.2.(a)(iii) above, and Federal Income Tax is the rate determined in Section A.2.(b) above, B is Dispatch Center Amortization of Investment Tax Credits, as determined in Section II.C. below, C is the Equity AFUDC component of Dispatch Center Depreciation Expense, as defined in Section B. below, D is Dispatch Center Amortization of Deficient or Excess Accumulated Deferred Income Taxes

Regulatory Assets and Liabilities, as defined in Section II.H., below, and E is Dispatch Center Investment Base, as determined in A.1., above. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Dispatch Center Investment, the incremental State Income Tax shall equal:

(A'+ Federal Income Tax)*ST/(1-ST)

Where ST is the State Income Tax Rate and A' is the incremental return on equity component, as determined in Section A.2.(a)(iii) above, and Federal Income Tax is the rate determined in Section A.2.(b) above.

B. Dispatch Center Depreciation Expense shall equal the sum of Transmission Depreciation Expense for Dispatch Center Plant, plus an allocation of General Plant Depreciation Expense calculated by multiplying General Plant Depreciation Expense by the Dispatch Center Wages and Salaries Allocation Factor, described in Section (A)(1)(b) above.

C. Dispatch Center Related Amortization of Investment Tax Credits shall equal the PTO's Amortization of Investment Tax Credits multiplied by the Dispatch Center Plant Allocation Factor described above.

D. Dispatch Center Related Municipal Tax Expense shall equal the PTO's total Municipal Tax Expense multiplied by the Dispatch Center Plant Allocation Factor described above.

E. Dispatch Center Related Payroll Tax Expense shall equal the PTO's total electric payroll tax expense, multiplied by the Dispatch Center Wages and Salaries Allocation Factor, described above.

F. Dispatch Center Operation and Maintenance Expense shall equal all expenses related to SCADA operation charged to FERC Account Number 561 through 561.4, excluding any ISO and Local Control Center related expenses and any expenses recorded in this Account that were incurred under this OATT or the Local Service Schedules of this OATT as a Transmission Customer.

G. Dispatch Center Related Administrative and General Expenses shall equal the sum of (1) PTO's Administrative and General Expenses multiplied by the Dispatch Center Wages and Salaries Allocation Factor, (2) Property Insurance multiplied by the Dispatch Center Plant Allocation Factor, and (3)

Expenses included in Account 928 (excluding Merger-Related Costs included in Account 928) related to FERC Assessments multiplied by Dispatch Center Plant Allocation Factor, plus any other Federal and State Dispatch Center related expenses or assessments, plus specific Dispatch Center related expenses included in Account 930.1 plus Transmission Merger-Related Costs multiplied by the Dispatch Center Transmission Plant Allocation Factor.

H. Dispatch Center Amortization of Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities shall equal the Company's expenses and credits as recorded in FERC Account Nos. 410.1 or 411.1 solely related to any deficient or excess deferred income taxes as a result of changes to Federal, State, or Local income tax rates, as calculated in the ADIT Worksheet, multiplied by the Dispatch Center Transmission Plant Allocation Factor.

APPENDIX B TO SCHEDULE 1 IMPLEMENTATION RULE CENTRAL MAINE POWER COMPANY LOCAL CONTROL CENTER

I. **DEFINITIONS**

Capitalized terms not otherwise defined in the Tariff and as used in this rule have the following definitions:

A. ALLOCATION FACTORS

1. Wages and Salaries Allocation Factor shall equal the ratio of the Local Control Center Direct Wages and Salaries to total direct wages and salaries excluding administrative and general wages and salaries.

2. Local Control Center Wages and Salaries Allocation Factor shall equal the ratio of the Transmission Local Control Center Direct Wages and Salaries to total Local Control Center Direct Wages and Salaries.

3. Local Control Center PTF Allocation Factor shall equal the ratio of the Local Control Center PTF Direct Wages and Salaries to the total Local Control Center Transmission Direct Wages and Salaries.

4. Local Control Center Plant Allocation Factor shall equal the ratio of the Total Investment in Local Control Center Plant to Total Plant in service.

B. TERMS

ADIT Worksheet shall mean the worksheet set forth in Appendix D to Schedule 1 Implementation Rule.

Administrative and General Expense shall equal the PTO's expenses as recorded in FERC Account Nos. 920-935, excluding FERC Account Nos. 924, 928, and 930.1.

Amortization of Investment Tax Credits shall equal the PTO's credits as recorded in FERC Account No. 411.4

Amortization of Loss on Reacquired Debt shall equal the PTO's expenses as recorded in FERC Account No. 428.1

Other Regulatory Assets/Liabilities -FAS 106 shall equal the net of the PTO's FAS 106 balance as recorded in FERC Account 182.3 and any FAS 106 balance as recorded in the PTO's FERC Account No. 254.

Other Regulatory Assets/Liabilities -FAS 109 shall equal the net of the PTO's FAS 109 balance in FERC Account No. 182.3 and any FAS 109 balance as recorded in the PTO's FERC Account No. 254.

Payroll Taxes shall equal those payroll expenses as recorded in the PTO's FERC Account Nos. 408.1 and 409.1.

Plant Held for Future Use shall equal the PTO's balance in FERC Account No. 105.

Prepayments shall equal the PTO's prepayment balance as recorded in FERC Account No. 165.

Property Insurance shall equal the PTO's expenses as recorded in FERC Account No. 924.

PTF Local Control Center Direct Wages and Salaries shall equal the PTO's direct wages and salaries related to providing PTF Local Control Center services as recorded in FERC Account No. 561.

Local Control Center Direct Wages and Salaries shall equal the PTO's direct wages and salaries related to providing Local Control Center services as recorded in FERC Account Nos. 556, 561-561.4, and 581.

Local Control Center Operation and Maintenance Expense shall equal the PTO's expenses recorded in FERC Account Nos. 556, 561-561.4, & 581, less any costs included in FERC

Account Nos. 561-561.4 that are otherwise recoverable pursuant to Subpart (1) of the Local PTF Transmission Related Scheduling and Dispatch Expense of the rule implementing the Schedule 1 rate surcharge of the OATT.

Local Control Center Plant Depreciation Reserve shall equal the PTO's depreciation reserve balance for Local Control Center Related Plant as recorded in FERC Account No. 108.

Materials and Supplies shall equal the PTO's balance as recorded in FERC Account No. 154.

Local Control Center Related Depreciation Expense shall equal the PTO's depreciation expense for Local Control Center Related Plant as recorded in FERC Account No. 403.

Local Control Center Related Plant shall equal the PTO's gross plant balances used for system control and dispatch purposes as recorded in FERC Account Nos. 303-399. To the extent that such plant includes any amounts recorded as transmission investment in FERC Account Nos. 350-359, such amounts will be excluded for purposes of determining annual transmission revenue requirements pursuant to the billing rule which implements Attachment F of the OATT.

Local Control Center Support Revenues shall equal the revenues received from Local Control Center supporters as recorded in FERC Account Nos. 454 and 456, excluding any revenues received under Schedule 1 of the OATT or the PTO's Local Service Schedule.

Total Accumulated Deferred Income Taxes shall equal the net of the deferred tax balances as recorded in FERC Account Nos. 281-283 and 190.

Total Loss on Reacquired Debt shall equal the PTO's balance as recorded in FERC Account No. 189.

Total Municipal Tax Expense shall equal the PTO's municipal tax expenses as recorded in FERC Account Nos. 408.1 and 409.1.

Total Plant in Service shall equal the PTO's total gross plant balance as recorded in FERC Account Nos. 301-399.

Transmission Local Control Center Direct Wages and Salaries shall equal the PTO's direct wages and salaries related to providing Local Control Center services as recorded in FERC Account No. 561-561.4.

II. CALCULATION OF TOTAL LOCAL CONTROL CENTER REVENUE REQUIREMENTS

The Local Control Center Revenue Requirements based on data for calendar year 2004 or later shall include an Incremental Return and Associated Income Taxes on Central Maine's local control center investments included in the Regional System Plan and placed in service on or after January 1, 2004 (such investments referred to herein as "Post-2003 Investment"). The Incremental Return and Associated Income Taxes for Post-2003 Investment shall reflect a surcharge of a 100 basis point ROE adder applicable to certain investment base components as specified in the formula below. The data used in determining the Incremental Return and Associated Income Taxes for Post-2003 Investment shall be based on actual data in lieu of allocated data if specifically identified in Central Maine's accounting records.

The Local Control Center Revenue Requirement shall equal the sum of the Local Control Center related (A) Return and Associated Income Taxes (including the Incremental Return and Associated Income Taxes for Post-2003 Investment), (B) Depreciation Expense, (C) Amortization of Loss on Reacquired Debt, (D) Amortization of Investment Tax Credits, (E) Municipal Tax Expense, (F) Payroll Tax Expense, (G) Operations and Maintenance Expense, (H) Administrative and General, (I) Local Control Center Amortization of Deficient or Excess Accumulated Deferred Income Tax Regulatory Assets and Liabilities minus (J) Support Revenues.

The Incremental Return and Associated Income Taxes for Post-2003 Investment shall be calculated using the investment base components specifically identified in Section A.1. of the formula below.

A. Return and Associated Income Taxes shall equal the product of the Local Control Center Investment Base and the Cost of Capital Rate reflected in the PTO's Attachment F formula of the OATT. To calculate the Incremental Return and Associated Income Taxes for Post 2003 Investment, Local Control Center Investment Base shall only include Sections II.A.1.(a), (b), and (c), in the manner indicated.

1. Local Control Center Investment Base

The Local Control Center Investment Base will be the year end balances of Local Control Center related: (a) Plant, plus (b) Plant Held for Future Use, less (c) Depreciation Reserve, less (d) Accumulated Deferred Taxes, plus (e) Loss on Reacquired Debt, plus or minus (f) Other Regulatory Assets/Liabilities, plus (g) prepayments, plus (h) Materials and Supplies, plus (i) Cash Working Capital.

(a) Local Control Center Related Plant shall equal the balance of the PTO's Investment in Local Control Center Plant. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Investment, Post 2003 Local Control Center Plant shall be separately identified.

(b) Local Control Center Related Plant Held for Future Use shall equal the balance of Plant Held for Future Use multiplied by the Local Control Center Plant Allocation Factor.

(c) Local Control Center Related Depreciation Reserve shall equal the Depreciation Reserve for the PTO's investment in Local Control Center plant. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Investment, Local Control Center Depreciation Reserve shall equal the Depreciation Reserve for the PTO's Local Control Center Plant identified in (a) above.

(d) Local Control Center Related Accumulated Deferred Taxes shall equal the PTO's electric balance of Accumulated Deferred Income Taxes multiplied by the Local Control Center Plant Allocation Factor. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Investment, Local Control Center Accumulated Deferred Taxes shall equal the PTO's balance of total property related accumulated deferred income taxes recorded in FERC account 281and 282 multiplied by the Local Control Center Plant Allocation Factor and further multiplied by the ratio of Post-2003 Investment to Total Local Control Center Related Plant.

(e) Local Control Center Related Loss on Reacquired Debt shall equal the PTO's electric balance of Total Loss on Reacquired Debt multiplied by the Local Control Center Plant Allocation Factor.

(f) Local Control Center Related Other Regulatory Assets/Liabilities shall equal the PTO's electric balance of any deferred recovery of FAS 106 expenses multiplied by the Local Control Center Wages and Salaries Allocation Factor, plus the PTO's electric balance of FAS 109 multiplied by the Local Control Center Plant Allocation Factor, plus or minus Local Control Center Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities in FERC Account Nos. 182.3 and 254 as a result of changes in Federal, State, or Local income tax rates, as calculated in the ADIT Worksheet, multiplied by the Local Control Center Plant Allocation Factor.

(g) Local Control Center Related Prepayments shall equal the PTO's electric balance of prepayments multiplied by the Local Control Center Plant Allocation Factor.

(h) Local Control Center Related Materials and Supplies shall equal the PTO's electric balance of Plant Materials and Supplies, multiplied by the Local Control Center Plant Allocation Factor.

(i) Local Control Center Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Local Control Center Operation and Maintenance Expense, Local Control Center Related Administrative and General Expense.

2. Cost of Capital Rate

The Cost of Capital Rate will equal (a) the PTO's Weighted Cost of Capital, plus (b) Federal Income Tax plus (c) State Income Tax.

(a) The Weighted Cost of Capital will be calculated based upon the capital structure at the end of each year and will equal the sum of (i),(ii), and (iii) below. The Cost of Capital Rate to be used in calculating the Incremental Return and Associated Income Taxes for Post-2003 Investment shall only reflect item (iii) below and shall apply in the manner indicated below

(b) the long-term debt component, which equals the product of the actual weighted average embedded cost to maturity of the PTO's long-term debt then outstanding and the ratio that long-term debt is to the PTO's total capital.

(c) the preferred stock component, which equals the product of the actual weighted average embedded cost to maturity of the PTO's preferred stock then outstanding and the ratio that preferred stock is to the PTO's total capital.

(d) the return on equity component, which equals the product of the PTO's Return on Equity as set in the PTO's RNS open access rate and the ratio that common equity is to the PTO's total capital. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Investment, the incremental return on equity shall be the product of Central Maine's incremental return on equity of 1.0% and the ratio that common equity is to the PTO's total capital.

(e) Federal Income Tax shall equal

$$\frac{(A+[(B + C+ D)/E]) \times FT}{1 - FT}$$

Where FT is the Federal Income Tax Rate and A is the sum of the preferred stock component and the return on equity component, as determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.D. below, C is the equity AFUDC component of Local Control Center Depreciation Expense, as defined in II.B., D is Local Control Center Amortization of Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities, as defined in Section II.I., below, and E is Local Control Center Investment Base, as determined in II.A.1., above. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Investment, the incremental Federal Income Tax shall equal

$$\frac{(A' * FT)}{(1 - FT)}$$

where FT is the Federal Income Tax Rate and A' is the incremental return on equity component, as determined in Section II.A.2.(a)(iii) above.

(f) State Income Tax shall equal

$$\frac{(A+[(B + C+ D)/E] + \text{Federal Income Tax}) \times ST}{1 - ST}$$

Where ST is the State Income Tax Rate, A is the sum of the preferred stock component and return on equity component determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.D. below, C is the equity AFUDC component of Local Control Center Depreciation Expense, as defined in II.B., D is Local Control Center Amortization of Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities, as defined in Section II.I., below, and E is the Local Control Center Investment Base, as determined in II.A.1., above and Federal Income Tax is the rate determined in Section II.A.1.(b) above. In order to calculate the Incremental Return and Associated Income Taxes for Post-2003 Investment, the incremental State Income Tax shall equal

$$\frac{(A' + \text{Federal Income Tax})(ST)}{(1 - ST)}$$

where ST is the State Income Tax Rate, A' is the incremental return on equity component determined in Section II.A.2.(a)(iii) above, and Federal Income Tax is the rate determined in Section II.A.2.(b) above.

B. Local Control Center Depreciation Expense shall equal the Local Control Center Plant Depreciation Expense and Accumulated Amortization.

C. Local Control Center Related Amortization of Loss on Reacquired Debt shall equal the PTO's electric balance of Loss on Reacquired Debt multiplied by the Local Control Center Plant Allocation Factor.

D. Local Control Center Related Amortization of Investment Tax Credits shall equal the PTO's electric Amortization of Investment Tax Credits multiplied by the Local Control Center Plant Allocation Factor.

E. Local Control Center Related Municipal Tax Expense shall equal the PTO's total electric municipal tax expense multiplied by the Local Control Center Plant Allocation Factor.

F. Local Control Center Related Payroll Tax Expense shall equal the PTO's total electric payroll tax expense, multiplied by the Wages and Salaries Allocation Factor.

G. Local Control Center Operation and Maintenance Expense shall equal the PTO's Operation and Maintenance Expenses recorded in FERC Account Nos. 556, 561-561.4, and 581, less any costs included in FERC Account Nos. 561-561.4 that are otherwise recoverable pursuant to Subpart (1) of Local PTF Transmission Related Scheduling and Dispatch Expense of the rule implementing the Schedule 1 rate surcharge of the OATT.

H. Local Control Center Related Administrative and General Expenses shall equal the sum of (1) PTO's Administrative and General Expenses multiplied by the Wages and Salaries Allocation Factor, (2) Property Insurance multiplied by the Local Control Center Plant Allocation Factor, and (3) Expenses included in Account 928 related to FERC Assessments multiplied by the Local Control Center Plant Allocation Factor, plus any other Federal and State Local Control Center related expenses or assessments, plus specific Local Control Center related expenses included in Account 930.1.

I. Local Control Center Amortization of Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities shall equal the PTO's expenses and credits as recorded in FERC Account Nos. 410.1 or 411.1 solely related to any deficient or excess deferred income taxes as a result of changes to Federal, State, or Local income tax rates, as calculated in the ADIT Worksheet, multiplied by the Local Control Center Plant Allocation Factor. Amortization will be multiplied by a factor of 1/(1 – T), where T is the effective combined Federal Income Tax Rate and the Corporate Income Tax Rate of Maine in effect at the applicable time.

J.. Transmission Support Revenues shall equal the PTO's revenue received for providing system control and dispatch service.

III. CALCULATION OF LOCAL CONTROL CENTER TRANSMISSION REVENUE REQUIREMENTS

The Total Local Control Center Revenue Requirements derived in Section II. above are further multiplied by the Local Control Center Wages and Salaries Allocation Factor defined in Section I. A. 2. above to determine the transmission related revenue requirement, and further multiplied by the Local Control enter

PTF Allocation Factor defined in Section I. A. 3. above, to determine the PTF Transmission related revenue requirements to be included in Schedule I of the OATT.

APPENDIX C TO SCHEDULE 1 IMPLEMENTATION RULE
CL&P DISPATCH CENTER REVENUE REQUIREMENT

This appendix calculates the CL&P Dispatch Center Revenue Requirement for use in calculating part (4) of the Local PTF Transmission-Related Scheduling and Dispatch expenses in the Schedule 1 Implementation Rule. The CL&P Dispatch Center Revenue Requirement for use during a calendar year shall be based on CL&P's costs for the immediately preceding calendar year.

I. DEFINITIONS

Capitalized terms not otherwise defined in Section II.1 of the OATT and as used in this appendix have the following definitions:

Dispatch Center means CL&P's CONVEX dispatch center.

Dispatch Center Plant shall equal CL&P's year-end gross plant balances used for CL&P's Dispatch Center as recorded in FERC Account Nos. 303, 350-359, and 389-399.

Dispatch Center Depreciation Reserve shall equal CL&P's year-end depreciation reserve balance for Dispatch Center Plant as recorded in FERC Account No. 108.

Dispatch Center Accumulated Deferred Income Taxes shall equal the net of CL&P's year-end deferred tax balances for Dispatch center Plant as recorded in FERC Account Nos. 281-283 and 190.

Other Regulatory Assets/Liabilities shall equal the year-end balance of Dispatch Center Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities in FERC Account Nos. 182.3 and 254 as a result of changes in Federal, State, or Local income tax rates, as calculated in the ADIT Worksheet.

ADIT Worksheet shall mean the worksheet set forth in Appendix D to Schedule 1 Implementation Rule.

II. CALCULATION OF TOTAL DISPATCH CENTER REVENUE REQUIREMENT

The Dispatch Center Revenue Requirement shall equal the sum of (A) Dispatch Center Return and Associated Income Taxes, (B) Dispatch Center Depreciation Expense, (C) Dispatch Center Amortization of Investment Tax Credits, and (D) Dispatch Center Municipal Tax Expense; provided, that during the period June 1, 2008 through May 31, 2009, the Dispatch Center Revenue Requirement shall equal the product of (i) the number of months (or fractions thereof) remaining in 2007 on and after the date upon which the Convex Agreements are permitted to be made effective by FERC, divided by 12 and (ii) the sum of (A) Dispatch Center Return and Associated Income Taxes, (B) Dispatch Center Depreciation Expense, (C) Dispatch Center Amortization of Investment Tax Credits, (D) Dispatch Center Municipal Tax Expense, and (E) Dispatch Center Amortization of Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities. "CONVEX Agreements" refers to the agreements between The Connecticut Light & Power Company and various entities relating to the operation of the Dispatch Center and filed with FERC contemporaneously with the filing of this Appendix C.

A. Dispatch Center Return and Associated Income Taxes shall equal the product of the Dispatch Center Investment Base and the Cost of Capital Rate.

1. Dispatch Center Investment Base

The Dispatch Center Investment Base will be the year-end balances of:

(a) Dispatch Center Plant, less (b) Dispatch Center Depreciation Reserve, less (c) Dispatch Center Accumulated Deferred Income Taxes, plus or minus (d) Other Regulatory Assets/Liabilities.

2. Cost of Capital Rate

The Cost of Capital Rate will equal (a) the Weighted Cost of Capital, plus (b) Federal Income Tax, plus (c) State Income Tax.

(a) The Weighted Cost of Capital will be calculated based upon CL&P's capital structure at the end of each year and will equal the sum of (i), (ii), and (iii) below.

(i) The long-term debt component, which equals the product of the year-end balance of CL&P's first mortgage bonds and pollution control notes adjusted for premiums,

discounts, debt expense and losses on reacquired debt and the ratio of the long term debt to CL&P's total capital.

(ii) The preferred stock component, which equals the product of the year-end balance of CL&P's preferred stock adjusted for premiums, discounts and unamortized issue expense and the ratio of the preferred stock to CL&P's total capital.

(iii) The common equity component, which equals the product of 10.3% and the ratio of the common equity to CL&P's total capital.

(b and c) Federal and State Income Taxes shall be computed as follows:

AxBxC

where: A = Dispatch Center Investment Base

B = Cost of equity capital (the sum of the preferred stock component and common equity component)

C = TC/(1-TE), where TE is the effective combined federal and state statutory income tax rates in effect at the applicable time.

B. Dispatch Center Depreciation Expense shall equal CL&P's Dispatch Center depreciation expense as recorded in FERC Account No. 403.

C. Dispatch Center Amortization of Investment Tax Credits shall equal CL&P's Dispatch Center amortization of investment tax credits as recorded in FERC Account No. 411.1.

D. Dispatch Center Municipal Tax Expense shall equal CL&P's Dispatch Center municipal tax expense as recorded in FERC Account Nos. 408.1 and 409.1.

E. Dispatch Center Amortization of Deficient or Excess Accumulated Deferred Income Taxes Regulatory Assets and Liabilities shall equal the company's Dispatch Center expenses and credits as recorded in FERC Account Nos. 410.1 or 411.1 solely related to

any deficient or excess deferred income taxes as a result of changes to Federal, State, or Local income tax rates, as calculated in the ADIT Worksheet. Amortization will be multiplied by a factor of 1/(1 – T), where T is the effective combined Federal Income Tax and the Corporate Income Tax Rate of Connecticut in effect at the applicable time.

APPENDIX D TO SCHEDULE 1 IMPLEMENTATION RULE

WORKSHEET 1

ADIT WORKSHEET

Company Name
Annual Transmission Revenue Requirements (ATRR)
(Excess)/Deficient ADIT Worksheet
Worksheet_
For costs in 20__

Input Cells are Shaded Yellow

		FERC Account Nos.			(A)	(B)	(C)	(D) = (A) + (B) + (C)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
					20__ Year End Unamortized (Excess)/Deficient ADIT				Amortization Periods (f)		Amortization Expense (d)				Other Adjustments (e)
Line No.	Description (c)	FERC Account No. - ADIT	FERC Account No. - Deficient / Excess ADIT	FERC Account No. - Amortization Expense	Protected	Unprotected	Gross-Up (b)	1231__ Balance	Protected	Unprotected	Protected	Unprotected	Gross-Up (b)	Protected	Unprotected
1a								-							
1b								-							
1c								-							
1d								-							
1e								-							
1f								-							
2	Total (Sum Lines 1a thru 1f) (c)				-	-	-	-			-	-	-	-	-
3	Deficient ADIT – Regulatory Asset		182.3		FF1Page 232_										
4	Excess ADIT – Regulatory Liability		254		FF1Page 278_										
5	Deficient/(Excess) Deferred Income Tax Regulatory Asset/(Liability) (Line 3 + Line 4)							-							
6	Total Protected and Unprotected Amortization Expense (Line 2(G) + Line 2(H))											-			
7	Transmission Allocation (Plant Allocator or Direct Assigned (DA))														
8	Transmission-related Amortization Expense (Line 6 x Line 7)											-	(i)		

Notes:

(a) Enter credit balances as negatives.

(b) Total equals the sum of sublines a through f, where f is the last subline denoted by a letter. The PTO may add or remove sublines without a FP4 Section 205 filing.

(c) Upon a change in Federal, State or Local income tax rates, the Company remeasures its affected accumulated deferred income tax (ADIT) assets and liabilities to reflect the new applicable corporate income tax rate. The affected ADIT accounts are remeasured by comparing ADIT on cumulative temporary differences for each item in accounts 190, 282, and 283 net change in regulatory assets (account 182.3) and regulatory liabilities (account 254) to reflect the resulting deficient or excess ADIT balances to be recovered/returned from/to customers, respectively. See Worksheet 2 for additional detail of the remeasurement.

(d) Deficient ADIT is amortized to Account 410.1; Excess ADIT is amortized to Account 411.1.

(e) PTO will provide explanation for "other adjustments," where applicable.

(f) The amortization periods of the deficient or excess ADIT being returned or recovered through rates are as follows:

Company	Protected	Unprotected (years)	
CLSP	ARAM	10, 5	For CLSP, unprotected deficient/(excess) ADIT balances will be amortized over 10 years for pension and other post-retirement benefits and over 5 years for all other amounts, except property-related deficient/(excess)
CMP	ARAM	10, 5	For CMP, unprotected deficient/(excess) ADIT will be amortized over 10 years and unprotected excess ADIT will be amortized over 5 years.
NSTAR Elec	ARAM	10, 5	For NSTAR Elec, unprotected deficient/(excess) ADIT balances will be amortized over 10 years for pension and other post-retirement benefits and over 5 years for all other amounts, except property-related deficient/(ex

(g) Relates to the Federal Income Tax rate change associated with the 2017 Tax Cuts and Jobs Act.

(h) Tax gross up calculated using the Composite Tax Rate (1) ÷ Composite Tax Rate in effect for the applicable period.

(i) Notwithstanding anything to the contrary in Attachment F, the New England Transmission Owners will be permitted to reflect the amortization of excess or deficient ADIT in enhanced rates under the Settled Formula Rate.

(j) PTO will add footnotes below to identify excess or deficient ADIT from future Federal, State and Local income tax rate changes.

(k) (l)

(L)	(M) = (A) – (G) – (J)	(N) = (B) – (H) – (K)	(O) = (C) – (I) – (L)	(P) = (M) + (N) + (O)	(O)
	20__ Year End Unamortized (Excess)/Deficient ADIT				
Gross-Up (h)	Protected	Unprotected	Gross-Up (h)	12/31/__ Balance	Reference
	-	-	-	-	
	-	-	-	-	
	-	-	-	-	
	-	-	-	-	
	-	-	-	-	
	-	-	-	-	
-	-	-	-	-	
	FF1Page 232_				
	FF1Page 278_				
				-	

Internal Records for the period 1/1/2020 to 12/31/2021; Beginning on 1/1/2022, Appendix A, WS 5, Line 12 or Direct Assigned (DA)

3 at the current Federal, State & Local income tax rate to ADIT balances at the historical Federal, State & Local income tax rates. The difference between the two represents the deficient or excess ADIT balances. The result of this remeasurement is a change

Notes

ADIT which will be amortized using ARAM

xcess) ADIT which will be amortized using ARAM

APPENDIX D TO SCHEDULE 1 IMPLEMENTATION RULE

WORKSHEET 2

REMEASUREMENT WORKSHEET

Company Name
Annual Transmission Revenue Requirements
(Excess)/Deficient ADIT Worksheet
Remeasurement Support
Worksheet__
For Costs in 20__

Line No.	Description	FERC Account No.	(A) Gross Temporary Difference at December 31, 20__ (a), (b)	(B) = (A)* __% ADIT @ __%	(C) = (A)* __% ADIT @ __%	(D) = (B) - (C) (Excess)/Deficient ADIT at December 31, 20__ due to Rate Change	(E) Adjustments Post Remeasurement (d)	(F) = (D) - (E) (Excess)/Deficient ADIT due to Rate Change at 20__	(G) Protected	(H) Unprotected
1a				-	-	-		-		-
1b				-	-	-		-		-
1c				-	-	-		-		-
1d				-	-	-		-		-
1e				-	-	-		-		-
1[ ]										
2	Total (Sum Lines 1a thru 1[]) (c)		-	-	-	-	-	-	-	-

Notes
(a) Enter credit balances as negatives.
(b) Company records.
(c) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter. PTO may add or remove sublines without a FPA Section 205 filing.
(d) Represents the impact of the 2018 Return to Accrual adjustments and other miscellaneous adjustments on the excess ADIT balance from the initial remeasurement.

SCHEDULE 9A

LARGE LOAD TRANSMISSION SERVICES

As used in this Schedule, "Firm Contract Demand," "Monthly Non-Firm Contract Demand," and "Monthly Interim Contract Demand" each has the meaning specified in Section II.61.1 of this OATT, except that any customer for which exempt demand has been converted to Firm Contract Demand Service consistent with II.J of this OATT and continues to be separately metered and billed at the rate established for the exempt demand as of June 18, 2026, as later amended or revised, shall have the appropriate portion of its Firm Contract Demand exempted for the purposes of this Schedule 9A.

A Large Load Transmission Customer which obtains Firm Contract Demand Service to serve a Large Load in the New England Control Area shall pay to the ISO each month for Firm Contract Demand Service the amount determined in accordance with the following formula:

Amount to be Paid = ((RNS Rate per kilowatt-year) x (Large Load Transmission Customers Firm Contract Demand) x (1/12))

A Large Load Transmission Customer which obtains Non-Firm Contract Demand Service to serve a Large Load in the New England Control Area shall pay to the ISO each month for Non-Firm Contract Demand Service the amount determined in accordance with the following formula:

Amount to be Paid = ((RNS Rate per kilowatt-year) x (Large Load Transmission Customers Monthly Non-Firm Contract Demand) x (1/12))

A Large Load Transmission Customer which obtains Interim Contract Demand Service to serve a Large Load in the New England Control Area shall pay to the ISO each month for Interim Contract Demand Service the amount determined in accordance with the following formula:

Amount to be Paid = ((RNS Rate per kilowatt-year) x (Large Load Transmission Customers Monthly Interim Contract Demand) x (1/12))

Notes:

(a) The RNS Rate is calculated in accordance with Schedule 9.

(b) The Large Load Transmission Customer shall also be obligated to pay any ancillary charges and any charges required to be paid pursuant to Market Rule 1 and this OATT.

SCHEDULE 21 - LOCAL SERVICE

This Schedule 21 contains the main substantive provisions applicable to Local Service. It includes common PTO rates, terms and conditions for Local Point-to-Point Service, ~~and~~ Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service, and PTO-specific Local Service Schedules. Retail service is not subject to this Schedule 21 unless specifically provided for in the PTO's Local Service Schedule. The rates, terms and conditions for interconnection service to generators with total generating capacity of greater than 20 MW are set forth in Schedule 22. The rates, terms and conditions for interconnection service to generators with total generating capacity of 20 MW and less are set forth in Schedule 23. To the extent applicable, the rates, terms and conditions for load interconnections are set forth under the PTO-specific Local Service Schedules, except that the process for the interconnections of Large Loads is set forth in Part II.J of the OATT.

All Transmission Customers taking Local Service shall be subject to and comply with the rates, terms and conditions of this Schedule 21 as well as any applicable Local Service Schedule. In the event of a conflict between any rate, term or condition in the Tariff and any rate, term or condition in this Schedule 21 and/or an applicable Local Service Schedule, the rate, term or condition in this Schedule 21 and/or the applicable Local Service Schedule shall govern.

The following NAESB WEQ Standards are hereby incorporated by reference in this Schedule 21 to the extent that the requirements therein apply to the PTOs:

(i) WEQ-000, Abbreviations, Acronyms, and Definition of Terms (WEQ Version 004, July 31, 2023);

(ii) WEQ-001, Open Access Same-Time Information Systems (OASIS), (WEQ Version 004, July 31, 2023);

(iii) WEQ-002, Open Access Same-Time Information Systems (OASIS) Business Practice Standards and Communication Protocols (S&CP) (WEQ Version 004, July 31, 2023);

(iv) WEQ-003, Open Access Same-Time Information Systems (OASIS) Data Dictionary (WEQ Version 004, July 31, 2023);

(v) WEQ-004, Coordinate Interchange (WEQ Version 004, July 31, 2023);

(vi) WEQ-005, Area Control Error (ACE) Equation Special Cases (WEQ Version 004, July 31, 2023);

(vii) WEQ-006, Manual Time Error Correction (WEQ Version 004, July 31, 2023);

(viii) WEQ-007, Inadvertent Interchange Payback (WEQ Version 004, July 31, 2023);

(ix) WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection (WEQ Version 004, July 31, 2023);

(x) WEQ-011, Gas/ Electric Coordination (WEQ Version 004, July 31, 2023);

(xi) WEQ-012, Public Key Infrastructure (PKI) (WEQ Version 004, July 31, 2023);

(xii) WEQ-013, Open Access Same-Time Information Systems (OASIS) Implementation Guide (WEQ Version 004, July 31, 2023);

(xiii) WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response (WEQ Version 004, July 31, 2023);

(xiv) WEQ-021, Measurement and Verification of Energy Efficiency Products (WEQ Version 004, July 31, 2023);

(xv) WEQ-022, Electric Industry Registry (EIR) (WEQ Version 004, July 31, 2023);

(xvi) WEQ-023, Modeling (WEQ Version 004, March 30, 2020);

(xvii) WEQ-024, Cybersecurity (WEQ Version 004, July 31, 2023).

The PTOs will perform their functions under this Schedule 21 and the Local Service Schedules in a manner that is not inconsistent with the ISO's provision of regional service, administration of the regional markets, dispatch of resources, and operation of the New England Transmission System for purposes of reliability.

Pre-Confirmed Request: Is an OASIS transmission service request that commits the Transmission Customer to take and pay for the requested Local Point-to-Point Service upon acceptance on OASIS by the PTO that can provide the requested Local Point-to-Point Service.

Pre-RTO Local Service Agreements [1]: A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternate Firm or Non-Firm Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of their existing Local Service Agreement that was in effect prior to February 1, 2005 ("Pre-RTO Local Service Agreement" as defined to Section II.1 of the OATT) shall not be required to

[1] LSAs as defined in Section II.1 of the OATT do not include Excepted Transaction Agreements under Attachments G-1, G-2 and G-3 of the OATT.

complete an Application or execute a Local Service Agreement under this Schedule 21. Instead, the Transmission Customer shall contact the associated PTO to discuss and, if appropriate, modify its existing Pre-RTO Local Service Agreement.

A Transmission Customer who wishes to request an alternate Firm Point of Receipt or Point of Delivery or make upgrades (i.e., increase MWs served) beyond the terms of its existing Pre-RTO Local Service Agreement, shall contact the PTO to make arrangements to terminate the Transmission Customer's existing pre-RTO Local Service Agreement and shall complete (and submit to the ISO) an Application for Local Service and then execute a Local Service Agreement under this Schedule 21.

RTO Local Service Agreements: For Local Service Agreements with an effective date on or after February 1, 2005 (an "RTO Local Service Agreement" as defined to Section II.1 of the OATT) a Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternate Non-Firm Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of its existing Local Service Agreement under this Schedule 21, shall not be required to execute a new Local Service Agreement under this Schedule 21, however, modifications to the Transmission Customer's existing Local Service Agreement may be required. Such modifications to an existing Local Service Agreement typically do not require an additional local or regional System Impact Study to be completed. The Transmission Customer shall complete (and submit to the ISO) an application for Local Transmission Service that reflects the requested modifications to the Local Service Agreement to facilitate revision of its existing Schedule 21 Local Service Agreement. A Transmission Customer who wishes to request an alternate Firm Point of Receipt or Point of Delivery or make upgrades (i.e., increase MWs served) beyond the terms of its existing RTO Local Service Agreement, shall contact the ISO to discuss and, if appropriate, terminate the Transmission Customer's existing RTO Local Service Agreement under this Schedule 21 and shall complete (and submit to the ISO) a new Application for Local Service and then execute a new Local Service Agreement under this Schedule 21.

Reservation Priority For Existing Firm Service Customers: Existing firm service customers (wholesale requirements and transmission only, with a contract term of five years or more), have the right to continue to take Local Service from the PTO 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 PTO or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the PTO's Local Network cannot accommodate all of the requests for Local

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 just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more. The existing firm service customer must provide notice to the PTO whether it will exercise its right of first refusal no less than one year prior to the expiration date of its Local Service Agreement. This transmission reservation priority for existing firm service customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Local Service Agreements subject to a right of first refusal entered into prior to the date of the PTOs' filing adopting the reformed rollover language herein in compliance with Order No. 890 or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after the date of the PTOs' filing adopting the reformed rollover language herein in compliance with Order No. 890; provided that, the one year notice requirement shall apply to such service agreements with five years or more left in their terms as of the date of the PTOs' filing adopting the reformed rollover language herein in compliance with Order No. 890.

FERC: The Federal Energy Regulatory Commission.

Force Majeure: Neither the ISO, a Transmission Owner nor a Customer will be considered in default as to any obligation under the Tariff if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure affecting any entity shall excuse that entity from making any payment that it is obligated to make hereunder or under a Service Agreement. However, an entity whose performance under the Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under the Tariff, and shall promptly notify the ISO, the Transmission Owner or the Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

Liability: The ISO shall not be liable for money damages or other compensation to the Customer for actions or omissions by the ISO in performing its obligations under the Tariff or any Service Agreement thereunder, except to the extent such act or omission by the ISO is found to result from its gross negligence or willful misconduct. A Transmission Owner shall not be liable for money damages or other compensation to the Customer for action or omissions by such Transmission Owner in performing its obligations under the Tariff or any Service Agreement thereunder, except to the extent such act or omission by such Transmission Owner is found to result from it gross negligence or willful misconduct.

To the extent the Customer has claims against the ISO or a Transmission Owner, the Customer may only look to the assets of the ISO or a Transmission Owner (as the case may be) for the enforcement of such claims and may not seek to enforce any claims against the directors, members, shareholders, officers, employees or agents of the ISO or a Transmission Owner or Affiliate of either who, the Customer acknowledges and agrees, have no personal or other liability for obligations of the ISO or a Transmission Owner by reason of their status as directors, members, shareholders, officers, employees or agents of the ISO or a Transmission Owner or Affiliate of either. In no event shall the ISO, a Transmission Owner or any Customer be liable for any incidental, consequential, multiple or punitive damages, loss of revenues or profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance under the Tariff or any Service Agreement thereunder. Notwithstanding the foregoing, nothing in this section shall diminish a Customer's obligations under Section I.5.3 of the Tariff or under Schedule 21 of the OATT.

Indemnification: Each Customer shall at all times indemnify, defend, and save harmless the ISO and the Transmission Owners and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities by or to third parties arising out of or resulting from the performance by the ISO or Transmission Owners under the Tariff or any Service Agreement thereunder, any bankruptcy filings made by a Customer, or the actions or omissions of the Customer in connection with the Tariff or any Service Agreement thereunder, except in case of the ISO, gross negligence or willful misconduct by the ISO or its directors, officers, members, employees or agents, and, in the case of a Transmission Owner, the gross negligence or willful misconduct by such Transmission Owner or its directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of each Customer to indemnify the ISO and Transmission Owners shall be several, and not joint or joint and several.

Interruption: A reduction in non-firm transmission service due to economic reasons pursuant to Section I. 2 g).

Local Network Upgrade: Modifications or additions to the Local Network of a PTO, made in accordance with this Schedule 21, that are not Direct Assignment Facilities.

I. LOCAL POINT-TO-POINT SERVICE

Preamble

Eligible Customers seeking Local Point-To-Point Service on a specific Local Network shall refer to the applicable Local Service Schedule to determine any PTO-specific rates, terms, and conditions applicable to such service. Except as otherwise provided in the Local Service Schedules, Firm and Non-Firm Local Point-To-Point Service will be provided pursuant to the rates, terms and conditions set forth below. Local Point-To-Point Service is for the receipt of capacity and/or energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

A Local Point-To-Point Service Customer is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with the PTO and distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs.

1) Nature of Firm Local Point-To-Point Service

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

b) Reservation Priority: Local Long-Term Firm Point-To-Point 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 Local Short-Term Firm Point-To-Point Service will be conditional based upon the length of the requested transaction. However, Pre-Confirmed Requests for Local Short-Term Point-to-Point Service will receive priority over earlier-submitted requests that are not pre-confirmed and that have equal or shorter duration. Among requests with the same duration and, as relevant, pre-confirmation status (pre-confirmed or not pre-confirmed), priority will be given to a Transmission Customer's request that offers the highest price, followed by the date and time of the request. If the Local Network becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation 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 transfer capability is insufficient to satisfy all requests and reservations, a Transmission Customer with a reservation for shorter term service or equal duration service and lower price has the right of first refusal to match any longer term request or equal duration service with a higher price before losing its reservation

priority. A longer term competing request for Local Short-Term Firm Point-To-Point Service will be granted if the Transmission Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section I.1.h of this Schedule 21) from being notified by the PTO of a longer-term competing request for Local Short-Term Firm Point-To-Point Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration requests shall have simultaneous opportunities to exercise the right of first refusal. Duration, price and time of response will be used to determine the order by which the multiple shorter duration reservations will be able to exercise the right of first refusal. After the conditional reservation deadline, service will commence pursuant to the terms of this Schedule 21. Firm Local Point-To-Point Service will always have a reservation priority over Non-Firm Local Point-To-Point Service under the Tariff. All Local Long-Term Firm Point-To-Point Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in the Local Service Schedules of this Schedule 21.

c) Use of Firm Local Point-to-Point Service by the PTO: The PTO will be subject to the rates, terms and conditions of this Schedule 21 when making Third-Party Sales under agreements executed on or after the effective date of the Tariff. The PTO will maintain separate accounting for any use of the Local Point-To-Point Service to make Third-Party Sales.

d) Service Agreements: After consultation with the PTO, the ISO shall forward a standard form of Local Service Agreement (Attachment A to this Schedule 21) to an Eligible Customer after an Eligible Customer submits a Completed Application for Local Point-To-Point Service to the ISO. Local Service Agreements executed by the Eligible Customer that contain the information required under this Schedule 21 shall also be executed by the PTO and returned to the ISO for execution and filing and/or reporting by the ISO with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Local Point-to-Point Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Local Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Local Service Agreement.

e) Transmission Customer Obligations for Facility Additions Costs: In cases where the PTO, in consultation with the ISO, determines that the Local Network is not capable of providing Firm Local Point-To-Point Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Local Point-To-Point Service, or (2) interfering with the PTO's ability to meet prior firm contractual commitments to others, the

PTO will be obligated to expand or upgrade its Local Network pursuant to the terms of Section I.3.d of this Schedule 21. The Transmission Customer must agree to compensate the PTO for any necessary transmission facility additions pursuant to the terms of Section I.14 of this Schedule 21. Any Local 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 Local Service Agreement prior to initiating service.

f) Curtailment of Firm Local Point-To-Point Service: In the event that a Curtailment on the PTO's Local Network, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the PTO will curtail service to Network Customers and Transmission Customers taking Firm Local Point-To-Point Service on a basis comparable to the curtailment of service to the PTO's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Local Point-To-Point Service shall be subordinate to Firm Local Point-To-Point Service and Local Network Service. When the PTO determines that an electrical emergency exists on the Non-PTF and the PTO implements emergency procedures to Curtail Firm Local Service, the Transmission Customer shall make the required reductions upon request of the PTO. The PTO reserves the right to Curtail, in whole or in part, any Local Service when, in the PTO's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Local Network. The PTO will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. Penalties for failure to Curtail shall be assessed pursuant to the applicable Local Service Schedule.

g) Classification of Firm Local Point-To-Point Service:

(i) The Transmission Customer taking Firm Local Point-To-Point Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section I.10.a of this Schedule 21 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section I.10.b of this Schedule 21.

(ii) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the PTO's Local Network. 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.

(iii) The PTO shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. For Long-Term Firm Point-To-Point Service, each Point of Receipt at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Local Service Agreement along with a corresponding capacity reservation associated with each Point of Receipt. For Short-Term Firm Point-To-Point Service, Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties. For Long-Term Firm Point-To-Point Service, each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Service Agreement along with a corresponding capacity reservation associated with each Point of Delivery. For Short-Term Firm Point-To-Point Service, Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties. The 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 shall be the Transmission Customer's Reserved Capacity. The Transmission Customer will be billed for its Reserved Capacity under the terms of the applicable Local Service Schedule. 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 the applicable Local Service Schedule. The Local Service Schedule shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the PTO) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Local Point-to-Point Service at a Point of Receipt or Point of Delivery that it has not reserved.

h) Scheduling of Firm Local Point-To-Point Service: Schedules for the Transmission Customer's Firm Local Point-To-Point Service must be submitted to the PTO no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated, if practicable. Hour-to-hour schedules of any capacity and energy that is to be delivered must be stated in increments of 10 kW per hour. Transmission Customers within the PTO's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 10 kW per hour, may consolidate their service requests at a common point of receipt into units of 10 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party also agree to the schedule modification. The PTO will furnish 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 PTO, and the PTO shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

2) Nature of Non-Firm Local Point-To-Point Service

a) Term: Non-Firm Local Point-To-Point Service will be available for periods ranging from one (1) hour to one (1) month. However, a purchaser of Non-Firm Local Point-To-Point 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 I.6.c of this Schedule 21.

b) Reservation Priority: Non-Firm Local Point-To-Point Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers, Excepted Transactions and other Transmission Customers taking Local Long-Term and Local Short-Term Firm Point-To-Point Service. Individual Local Service Schedules may contain other applicable services. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Requests. In the event the Local Network is constrained, competing requests of the same pre-confirmation status and equal duration will be prioritized based on the highest price offered by the Transmission Customer for the Transmission Service, or in the event the price for all Transmission Customers is the same, will be prioritized on a first-come, first-served basis, i.e., in the chronological sequence in which each customer has requested service. Transmission Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A longer term competing request for Non-Firm Local Point-To-Point Service will be granted if the Transmission Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Local Point-To-Point Service after notification by the PTO; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in Section I.2.f of this Schedule 21) for Non-Firm Local Point-To-Point Service other than hourly transactions after notification by the PTO. Non-Firm Local Point-To-Point Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the OATT.

c) Use of Non-Firm Local Point-To-Point Service by the PTO: The PTO will be subject to the rates, terms and conditions of this Schedule 21 when making Third-Party Sales under (i) agreements executed on or after the effective date of the Tariff. The PTO will maintain separate accounting for any use of Non-Firm Local Point-To-Point Service to make Third-Party Sales.

d) Service Agreements: After consultation with the PTO, the ISO shall forward a standard form of Local Service Agreement (Attachment A to this Schedule 21) to an Eligible Customer after an Eligible Customer submits a Completed Application for Local Point-To-Point Service to the ISO. Local Service Agreements executed by the Eligible Customer that contain the information required under this Schedule 21 shall also be executed by the PTO and returned to the ISO for execution and filing and/or reporting by the ISO with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Local Point-to-Point Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Local Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Local Service Agreement.

e) Classification of Non-Firm Local Point-To-Point Service: The PTO and the ISO undertake no obligation under the Tariff to plan the Local Network in order to have sufficient capacity for Non-Firm Local Point-To-Point Service. Parties requesting Non-Firm Local Point-To-Point 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. The Local Service Schedules shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by the PTO) exceeds its non-firm capacity reservation. Non-Firm Local Point-To-Point 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.

f) Scheduling of Non-Firm Local Point-To-Point Service: Schedules for Non-Firm Local Point-To-Point Service must be submitted to the PTO no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after these times will be accommodated, if practicable. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 10 kW per hour. Transmission Customers within the PTO's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 10 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 10 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the Delivering Party and Receiving Party

also agree to the schedule modification. The PTO will furnish 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 PTO and the PTO shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

g) Curtailment or Interruption of Service: The PTO reserves the right to Curtail, in whole or in part, Non-Firm Local Point-To-Point Service provided under the Tariff for reliability reasons when, an emergency or other unforeseen condition threatens to impair or degrade the reliability of the Local Network. The PTO reserves the right to Interrupt, in whole or in part, Non-Firm Local Point-To-Point Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Local Transmission Service, (2) a request for Non-Firm Local Point-To-Point Service of greater duration, (3) a request for Non-Firm Local Point-To-Point Service of equal duration with a higher price, or (4) transmission service for Network Customers from non-designated resources. The PTO 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 Local Point-To-Point Service shall be subordinate to Firm Local Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (e.g., hourly non-firm transactions will be Curtailed or Interrupted before daily non-firm transactions and daily non-firm transactions will be Curtailed or Interrupted before weekly non-firm transactions). Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Local Point-To-Point Service under the Tariff. Non-Firm Local Point-To-Point Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Local Point-To-Point Service under the Tariff. The PTO will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice and in accordance with the applicable Local Service Schedule. Penalties for failure to Curtail or Interrupt shall be assessed pursuant to the applicable Local Service Schedule.

3) Service Availability

a) General Conditions: The PTO will provide Firm Local and Non-Firm Local Point-To-Point Service to any Transmission Customer that has met the requirements of Section I.4 of this Schedule 21.

b) Determination of Available Transfer Capability: The PTO shall determine available transfer capability in accordance with its respective Attachment setting forth its Methodology to Assess Available Transfer Capability.

c) Initiating Service in the Absence of an Executed Service Agreement: If the PTO and the Transmission Customer requesting Firm Local or Non-Firm Local Point-To-Point Service cannot agree on all of the terms and conditions of the Local Service Agreement, the ISO shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification to both the PTO and the ISO directing the ISO to file, an unexecuted Local Service Agreement containing terms and conditions deemed by the PTO (in consultation with the ISO) to be appropriate for such requested service. The PTO shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the PTO at whatever rate the Commission 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 I.5.c of this Schedule 21.

d) Obligation to Provide Transmission Service that Requires Expansion or Modification of the Local Network: If the PTO, in consultation with the ISO, determines that a Completed Application for Firm Local Point-To-Point Service cannot be accommodated because of insufficient capability on the Local Network, the PTO will use due diligence to expand or modify its Local Network to provide the requested Firm Local Point-To-Point Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the PTO for such costs. The PTO, in consultation with the ISO, will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation of the PTO to expand or modify its Local Network obligation to provide the requested Firm Local Point-To-Point Service applies only to those facilities that the PTO has the right to expand or modify.

e) Deferral of Service: The PTO may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Local Point-To-Point Service whenever

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

f) Other Transmission Service Schedules: Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

g) Real Power Losses: "Real Power Losses" those losses associated with transmission service as determined in accordance with Section 15.3, Section 31.6 and Schedule 21 of the OATT. Neither the ISO nor the PTOs are obligated to provide Real Power Losses. Non-PTF Real Power Losses shall be calculated and charged for in accordance with the applicable Schedule 21 Local Service Schedule.

h) Load Shedding: Load Shedding shall occur in accordance with the applicable Local Service Schedule to the extent provided for in such Local Service Schedule.

4) Transmission Customer Responsibilities

a) Conditions Required of Transmission Customers: Firm Local and Non-Firm Local Point-To-Point Service shall be provided only if the following conditions are satisfied by the Transmission Customer:

(i) The Transmission Customer has pending a Completed Application for service;

(ii) The Transmission Customer meets the creditworthiness procedures in Attachment L to the applicable PTO's Local Service Schedule;

(iii) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the PTO prior to the time service commences;

(iv) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer, whether or not the Transmission Customer takes service for the full term of its reservation;

(v) The Transmission Customer provides the information required by the PTO's planning process established in Attachment K; and

(vi) The Transmission Customer has executed a Local Service Agreement or has requested the filing of an unexecuted Local Service Agreement pursuant to Section I.3.c of this Schedule 21.

b) Transmission Customer Responsibility for Third-Party Arrangements: Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Eligible Customer requesting service. The Transmission Customer shall provide, unless waived by the ISO and the PTO, notification to the ISO and the PTO identifying such systems and authorizing them to schedule the capacity and energy to be transmitted pursuant to this Schedule 21 on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the ISO and the PTO 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.

5) Procedures for Arranging Firm Local Point-To-Point Service

a) Pre-RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, or make upgrades (i.e., increase MWs served) within the terms of its existing Firm Local Point-to-Point Service Agreement that is in effect prior to February 1, 2005 ("Pre-RTO Local Service Agreement"), shall not be required to complete an Application or execute a Local Service Agreement under this Schedule 21, however, modifications to the existing Firm Local Point-to-Point Service Agreement may be required. Instead, the Transmission Customer shall contact the associated PTO to discuss and, if appropriate, modify its existing Firm Local Point-to-Point Service Agreement.

(ii) A Transmission Customer who wishes to request an alternate Firm Point of Receipt or Point of Delivery or make upgrades (i.e., increase MWs served) beyond the terms of its existing Firm Local Point-to-Point Service Agreement, shall contact the PTO to make arrangements to terminate the Transmission Customer's existing Local Service Agreement and shall complete

(and submit to the ISO) an Application for Local Service and then execute a Local Service Agreement under this Schedule 21.

b) RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, or make upgrades (i.e., increase MWs served) within the terms of the existing Firm Local Point-to-Point Service Agreement under this Schedule 21, shall not be required to execute a Local Service Agreement under this Schedule 21, however, modifications to the existing Firm Local Point-to-Point Service Agreement under this Schedule 21 may be required. Such modifications to an existing Local Service Agreement typically do not require an additional local or regional System Impact Study to be completed. The Transmission Customer shall complete (and submit to the ISO) an application for Local Transmission Service that reflects the requested modifications to the Local Service Agreement to facilitate revision of its existing Schedule 21 Local Service Agreement.

(ii) Transmission Customers who wish to request an alternate Firm Point of Receipt or Point of Delivery or make upgrades (i.e., increase MWs served) beyond the terms of the existing Firm Local Point-to-Point Service Agreement under this Schedule 21, shall contact the ISO to discuss and, if appropriate, terminate the Transmission Customer's existing Local Service Agreement under this Schedule 21 and shall complete (and submit to the ISO) an Application for Local Service and then execute a new Local Service Agreement under this Schedule 21.

c) Application: A request for Firm Local Point-To-Point Service for periods of one year or longer must be made in a completed Application submitted to the ISO at least sixty (60) days in advance of the calendar month in which service is to commence. The PTO 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 PTO and the Eligible Customer within the time constraints provided in the applicable Local Service Schedule. A Completed Application may be submitted by transmitting the required information to the ISO by telefax. This method will provide a time-stamped record for establishing the priority of the Application.

d) Completed Application: A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

(i) The identity, 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 location of 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 ISO and the PTO will treat this information as confidential except to the extent that disclosure of this information is required by the Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice or pursuant to the Information Policy;

(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;

(viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the PTO's Local Network; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;

(ix) A statement indicating that if the Transmission Customer submits a Pre-Confirmed Request, then the Transmission Customer will take and pay for the requested Local Service upon acceptance on OASIS by the PTO that can provide the requested Local Service; and

(x) Any additional information required by the PTO’s planning process established in Attachment K.

The ISO and the PTO shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

e) Deposit: Except as is otherwise provided in the Local Service Schedule, a Completed Application for Firm Local Point-To-Point 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 because it does not meet the conditions for service as set forth herein, in the Local Service Schedule 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 PTO 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 PTO if the PTO 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 Local Service Agreement for Firm Local Point-To-Point Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by the PTO to the extent such costs have not already been recovered by the PTO from the Eligible Customer. The PTO 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 I.5.c of this Schedule 21. If a Local Service Agreement for Firm Local Point-To-Point Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Local Service Agreement. Applicable interest shall be computed in accordance with the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit check is credited to the PTO's account.

f) Notice of Deficient Application: If an Application fails to meet the requirements of the Tariff, the PTO shall notify the ISO within ten (10) days of the Application’s receipt of the reasons for such failure, and the ISO shall, in turn, so notify the entity requesting service within five (5) days of the receipt of notice from the PTO of the reasons for such failure. The PTO will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the ISO shall return the Application. The PTO shall return any deposit, with interest, to the Eligible Customer. Upon receipt of a new or revised Application that fully complies with the requirements of this Schedule 21, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

g) Response to a Completed Application: Following receipt of a Completed Application for Firm Local Point-To-Point Service, the PTO shall make a determination of available transfer capability as required in Section I.3.b of this Schedule 21. Within twenty-five (25) days after the date of receipt of a Completed Application, the PTO shall notify the ISO 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. The ISO shall so notify the Eligible Customer within five (5) days of the ISO's receipt of such notice from the PTO. Responses by the PTO and the ISO must be made as soon as practicable to all Completed Applications and the timing of such responses must be made on a non-discriminatory basis.

h) Execution of Service Agreement: Whenever the PTO, in consultation with the ISO, 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 thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section I.7 of this Schedule 21 will govern the execution of a Local Service Agreement. Failure of an Eligible Customer to execute and return the Local Service Agreement or request the filing of an unexecuted service agreement pursuant to Section I.3.c of this Schedule 21 within fifteen (15) days after the Local Service Agreement is tendered 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 file another Application after such withdrawal and termination.

i) Extensions for Commencement of Service: The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying to the PTO a non-refundable annual reservation fee equal to one-month's charge for Firm Local Point-To-Point Service for each year or fraction thereof within 15 days of notifying the PTO it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Local Point-To-Point 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 thirty (30) days, the original Transmission Customer agrees to pay the 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.

6) Procedures for Arranging Non-Firm Local Point-To-Point Service

a) Pre-RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternate Non-Firm Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of their existing Non-Firm Local Point-to-Point Service Agreement that is in effect prior to February 1, 2005 ("Pre-RTO Local Service Agreement"), shall not be required to complete an Application or execute a Local Service Agreement under this Schedule 21, however, modifications to the existing Non-Firm Local Point-to-Point Service Agreement may be required. The Transmission Customer shall contact the associated PTO to discuss and, if appropriate, modify the existing Non-Firm Local Point-to-Point Service Agreement.

(ii) A Transmission Customer who wishes to make upgrades (i.e., increase MWs served) beyond the terms of its existing Non-Firm Local Point-to-Point Service Agreement that is in effect prior February 1, 2005 ("Pre-RTO Local Service Agreement"), shall contact the PTO to make arrangements to terminate the Transmission Customer's existing Local Service Agreement and shall complete (and submit to the ISO) an Application for Local Service and then execute a Local Service Agreement under this Schedule 21.

b) RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternate Non-Firm Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of the existing Non-Firm Local Point-to-Point Service Agreement under this Schedule 21, shall not be required to execute a new Local Service Agreement under this Schedule 21, however, modifications to the existing Non-Firm Local Point-to-Point Service Agreement under this Schedule 21 may be required.

Such modifications to an existing Local Service Agreement typically do not require an additional local or regional System Impact Study to be completed. The Transmission Customer shall complete (and submit to the ISO) an application for Local Transmission Service that reflects the

requested modifications to the Local Service Agreement to facilitate revision of its existing Non-Firm Local Point-to-Point Service Agreement under this Schedule 21.

(ii) A Transmission Customer who wishes to request an upgrade (i.e., increase MWs served) beyond the terms of the existing Non-Firm Local Point-to-Point Service Agreement under this Schedule 21, shall contact the ISO to discuss and, if appropriate, terminate the Transmission Customer's existing Local Service Agreement under this Schedule 21 and shall complete (and submit to the ISO) a new Application for Local Service and then execute a new Local Service Agreement under this Schedule 21.

c) Application: Eligible Customers seeking Non-Firm Local Point-To-Point Service must submit a Completed Application to the ISO. A Completed Application may be submitted by transmitting the required information to the ISO by telefax. This method will provide a time-stamped record for establishing the service priority of the Application.

d) Completed Application: A Completed Application shall provide all of the information included in 18 C.F.R. § 2.20 including but not limited to the following:

(i) The identity, 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.

In addition to the information specified above, when required to properly evaluate system conditions, the ISO and the PTO 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;

(vii) The electrical location of the ultimate load; and

(viii) A statement indicating that if the Transmission Customer submits a Pre-Confirmed Request, then the Transmission Customer will take and pay for the requested Local Point-to-Point Service upon acceptance on OASIS by the PTO that can provide the requested Local Service.

The ISO and the PTO 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 the Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice, or pursuant to the ISO New England Information Policy. The ISO and the PTO shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

e) Reservation of Non-Firm Local Point-To-Point Service: Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence, requests for daily service shall be submitted no earlier than two (2) days before service is to commence, and requests for hourly service shall be submitted no earlier than noon the day before service is to commence. Requests for service received later than 2:00 p.m. prior to the day service is scheduled to commence will be accommodated if practicable.

f) Determination of Available Transfer Capability: The PTO shall determine available transfer capability in accordance with its respective Attachment setting forth its Methodology to Assess Available Transfer Capability.

7) Additional Study Procedures For Firm Local Point-To-Point Service Requests

a) Notice of Need for System Impact Study: After receiving a request for Firm Local Point-To-Point Service, a determination shall be made on a non-discriminatory basis as to whether a System Impact Study is needed. The ISO shall review the request to determine whether the provision of the requested service would have an impact on facilities other than Non-PTF, and if so, whether a System Impact Study

is necessary to accommodate the requested service. If so, the ISO shall so inform the Eligible Customer as soon as practicable and will (in consultation with the PTO) perform a System Impact Study, as necessary, with respect to the request. A description of the ISO's methodology for completing a System Impact Study is provided in OATT Attachment D. If the ISO determines that the service would not have an impact on facilities other than Non-PTF, the PTO shall determine whether a System Impact Study is necessary to accommodate the requested service and shall so inform the Eligible Customer as soon as practicable and will (in consultation with the ISO) perform a System Impact Study, as necessary, with respect to the application. In such cases, the ISO or the PTO, as applicable, shall within thirty (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 ISO or the PTO, as applicable, 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 ISO or the PTO, as applicable, within fifteen (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 I.5.c of this Schedule 21, shall be returned with interest. A description of the PTO's methodology for completing a System Impact Study is provided in its Local Service Schedules.

b) System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify an estimate of the cost and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. The System Impact Study shall rely on existing transmission planning studies to the extent reasonably practicable. 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 Local Network.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient 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 PTO conducts on its own behalf, the PTO shall record the cost of the System Impact Studies pursuant to Section II.8.5 of the Tariff.

(iv) In response to multiple Eligible Customers within the same geographical or electrically interconnected area requesting that a System Impact Study for Local Service be clustered, the PTO will cluster such multiple requests if it can reasonably do so. The costs of that study shall be divided equally among the Eligible Customers, unless otherwise agreed to by the PTO and the Eligible Customers.

(v) Once a clustered study is initiated by the PTO, as evidenced by an executed System Impact Study Agreement, Eligible Customers opting out of a clustered study regarding Non-PTF facilities shall be liable for their share of the study costs as set forth in Section 7(b)(iv) above, unless otherwise agreed to by the parties to such System Impact Study Agreement.

c) System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the ISO or the PTO, as applicable, will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints identified with specificity by a transmission element or flowgate, and additional Direct Assignment Facilities or Local Network Upgrades required to provide the requested service. In the event that the ISO or the PTO, as applicable, 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 as soon as the System Impact Study is complete. The PTO 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 ISO or the PTO, as applicable, shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Local Network will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study, the Eligible Customer must execute a Local Service Agreement or request the filing of an unexecuted Local Service Agreement pursuant to Section I.3.c of this Schedule 21 or the Application shall be deemed terminated and withdrawn.

d) Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to facilities other than Non-PTF are needed to supply the Eligible Customer's service request or to mitigate indirect impacts on the MTF facilities, the ISO, within thirty (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 ISO for performing the required Facilities Study. If a System Impact Study indicates that additions or upgrades to Non-PTF facilities are needed to supply the Eligible Customer's service request or to mitigate indirect impacts on facilities other than Non-PTF, the PTO, within thirty (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 PTO for performing the required Facilities Study. For clustered studies, the cost of such studies shall be divided equally among the Eligible Customers, unless otherwise agreed to by the PTO and the Eligible Customers. Once a clustered study is initiated by the PTO, as evidenced by an executed Facilities Study Agreement, Eligible Customers opting out of a clustered study regarding Non-PTF facilities shall be liable for their share of the study costs as set forth in this Section 7(d) above, unless otherwise agreed to by the parties to such Facilities Study Agreement. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it within fifteen (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 I.5.c of this Schedule 21, shall be returned with interest. Upon receipt of an executed Facilities Study Agreement, the ISO or the PTO, as applicable, will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Facilities Study cannot be completed in the allotted time period, the Transmission Customer shall be notified and provided an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of (i) the cost of Direct Assignment Facilities to be charged to the Transmission Customer, (ii) the Transmission Customer's appropriate share of the cost of any required Local Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide a letter of credit or other reasonable form of security acceptable to the PTO equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Local Service Agreement or request the filing of an unexecuted Local 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.

e) Facilities Study Modifications: Any change in design arising from the 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 ISO and/or the

PTO that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer.

f) Due Diligence in Completing New Facilities: The PTO shall use due diligence to add necessary facilities or upgrade its Local Network within a reasonable time. The PTO will not upgrade its existing or planned Local Network in order to provide the requested Firm Local Point-To-Point Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

g) Partial Interim Service: If the PTO determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Local Point-To-Point Service, the PTO nonetheless shall be obligated to offer and provide the portion of the requested Firm Local Point-To-Point Service that can be accommodated without addition of any facilities. However, the PTO shall not be obligated to provide the incremental amount of requested Firm Local Point-To-Point Service that requires the addition of facilities or upgrades to the Local Network until such facilities or upgrades have been placed in service.

h) 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 ISO (in consultation with the PTO) to tender at one time, together with the results of required studies, an "Expedited Local Service Agreement" pursuant to which the Eligible Customer would agree to compensate the PTO for all costs incurred. In order to exercise this option, the Eligible Customer shall request in writing an expedited Local Service Agreement covering all of the above-specified items within thirty (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 PTO agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate the PTO for all costs incurred. The Eligible Customer shall execute and return such an Expedited Local Service Agreement within fifteen (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.

i) Penalties for Failure to Meet Study Deadlines: Sections I.7.c and I.7.d of this Schedule 21 require a Transmission Provider to use due diligence to meet 60-day study completion deadlines for System Impact Studies and Facilities Studies.

(i) The PTO is required to file a notice with the Commission in the event that more than twenty (20) percent of non-Affiliates' System Impact Studies and Facilities Studies completed by the PTO in any two consecutive calendar quarters are not completed within the 60-day study completion deadlines. Such notice must be filed within thirty (30) days of the end of the calendar quarter triggering the notice requirement.

(ii) For the purposes of calculating the percent of non-Affiliates' System Impact Studies and Facilities Studies processed outside of the 60-day study completion deadlines, the PTO shall consider all System Impact Studies and Facilities Studies that it completes for non-Affiliates during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies. The PTO may provide an explanation in its notification filing to the Commission if it believes there are extenuating circumstances that prevented it from meeting the 60-day study completion deadlines.

(iii) The PTO is subject to an operational penalty if it completes ten (10) percent or more of non-Affiliates' System Impact Studies and Facilities Studies outside of the 60-day study completion deadlines for each of the two calendar quarters immediately following the quarter that triggered its notification filing to the Commission. The operational penalty will be assessed for each calendar quarter for which an operational penalty applies, starting with the calendar quarter immediately following the quarter that triggered the PTO's notification filing to the Commission. The operational penalty will continue to be assessed each quarter until the PTO completes at least ninety (90) percent of all non-Affiliates' System Impact Studies and Facilities Studies within the 60-day deadline.

(iv) For penalties assessed in accordance with subsection (iii) above, the penalty amount for each System Impact Study or Facilities Study shall be equal to $500 for each day the PTO takes to complete that study beyond the 60-day deadline.

j) Claims or Disputes: Any claim or dispute between the PTO and the Transmission Customer with respect to a System Impact Study or Facilities Study shall be governed by the provisions of Section I.6 of the Tariff.

8) Procedures if The PTO is Unable to Complete New Transmission Facilities for Firm Local Point-To-Point Service

a) 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 PTO shall promptly notify the Transmission Customer. In such circumstances, the PTO shall within, thirty (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 PTO 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 PTO that is reasonably needed by the Transmission Customer to evaluate any alternatives.

b) Alternatives to the Original Facility Additions: When the review process of Section I.8.a of this Schedule 21 determines that one or more alternatives exist to the originally planned construction project, the PTO 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 that the ISO file a revised Local Service Agreement for Firm Local Point-To-Point Service. If the alternative approach solely involves Non-Firm Local Point-To-Point Service, the PTO shall so inform the ISO, and the ISO (in consultation with the PTO) shall thereafter promptly tender to the Transmission Customer a Local Service Agreement for Non-Firm Local Point-To-Point Service providing for the service. In the event the PTO concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures of Section I.6 of the Tariff.

c) Refund Obligation for Unfinished Facility Additions: If the PTO and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested Firm Local Point-To-Point Service cannot be provided out of existing capability, the obligation to provide the requested service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a(a)(2)(iii). However, the Transmission Customer shall be responsible for all prudently incurred costs by the ISO and the PTO through the time construction was suspended, including costs for removal of unfinished facilities and any ongoing operating expenses of the unfinished facilities until they are removed.

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

a) Responsibility for Third-Party System Additions: The PTO 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 PTO 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.

b) Coordination of Third-Party System Additions: In circumstances where the need for transmission facilities or upgrades is identified, and if such upgrades further require the addition of transmission facilities on other systems, the PTO shall have the right to coordinate construction on its own system with the construction required by others. The PTO, 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 PTO 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 sixty (60) days of receiving written notification by the PTO of its intent to defer construction, the Transmission Customer may challenge the decision in accordance with Section I.6 of the Tariff.

10) Changes in Service Specifications

a) Modifications On a Non-Firm Basis: The Transmission Customer taking Firm Local Point-To-Point Service from a PTO may request transmission service on a non-firm basis over Receipt and Delivery Points of the same PTO other than those specified in the Local Service Agreement ("Secondary Receipt and Delivery Points") in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Local Point-To-Point Service charge or executing a new Local Service Agreement, subject to the following conditions. A Transmission Customer may request a modification to its Non-Firm Local Point-to-Point Service by making such a request to the PTO and the ISO, which must be made pursuant to Sections I.6. (a) and (b), as appropriate.

(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 PTO on behalf of its Native Load Customers.

(b) The sum of all Firm Local and Non-Firm Local Point-To-Point Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the Reserved Capacity in the relevant Local Service Agreement under which such services are provided.

(c) The Transmission Customer shall retain its right to schedule Firm Local Point-To-Point Service at the Receipt and Delivery Points specified in the relevant Local 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 filing of an Application for Non-Firm Local Point-To-Point Service under the Tariff. However, all other requirements of this Schedule 21 (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

b) Modification On a Firm Basis: Any request by a Transmission Customer to modify the Firm Local Point-to-Point Service it receives from a PTO to obtain service between different Receipt and Delivery Points on the Local Network of the same PTO on a firm basis shall be treated as a new request for service, 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 Local 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 Local Service Agreement. A Transmission Customer may request a modification to its Firm Local Point-to-Point Service by making such a request to the PTO and the ISO, which must be made pursuant to Sections I.5. (a) and (b), as appropriate.

11) Sale or Assignment of Transmission Service

a) Procedures for Assignment or Transfer of Service: A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Local Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Local Service Agreement is hereafter referred to as the "Reseller" as the term used throughout this Schedule 21. Compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee. The Assignee must execute a service agreement with the PTO governing reassignments of transmission service prior to the date on which the reassigned service commences. The PTO shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Local Service Agreement with the PTO or the associated OASIS schedule and credit the Reseller with the price reflected in the

Assignee's Service Agreement with the PTO or the associated OASIS schedule; provided that, such credit shall be reversed in the event of non-payment by the Assignee. 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 Local Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Assignee will be subject to all terms and conditions of the Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the PTO pursuant to Section I.1.b of this Schedule 21. A Transmission Customer may request a modification to its Firm Local Point-to-Point Service by making such a request to the PTO and the ISO must be made pursuant to sections I.5. (a) and (b) and I.6. (a) and (b), as appropriate.

b) 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 Local Service Agreement, the PTO 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 New England Transmission System or the PTO's distribution system, as applicable. The Assignee shall compensate the ISO and/or the PTO, as applicable, for performing any System Impact Study needed 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 Local Service Agreement, except as specifically agreed to by the PTO and Reseller through an amendment to the Local Service Agreement

c) Information on Assignment or Transfer of Service: In accordance with Section I.11 of this Schedule 21 and applicable provisions of the Local Service Schedules, all sales or assignments of capacity must be conducted through or otherwise posted on the PTO's OASIS on or before the date the reassigned Local Point-to-Point Service commences and are subject to Section I.11.a of this Schedule 21. Resellers may also use the OASIS to post transmission capacity available for resale.

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

a) Transmission Customer Obligations: Unless otherwise provided in the applicable Local Service Schedule, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted through Local Point-To-Point Service and to communicate the information to the PTO,

Local Control Centers and the ISO. Such equipment shall remain the property of the Transmission Customer.

b) PTO Access to Metering Data: The PTO shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Local Service Agreement.

c) Power Factor: In accordance with Good Utility Practice and any applicable Local Service Schedule, the Transmission Customer is required to maintain a power factor within the same range as the PTO. The power factor requirements are specified in the Local Service Agreement where applicable.

13) Compensation for Local Point-To-Point Service:

Rates for Firm Local and Non-Firm Local Point-To-Point Service are set forth in the Local Service Schedules. The applicable rates for Firm Local and Non-Firm Local Point-to-Point Service set forth in the Local Service Schedules shall be reduced to zero for the charging load of an Electric Storage Facility when the Regional Network Service charges are reduced to zero pursuant to Section II.21.3 of the OATT. This discount will only be applied to Electric Storage Facility charging load that (a) is reported under a separately identified Regional Network Load that does not include station service load or any other load and (b) is providing one or more of the following services to the ISO: reactive power voltage support, operating reserves, regulation and frequency response, balancing energy supply and demand, or addressing a reliability concern. Electric Storage Facilities shall be considered to be balancing energy supply and demand when they are responding to ISO dispatch instructions in the Real-Time Energy Market.

14) Compensation for New Facilities Costs:

Whenever a System Impact Study performed in connection with the provision of Firm Local Point-To-Point Service identifies the need for new facilities, the Transmission Customer shall be responsible for the costs of the new facilities to the extent consistent with Commission policy.

II. LOCAL NETWORK SERVICE

Preamble

Eligible Customers seeking Local Network Service on a specific Local Network shall refer to the applicable Local Service Schedule to determine any PTO-specific rates, terms, and conditions applicable

to such service. Except as otherwise provided in the Local Service Schedules, Local Network Service will be provided pursuant to the applicable rates, terms and conditions set forth below.

1) Nature of Local Network Service

Local Network Service is provided to Network Customers to serve their loads. It includes transmission service for the delivery to a Network Customer of its energy and capacity from Network Resources and delivery to or by Network Customers of energy and capacity from New England Markets transactions.

2) Availability of Local Network Service

a) Eligibility to Receive Local Network Service: Transmission Customers taking Regional Network Service must also take Local Service.

b) Compliance With State Law: A Network Customer is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with the PTO and distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs.

c) Scope of Service: Local Network Service allows Network Customers to efficiently and economically utilize their resources and Interchange Transactions to serve their Local and Regional Network Load and any additional load that may be designated pursuant to the Tariff. The Network Customer taking Local Network Service must obtain or provide Ancillary Services.

d) PTO Responsibilities: The PTO in accordance with the TOA will plan, construct, operate and maintain its Local Network in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Local Network Service. Each PTO, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer. This information must be consistent with the information used by the PTO to calculate available transfer capability. The PTO in accordance with the TOA shall include the Network Customer's Local Network Load in Local Network planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver Network Resources to serve the Network Customer's Local and Regional Network Load on a basis comparable to the PTO's delivery of its own generating and purchased resources to its Native Load Customers.

e) **Comparability of Service**: Local Network Service will be provided to the Network Customer for the delivery of energy and/or capacity from its resources to serve its Local and Regional Network Loads on a basis that is comparable to the PTO's use of its Local Network to reliably serve Native Load Customers.

f) **Real Power Losses**: "Real Power Losses" those losses associated with transmission service as determined in accordance with Section 15.3, Section 31.6 and Schedule 21 of the OATT. The PTOs are not obligated to provide Real Power Losses. Non-PTF Real Power Losses shall be calculated and charged for in accordance with the applicable Schedule 21 Local Service Schedule.

g) **Secondary Service**: The Network Customer may use the Local Network 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. Secondary service shall not require the filing of an Application for Local Network Service under Section II of this Schedule 21. However, all other requirements of Section II of this Schedule 21 (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non Firm Local Point To Point Service.

h) **Restrictions on Use of Service**: The Network Customer shall not use Local Network 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 Local Network Service shall use Local Point To Point Service for any Third Party Sale, which requires use of the Local Network. The PTO shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Local Network Service or secondary service pursuant to Section II.2.g of this Schedule 21 to facilitate a wholesale sale that does not serve Local Network Load.

3) **Initiating Service**

a) **Condition Precedent for Receiving Service**: Local Network Service shall be provided only if the following conditions are satisfied by the Eligible Customer: (i) the Eligible Customer completes an Application to the ISO for service, (ii) the Eligible Customer and the PTO complete the technical arrangements, and (iii) the Eligible Customer executes a Local Service Agreement with the PTO and the

ISO or requests in writing that the ISO file an unexecuted Local Service Agreement containing terms and conditions deemed by the PTO (in consultation with the ISO) to be appropriate for such requested service with the Commission.

4) Procedures for Arranging Local Network Service

a) Pre-RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternate Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of their existing Local Service Agreement that is in effect prior to February 1, 2005 ("Pre-RTO Local Service Agreement"), shall not be required to complete an Application or execute a Local Service Agreement under this Schedule 21, however, modifications to the existing Local Service Agreement may be required. The Transmission Customer shall contact the PTO to discuss and, if appropriate, modify the existing Local Service Agreement.

(ii) A Transmission Customer who wishes to make upgrades (i.e., increase MWs served) beyond the terms of its existing Local Service Agreement that is in effect prior to February 1, 2005 ("Pre-RTO Local Service Agreement"), shall contact the PTO to make arrangements to terminate the Transmission Customer's existing Local Service Agreement and shall complete (and submit to the ISO) an Application for Local Service and then execute a Local Service Agreement under this Schedule 21.

b) RTO Local Service Agreements

(i) A Transmission Customer who wishes to revise the Local Service Agreement termination date, transfer Local Service Agreement ownership, request an alternative Point of Receipt or Point of Delivery, or make upgrades (i.e., increase MWs served) within the terms of the existing Local Service Agreement under this Schedule 21, shall not be required execute a new Local Service Agreement under this Schedule 21, however, modifications to the existing Local Service Agreement under this Schedule 21 may be required. Such modifications to an existing Local Service Agreement typically do not require an additional Local or Regional System Impact Study to be completed. The Transmission Customer shall complete (and submit to the ISO) an

application for Local Transmission Service that reflects the requested modifications to the Local Service Agreement to facilitate revision of its existing Schedule 21 Local Service Agreement.

(ii) A Transmission Customer who wishes to make upgrades (i.e., increase MWs served) beyond the terms of the existing Local Service Agreement under this Schedule 21, shall contact the ISO to discuss and, if appropriate, terminate the Transmission Customer's existing Local Service Agreement under this Schedule 21 and shall complete (and submit to the ISO) a new Application for Local Service and then execute a new Local Service Agreement under this Schedule 21.

c) Application Procedures: An Eligible Customer requesting Local Network Service must submit an Application, with a deposit equal to the charge for one month of service, unless another charge is specified in the applicable Local Service Schedule, to the ISO as far as possible in advance of the month in which service is to commence. Completed Applications for Local Network Service will be assigned a reservation priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. A Completed Application shall provide all of the information included in 18 C.F.R. §2.20 including but not limited to the following:

(i) The identity, 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;

(iii) A description of the Local 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 substation at the same transmission voltage level. The description should include a ten-year forecast of summer and winter load 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 Local 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 projection), which shall include, for each Network Resource, if the description is not otherwise available to the ISO and the PTOs:

- Unit size and amount of capacity from that unit to be designated as Network Resource
- VAR capability (both leading and lagging) of all generators
- Operating restrictions
- Any periods of restricted operations throughout the year
- Maintenance schedules
- Minimum loading level of unit
- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons
- Approximate variable dispatch price ($/MWH), consistent with Market Rule 1, for redispatch computations
- Arrangements governing sale and delivery of power to third parties from generating facilities located in the New England Control Area, where only a portion of unit output is designated as a Network Resource
- Description of external purchased power designated as a Network Resource including source of supply, control area location, transmission arrangements and delivery point(s);

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

- 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 load flow format compatible with that used by the ISO and the PTOs
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Local Network Loads and Resources
- Location of Network Resources described in subsection (v) above

- ten-year projection of system expansions or upgrades
- transmission system maps that include any proposed expansions or upgrades
- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;

(vii) Service Commencement Date and the term of the requested service. The minimum term for service is one year; and

(viii) Any additional information required of the Transmission Customer as specified in the PTO's planning process established in Attachment K.

Unless the Eligible Customer and the ISO agree to a different time frame, the ISO must acknowledge the request within ten (10) days of receipt. The acknowledgment must include a date by which a response, including a Local Service Agreement, will be sent to the Eligible Customer. If an Application fails to meet the requirements of this Section, the PTO shall notify the ISO within ten (10) days of the Application's receipt of the reasons for such failure, and the ISO shall, in turn, so notify the entity requesting service within five (5) days of the receipt of notice from the PTO of the reasons for such failure. Wherever possible, the ISO and the PTO will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the ISO shall return the Application without prejudice to the Eligible Customer, who may thereafter file a new or revised Application that fully complies with the requirements of this Section. The Eligible Customer will be assigned a new reservation priority consistent with the date of the new or revised Application. The ISO and the PTO shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

d) Technical Arrangements to be Completed Prior to Commencement of Service: Local Network Service shall not commence until the PTO and the Network Customer, or a third party, have completed installation of all equipment specified under the Local Service Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Non-PTF. The PTO shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

e) Network Customer Facilities: The provision of Local Network 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 Non-PTF to the Network Customer. The Network Customer shall be solely responsible for constructing or installing and operating and maintaining all facilities on the Network Customer's side of each such delivery point or interconnection.

f) Filing of Service Agreement: The ISO shall file Local Service Agreements with the Commission in compliance with applicable Commission regulations.

5) Network Resources

a) Designation of Network Resources: The Network Customer shall designate those Network Resources which are owned, purchased or leased by it. The Network Resources so designated 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 Local Network Load on a non-interruptible basis. Any owned, purchased or leased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Compliance Effective Date shall be deemed to continue to be so owned, purchased or leased by it until the Network Customer informs the ISO and the PTO of a change.

b) Designation of New Network Resources: The Network Customer shall identify any new Network Resources which are owned, purchased or leased by it with as much advance notice as practicable. A designation of any new Network Resource as owned, purchased or leased by the Customer must be made by a notice to the ISO and the PTO.

c) Termination of Network Resources: The Network Customer may terminate the designation of all or part of a Network Resource as owned, purchased or leased by it at any time but shall provide notification to the ISO and the PTO as soon as reasonably practicable.

d) Network Customer Redispatch Obligation: As a condition to receiving Local Network Service, the Network Customer agrees to redispatch its Network Resources as requested by the ISO and the PTO. The ISO will redispatch all Resources subject to its control, pursuant to Market Rule 1, in order to meet load and to accommodate External Transactions. The Network Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with Market Rule 1.

e) Transmission Arrangements for Network Resources Not Physically Interconnected with the PTO's Non-PTF: The Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with the PTO's Non-PTF. The applicable PTO will undertake reasonable efforts to assist the Network Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other entity pursuant to Good Utility Practice.

f) 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 this Schedule 21.

g) Network Customer Owned Transmission Facilities: The Network Customer that owns existing transmission facilities that are integrated with the PTO's Local Network 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 planning and operations of the PTO to serve all of its power and transmission customers. For facilities added by the Network Customer subsequent to the effective date of a Final Rule in RM05-25-000, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the PTO's facilities; provided however, the Local Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the PTO, would be eligible for inclusion in the PTO's annual transmission revenue requirement as specified in the PTO's respective Local Service Schedule. Calculation of any credit under this subsection shall be addressed in either the Network Customer's Service Agreement or any other agreement between the Parties.

6) Designation of Local Network Load

a) Local Network Load: The Network Customer must designate the individual Local Network Loads which it expects to have served through Local Network Service. The Local Network Loads shall be specified in the Local Service Agreement.

b) New Local Network Loads Within the New England Control Area: The Network Customer shall provide the ISO and the PTO with as much advance notice as reasonably practicable of the designation of new Local Network Load that will be added to the Non-PTF. A designation of new Local Network Load must be made through a modification of service pursuant to a new Application. The PTO will use due diligence to install or cause to be installed any transmission facilities required to interconnect a new Local Network Load designated by the Network Customer. The costs of new facilities required to interconnect a new Local Network Load shall be determined in accordance with the procedures provided in this Schedule 21 and shall be charged to the Network Customer in accordance with Commission policy and this Schedule 21.

c) Local Network Load Not Physically Interconnected with the PTO: This Section applies to both initial designation and the subsequent addition of new Local Network Load not physically interconnected with the PTO's Non-PTF. To the extent that the Network Customer desires to obtain transmission service for a load outside the Local Network, the 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 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.

d) New Interconnection Points: To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the Non-PTF and a Local Network Load, the Network Customer shall provide the ISO and the PTO with as much advance notice as reasonably practicable.

e) Changes in Service Requests: Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Local Network Service (the addition of a new Network Resource, if any, or designation of a new Local Network Load) in any way relieve the Network Customer of its obligation to pay the costs of transmission facilities constructed by the PTOs and charged to the Network Customer as reflected in the applicable Local Service Agreement or other appropriate agreement. However, the PTO must treat any requested change in Local Network Service in a non-discriminatory manner.

f) Annual Load and Resource Information Updates: The Network Customer shall provide the ISO and the PTO with annual updates of Local Network Load and Network Resource forecasts consistent with those included in its Application including, but not limited to, any information provided under Section II.3.b of this Schedule 21 pursuant to the PTO's planning process in Attachment K. The Network Customer also shall provide the ISO and the PTO with timely written notice of material changes in any other information provided in its Application relating to the Network Customer's Local Network Load, Network Resources, its transmission system or other aspects of its facilities or operations affecting the ability of the PTO to provide reliable service.

7) Additional Study Procedures For Local Network Service Requests

a) Notice of Need for System Impact Study: After receiving a request for Local Network Service, a determination shall be made on a non-discriminatory basis as to whether a System Impact Study is needed. The ISO shall review the request to determine whether the provision of the requested service would have an impact on facilities other than Non-PTF, and if so, whether a System Impact Study is necessary to accommodate the requested service. If so, the ISO shall so inform the Eligible Customer as soon as practicable and will (in consultation with the PTO) perform a System Impact Study, as necessary, with respect to the request. A description of the ISO's methodology for completing a System Impact Study is provided in OATT Attachment D. If the ISO determines that the service would not have an impact on facilities other than Non-PTF, the PTO shall determine whether a System Impact Study is necessary to accommodate the requested service and shall so inform the Eligible Customer as soon as practicable and will (in consultation with the ISO) perform a System Impact Study, as necessary, with respect to the application. In such cases, the ISO or the PTO, as applicable, shall within thirty (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 ISO or the PTO, as applicable, 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 ISO or the PTO, as applicable, within fifteen (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. A description of the PTO's methodology for completing a System Impact Study is provided in its Local Service Schedule.

b) System Impact Study Agreement and Cost Reimbursement:

(i) The System Impact Study Agreement will clearly specify an estimate of the cost and time for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. The System Impact Study shall rely on existing transmission planning studies to the extent reasonably practicable. 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 Local Network.

(ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient 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 PTO conducts on its own behalf, the PTO shall record the cost of the System Impact Studies pursuant to Section II.8.5 of the Tariff.

(iv) In response to multiple Eligible Customers within the same electrically interconnected area requesting clustering of system Impact Study analysis for Local Service, the PTO will accommodate such multiple requests if it can reasonable do so. The costs of such studies shall be pro-rated among the Eligible Customers on an agreed upon basis.

c) System Impact Study Procedures: Upon receipt of an executed System Impact Study Agreement, the ISO or the PTO, as applicable, will use due diligence to complete the required System Impact Study within a sixty (60) day period. The System Impact Study shall identify any system constraints, additional Direct Assignment Facilities or Local Network Upgrades required to provide the requested service. In the event that the ISO or the PTO, as applicable, 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 as soon as the System Impact Study is complete. The PTO 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 ISO or the PTO, as applicable, shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Local Network will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within

fifteen (15) days of completion of the System Impact Study, the Eligible Customer must execute a Local Service Agreement or request the filing of an unexecuted Local Service Agreement pursuant to Section II.3.a of this Schedule 21 or the Application shall be deemed terminated and withdrawn.

d) Facilities Study Procedures: If a System Impact Study indicates that additions or upgrades to facilities other than Non-PTF are needed to supply the Eligible Customer's service request or to mitigate indirect impacts on the MTF facilities, the ISO, within thirty (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 ISO for performing the required Facilities Study. If a System Impact Study indicates that additions or upgrades to Non-PTF facilities are needed to supply the Eligible Customer's service request or to mitigate indirect impacts on the MTF facilities, the PTO, within thirty (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 PTO for performing the required Facilities Study. For clustered studies, the cost of such studies shall be pro-rated among the Eligible Customers on an agreed upon basis. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it within fifteen (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 ISO or the PTO, as applicable, will use due diligence to complete the required Facilities Study within a sixty (60) day period. If the Facilities Study cannot be completed in the allotted time period, the Eligible Customer shall be notified and provided 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 Local Network Upgrades, and (iii) the time required to complete such construction and initiate the requested service. The Eligible Customer shall provide a letter of credit or other reasonable form of security acceptable to the PTO equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Eligible Customer shall have thirty (30) days to execute a Local Service Agreement or request the filing of an unexecuted Local 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.

In addition to the foregoing, each Facilities Study shall, if requested by the Eligible Customer, contain a non-binding estimate from the ISO of the Incremental ARRs, if any, resulting from the construction of the new facilities. After completion of the transmission upgrade or expansion, the ISO shall determine the Incremental ARRs, if any, resulting from the upgrade or expansion.

e) Facilities Study Modifications: Any change in design arising from the 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 ISO and/or the PTO that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer.

f) Due Diligence in Completing New Facilities: The PTO shall use due diligence to add necessary facilities or upgrade its Local Network within a reasonable time. The PTO will not upgrade its existing or planned Local Network in order to provide the requested Local Network Service if doing so would impair system reliability or otherwise impair or degrade existing firm service.

g) Claims or Disputes: Any claim or dispute between the PTO and the Transmission Customer with respect to a System Impact Study or Facilities Study shall be governed by the provisions of Section I.6 of the Tariff.

h) Penalties for Failure to Meet Study Deadlines: Section I.7.i of this Schedule 21 defines penalties that apply for failure to meet the 60-day study completion due diligence deadlines for System Impact Studies and Facilities Studies under Section I of this Schedule 21. These same requirements and penalties apply to service under Section II of this Schedule 21.

8) Load Shedding and Curtailments

a) Procedures: The PTO shall establish Load Shedding and Curtailment procedures (consistent with those of the ISO and the Local Control Center) with the objective of responding to contingencies on the Non-PTF. The PTO will notify all affected Local Network Service Customers in a timely manner of any scheduled Curtailment.

b) Transmission Constraints: During any period when a PTO or the Local Control Center determines that a transmission constraint exists on the Non-PTF, and such constraint may impair the reliability of the New England Transmission System, the PTO or the Local Control Center will so inform the ISO. The ISO will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the system. To the extent the ISO determines that the reliability of the New England Transmission System can be maintained by redispatching resources, The ISO will initiate procedures to redispatch all resources on a least-cost basis without regard to the ownership of such resources.

c) Cost Responsibility for Relieving Transmission Constraints: Whenever the ISO implements least-cost redispatch procedures in response to a transmission constraint, the Transmission Customer will bear the costs of such redispatch in accordance with Market Rule 1.

d) Curtailments of Scheduled Deliveries: If a transmission constraint on the Non-PTF cannot be relieved through the implementation of least-cost redispatch procedures and the PTO determines that it is necessary to effect a Curtailment of scheduled deliveries, such schedule shall be curtailed in accordance with the terms of the Tariff.

e) Allocation of Curtailments: The ISO, the Transmission Owner or the Local Control Center shall on a non-discriminatory basis, effect a Curtailment of the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the customers taking MTF Service and OTF Service and/or Through or Out Service and Network Customers on a non-discriminatory basis. Notwithstanding the preceding provisions of this Section, External Transactions shall be scheduled and curtailed in accordance with Section II.44 of the OATT.

f) Load Shedding: Load Shedding also may occur in accordance with the applicable Local Service Schedule to the extent provided for in such Local Service Schedule.

g) System Reliability: Notwithstanding any other provisions of this Schedule, The ISO, the PTO and the Local Control Centers reserve the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to effect a Curtailment of service without liability on the part of the ISO, the PTO or the Local Control Centers for the purpose of making necessary adjustments to, changes in, or repairs on the PTO's lines, substations and facilities, and in cases where the continuance of service would endanger

persons or property. In the event of any adverse condition(s) or disturbance(s) on the Non-PTF or on any other system(s) directly or indirectly interconnected with the Non-PTF, the ISO, the PTO and the Local Control Centers, consistent with Good Utility Practice, also may effect a Curtailment of 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 ISO, the PTO or the Local Control Centers will give the 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 the PTO's use of the New England Transmission System on behalf of their Native Load Customers. The Local Service Schedules 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.

9) Rates and Charges

Except as provided below, the Network Customer shall pay all applicable charges for Local Network Service set forth in this Schedule 21, including the Local Service Schedules, and for any Direct Assignment Facilities and its share of the cost of any required Local Network Upgrades and applicable study costs consistent with Commission policy, along with any additional charges imposed under the Tariff. In the event the Network Customer serves Local Network Load located on more than one Local Network, the amount to be paid by it shall be separately computed for each Local Network.

The applicable charges for Local Network Service set forth in this Schedule 21, including the Local Service Schedules, shall be reduced to zero for the charging load of an Electric Storage Facility when the Regional Network Service charges are reduced to zero pursuant to Section II.21.3 of the OATT. The reduction to zero of the applicable charges shall not apply to any Direct Assignment Facilities nor the Network Customer's share of the cost of any required Local Network Upgrades and applicable study costs consistent with Commission policy, along with any additional charges imposed under the Tariff. This discount will only be applied to Electric Storage Facility charging load that (a) is reported under a separately identified Regional Network Load that does not include station service load or any other load and (b) is providing one or more of the following services to the ISO: reactive power voltage support, operating reserves, regulation and frequency response, balancing energy supply and demand, or addressing a reliability concern. Electric Storage Facilities shall be considered to be balancing energy supply and demand when they are responding to ISO dispatch instructions in the Real-Time Energy Market.

10) Determination of Network Customer's Monthly Network Load

For purposes of Local Network Service, the Network Customer's "Monthly Network Load" shall be determined in accordance with the applicable Local Service Schedule.

11) Operating Arrangements

The Network Customer shall plan, construct, operate and maintain its facilities in accordance with Good Utility Practice and in conformance with the terms of the Tariff. The terms and conditions under which the Network Customer taking Local Network Service shall operate its facilities and the technical and operational matters associated with the implementation of Local Network Service shall be specified in Section II.22 of the Tariff and/or the Local Service Schedules.

III. LOCAL FIRM CONTRACT DEMAND SERVICE

Preamble

Eligible Customers seeking Local Firm Contract Demand Service for a Large Load on a specific Large Load Transmission Customer shall refer to the applicable Local Service Schedule to determine any PTO-specific rates, terms and conditions applicable to such service. Except as otherwise provided in Local Service Schedules, Local Firm Contract Demand Service will be provided pursuant to the applicable rates, terms and conditions set forth below.

1) Nature of Local Firm Contract Demand Service

Local Firm Contract Demand Service is provided to Large Load Transmission Customers to serve a specific contracted MW value not to be exceeded. All identified Large Load Network Upgrades shall be in service before a Large Load Transmission Customer can be provided with Local Firm Contract Demand Service. Local Firm Contract Demand Service shall be provided after meeting the requirements of Section II.59 of the OATT, this Schedule 21, and the Local Service Schedules.

2) Availability of Local Firm Contract Demand Service

a) **Compliance with State Law**: A Large Load Transmission Customer is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with the PTO and distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs.

b) **Scope of Service**: Local Firm Contract Demand Service is a transmission service that allows a Large Load Transmission Customer to serve a Large Load located in the New England Control Area at a specific contracted MW value that can never be exceeded.

c) **PTO Responsibilities**: The PTO in accordance with the TOA will plan, construct, operate and maintain its Local Network in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Large Load Transmission Customer with Local Firm Contract Demand Service. The PTO in accordance with the TOA shall include the Large Load Transmission Customer's load at a specific contracted MW value in Local Network planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver Network Resources to serve the Large Load Transmission Customer's load on a basis comparable to the PTO's delivery of its own generating and purchased resources to its Native Load Customers. Such PTO obligations are contingent upon all identified Large Load Network Upgrades being placed in service, and the Large Load Transmission Customer meeting the requirements of Section II.59 of the OATT.

d) **Real Power Losses**: "Real Power Losses" those losses associated with transmission service as determined in accordance with Section 15.3, Section 31.6 and Schedule 21 of the OATT. The PTOs are not obligated to provide Real Power Losses. Non-PTF Real Power Losses shall be calculated and charged for in accordance with the applicable Schedule 21 Local Service Schedule.

e) **Restrictions on Use of Service**: The Large Load Transmission Customer shall not use Local Firm Contract Demand Service (i) for service to loads other than the approved Large Load; ,(ii) for direct or indirect provision of transmission service to third parties; or (iii) in excess of the approved Firm Contract Demand except as otherwise permitted under the Tariff. The PTO shall specify any applicable charges, penalties and all related terms and conditions in the applicable Local Service Schedule.

f) **Default.** If the Large Load equipment fails to perform consistent with the obligations specified in the OATT and Schedule 21, then the Large Load Transmission Customer shall be deemed to be in default of the Local Service Agreement and service may be suspended immediately and subject to a termination through a PTO filing with the Commission. If any information under the OATT or Schedule 21 required to be provided by the Large Load Eligible Customer or Large Load

Transmission Customer is not provided in a timely manner, then the PTO shall issue a notice of such failure to the Large Load Transmission Customer. If the information is not provided or the issues related to providing the information are not resolved within the timeframe established by such notice, then the PTO may suspend any service provided to the Large Load Transmission Customer under Schedule 21 until the information is provided or the issue is resolved.

3) Initiating Service

a) Condition Precedent for Receiving Service:

Local Firm Contract Demand Service shall be provided only if; (i) the Large Load Eligible Customer completes a Large Load Transmission Service Application available on the ISO website; (ii) the Large Load Eligible Customer provides, or causes to be provided, the deposits required under Part II.J of this OATT; (iii) the ISO completes the study process described under Part II.J of this OATT; (iv) the Large Load Eligible Customer and the ISO complete the technical arrangements set forth in Sections II.58.5 and II.58.6 of this OATT; (v) the Large Load Eligible Customer executes a Local Service Agreement with the PTO and the ISO or requests that the ISO file an unexecuted Local Service Agreement containing terms and conditions deemed by the PTO (in consultation with the ISO) to be appropriate for such requested service with the Commission; (vi) the Large Load Eligible Customer executes a Large Load Cost Recovery Agreement; (vii) the Large Load Eligible Customer has completed all requirements, including the designation of new capacity resources consistent with Section 59.1 of the OATT, for the provision of Firm Contract Demand Service under the OATT. With the completion of each of these requirements, a Large Load Eligible Customer that has executed a Local Service Agreement shall be considered the Large Load Transmission Customer for purposes of the receipt of Local Firm Contract Demand Service. If a Large Load Transmission Customer receives Interim Contract Demand Service under the OATT, it shall receive Local Interim Contract Demand Service until such time as it receives Firm Contract Demand Service under the OATT, at which point the Load Transmission Customer's service shall transfer over to Local Firm Contract Demand Service.

4) Procedures for Arranging Firm Contract Demand Service

a) **Application Procedures**: A Large Load Eligible Customer requesting Local Firm Contract Demand Service must submit a Large Load Transmission Service Application to the ISO under Part II.J of the OATT.

b) **Technical Arrangements to be Completed Prior to Commencement of Service**: Local Firm Contract Demand Service shall not commence until the PTO and the Eligible Customer, or a third party, have completed installation of all equipment specified under the Service Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation. The PTO shall exercise reasonable efforts, in coordination with the Eligible Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

c) **Filing of Service Agreement**: The ISO shall file Local Service Agreements with the Commission in compliance with applicable Commission regulations

5) Load Shedding and Curtailments

a) **Procedures**: The PTO shall establish Load Shedding and Curtailment procedures (consistent with those of the ISO and the Local Control Center) with the objective of responding to contingencies on the Non-PTF. The PTO will notify all affected Large Load Transmission Customers in a timely manner of any scheduled Curtailment.

b) **Transmission Constraints**: During any period when a PTO or the Local Control Center determines that a transmission constraint exists on the Non-PTF, and such constraint may impair the reliability of the New England Transmission System, the PTO or the Local Control Center will so inform the ISO. The ISO will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the system. To the extent the ISO determines that the reliability of the New England Transmission System can be maintained by redispatching resources, the ISO will initiate procedures to redispatch all resources on a least-cost basis without regard to the ownership of such resources.

c) **Cost Responsibility for Relieving Transmission Constraints**: Whenever the ISO implements least-cost redispatch procedures in response to a transmission constraint, the Large Load Transmission Customer will bear the costs of such redispatch in accordance with Market Rule 1.

d) **Curtailments of Scheduled Deliveries**: If a transmission constraint on the Non-PTF cannot be relieved through the implementation of least-cost redispatch procedures and the PTO determines

that it is necessary to affect a Curtailment of scheduled deliveries, such schedule shall be curtailed in accordance with the terms of the Tariff.

e) **Allocation of Curtailments**: The ISO, the Transmission Owner or the Local Control Center shall on a non-discriminatory basis, effect a Curtailment of the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by the customers taking MTF Service and OTF Service and/or Through or Out Service and Large Load Transmission Customer on a non-discriminatory basis. Notwithstanding the preceding provisions of this Section, External Transactions shall be scheduled and curtailed in accordance with Section II.44 of the OATT.

f) **Load Shedding**: Load Shedding also may occur in accordance with the applicable Local Service Schedule to the extent provided for in such Local Service Schedule.

g) **System Reliability**: Notwithstanding any other provisions of this Schedule, t~~T~~he ISO, the PTO and the Local Control Centers reserve the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to effect a Curtailment of service without liability on the part of the ISO, the PTO or the Local Control Centers for the purpose of making necessary adjustments to, changes in, or repairs on the PTO's lines, substations and facilities, and in cases where the continuance of service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Non-PTF or on any other system(s) directly or indirectly interconnected with the Non-PTF, the ISO, the PTO and the Local Control Centers, consistent with Good Utility Practice, also may affect a Curtailment of 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 ISO, the PTO or the Local Control Centers will give the Large Load Transmission Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Local Firm Contract Demand Service will be not unduly discriminatory relative to the PTO's use of the New England Transmission System on behalf of their Native Load Customers. The Local Service Schedules shall specify the rate treatment and all related terms and conditions applicable in the event that the Large Load Transmission Customer fails to respond to established Load Shedding and Curtailment procedures.

6) Rates and Charges:

Except as provided below, the Local Large Load Transmission Customer shall pay all applicable charges for Local Firm Contract Demand Service set forth in this Schedule 21. Costs for any Large Load Network Upgrades or Direct Assignment Facilities shall be governed by the applicable Large Load Cost Recovery Agreement for the Large Load on behalf of which the Large Load Transmission Customer is taking service, if applicable.

IV. Local Non-Firm Contract Demand Service

Preamble

Eligible Customers seeking Local Non-Firm Contract Demand Service for a Large Load on a specific Local Network shall refer to the applicable Local Service Schedule to determine any PTO-specific rates, terms and conditions applicable to such service. Except as otherwise provided in Local Service Schedules, Local Non-Firm Contract Demand Service will be provided pursuant to the applicable rates, terms and conditions set forth below.

1) Nature of Local Non-Firm Contract Demand Service

Local Non-Firm Contract Demand Service is provided to Large Load Transmission Customers on an as-available basis and subject to redispatch, curtailment, interruption and load shedding in accordance with the Tariff, the OATT and applicable operating procedures, to serve up to a specific contracted MW value not to be exceeded.

2) Availability of Local Non-Firm Contract Demand Service

a) Compliance with State Law: A Large Load Transmission Customer is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with the PTO and distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs.

b) Scope of Service: Local Non-Firm Contract Demand Service is a transmission service that allows a Large Load Transmission Customer to serve a Large Load located in the New England Control Area. Local Non-Firm Contract Demand Service is subject to redispatch, curtailment, interruption and load shedding pursuant to the OATT and applicable ISO New England Operating Documents.

c) **PTO Responsibilities**: The PTO in accordance with the TOA will plan, construct, operate and maintain its Local Network in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Large Load Transmission Customer with Local Non-Firm Contract Demand Service.

d) **Real Power Losses**: "Real Power Losses" those losses associated with transmission service as determined in accordance with Section 15.3, Section 31.6 and Schedule 21 of the OATT. The PTOs are not obligated to provide Real Power Losses. Non-PTF Real Power Losses shall be calculated and charged for in accordance with the applicable Schedule 21 Local Service Schedule.

e) **Restrictions on Use of Service**: The Network Large Load Transmission Customer shall not use Local Network Service for Non-Firm Contract Demand Service (i) for service to loads other than the approved Large Load; sales of capacity and energy to non-designated loads, or, (ii) for direct or indirect provision of transmission service by the Large Load Transmission Customer to third parties; or. (iii) in excess of the approved Non-Firm Contract Demand except as otherwise permitted under the Tariff.

f) **Default.** If the Large Load equipment fails to perform consistent with the obligations specified in the OATT and Schedule 21, then the Large Load Transmission Customer shall be deemed to be in default of the Local Service Agreement and service may be suspended immediately and subject to a termination through a PTO filing with the Commission. If any information under the OATT or Schedule 21 required to be provided by the Large Load Eligible Customer or Large Load Transmission Customer is not provided in a timely manner, then the PTO shall issue a notice of such failure to the Large Load Transmission Customer. If the information is not provided or the issues related to providing the information are not resolved within the timeframe established by such notice, then the PTO may suspend any service provided to the Large Load Transmission Customer under Schedule 21 until the information is provided or the issue is resolved.

3) Initiating Service

a) **Condition Precedent for Receiving Service**:
Non-Firm Contract Demand Service shall be provided only if; (i)the Large Load Eligible Customer completes a Large Load Transmission Service Application available on the ISO website; (ii) the Large Load Eligible Customer provides, or causes to be provided, the deposits

required under Part II.J of this OATT; (iii) the ISO completes the study process described under Part II.J of this OATT; (iv) the Large Load Eligible Customer and the ISO complete the technical arrangements set forth in Sections II.58.5 and II.58.6 of this OATT; (v) the Large Load Eligible Customer executes a Local Service Agreement with the PTO and the ISO or requests that the ISO file an unexecuted Local Service Agreement containing terms and conditions deemed by the PTO (in consultation with the ISO) to be appropriate for such requested service with the Commission; (vi) the Large Load Eligible Customer executes a Cost Recovery Agreement in the form of Attachment V to the OATT. With the completion of each of these requirements, a Large Load Eligible Customer that has executed a Local Large Load Transmission Service Agreement shall be considered the Large Load Transmission Customer for purposes of the receipt of Local Non-Firm Contract Demand Service.

4) Procedures for Arranging Local Non-Firm Contract Demand Service

a) Application Procedures: A Large Load Eligible Customer requesting Local Non-Firm Contract Demand Service must submit a Large Load Transmission Service Application to the ISO under Part II.J of the OATT.

b) Technical Arrangements to be Completed Prior to Commencement of Service: Local Non-Firm Contract Demand Service shall not commence until the PTO and the Eligible Customer, or a third party, have completed installation of all equipment specified under the Service Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation. The PTO shall exercise reasonable efforts, in coordination with the Eligible Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

c) Filing of Service Agreement: The ISO shall file Local Service Agreements with the Commission in compliance with applicable Commission regulation

5) Load Shedding and Curtailments

a) Procedures: In addition to any obligations on curtailment and redispatch under Part II.J of the OATT for Non-Firm Contract Demand Service, the PTO, ISO and Large Load Transmission Customer receiving Local Non-Firm Contract Demand Service shall establish redispatch, load

shedding and curtailment procedures consistent with the OATT, applicable ISO New England Operating Documents, and the applicable Local Service Schedule, with the objective of responding to contingencies and maintaining the reliability of the New England Transmission System. The PTO will notify all affected Large Load Transmission Customers in a timely manner of any scheduled redispatch, load shedding, curtailment or interruption of service.

b) **Transmission Constraints**: During any period when a PTO or the Local Control Center determines that a transmission constraint exists on the Non-PTF, and such constraint may impair the reliability of the New England Transmission System, the PTO or the Local Control Center will so inform the ISO. The ISO will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the system. To the extent the ISO determines that the reliability of the New England Transmission System can be maintained by redispatching resources, t~~T~~he ISO will initiate procedures to redispatch all resources on a least-cost basis without regard to the ownership of such resources.

c) **Cost Responsibility for Relieving Transmission Constraints**: Whenever the ISO implements least-cost redispatch procedures in response to a transmission constraint, the Large Load Transmission Customer will bear the costs of such redispatch in accordance with Market Rule 1.

d) **Curtailments of Scheduled Deliveries**: If a transmission constraint on the Non-PTF cannot be relieved through the implementation of least-cost redispatch procedures and the PTO determines that it is necessary to affect a Curtailment of scheduled deliveries, such schedule shall be curtailed in accordance with the terms of the Tariff.

e) **Allocation of Curtailments**: The ISO, the Transmission Owner or the Local Control Center shall on a non-discriminatory basis, effect a Curtailment of the transaction(s) that effectively relieves the constraint, except that Local Non-Firm Contract Demand Service shall be subordinate to Local Network Service and Local Firm Contract Demand Service.

f) **Load Shedding**: Load Shedding also may occur in accordance with the applicable Local Service Schedule to the extent provided for in such Local Service Schedule.

g) **System Reliability**: Notwithstanding any other provisions of this Schedule, ~~T~~the ISO, the PTO and the Local Control Centers reserve the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to effect a Curtailment of service without liability on the part of the ISO, the PTO or the Local Control Centers for the purpose of making necessary adjustments

to, changes in, or repairs on the PTO's lines, substations and facilities, and in cases where the continuance of service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on the Non-PTF or on any other system(s) directly or indirectly interconnected with the Non-PTF, the ISO, the PTO and the Local Control Centers, consistent with Good Utility Practice, also may effect a Curtailment of 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 ISO, the PTO or the Local Control Centers will give the Large Load Transmission Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Local Non-Firm Contract Demand Service will be not unduly discriminatory relative to the PTO's use of the New England Transmission System on behalf of their Native Load Customers. The Local Service Schedules shall specify the rate treatment and all related terms and conditions applicable in the event that the Large Load Transmission Customer fails to respond to established Load Shedding and Curtailment procedures.

6) Rates and Charges

Except as provided below, the Large Load Transmission Customer shall pay all applicable charges for Local Non-Firm Contract Demand Service set forth in this Schedule 21. Costs for any of Large Load Network Upgrades or Direct Assignment Facilities shall be governed by the applicable Large Load Cost Recovery Agreement, for the Large Load on behalf of which the Large Load Transmission Customer is taking service, if applicable.

V. Local Interim Contract Demand Service

The rates, terms, and conditions for Local Interim Contract Demand Service shall be identical to those for Local Non-Firm Contract Demand Service.

SCHEDULE 21

ATTACHMENT A

FORM OF LOCAL SERVICE AGREEMENT

This LOCAL SERVICE AGREEMENT, dated as of _____, is entered into, by and between _____ , a _____organized and existing under the laws of the State/Commonwealth of _____ ("Transmission Owner"), _____ , a _____organized and existing under the laws of the State/Commonwealth of _____ ("Transmission Customer") and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware ("ISO"). Under this Agreement the Transmission Owner, Transmission Customer, and the ISO each may be referred to as a "Party" or collectively as the "Parties."

PART I – General Terms and Conditions

1. Service Provided (Check applicable):

__ Local Network Service

__ Local Point-To-Point Service

__ Firm

__ Non-Firm

__ Local Contract Demand Service:

__ Firm

__ Non-Firm

Regional Network Service customers must take either Local Network Service or Local Point-To-Point Service. Firm Contract Demand Service customers must take Local Firm Contract Demand Service. Non-Firm Contract Demand Service customers must take Local Non-Firm Contract Demand Service. Interim Contract Demand Service customers must take Local Interim Contract Demand Service.

2. The Transmission Customer is an Eligible Customer under the -Tariff and is a party to either a Market Participant Service Agreement or a Transmission Service Agreement.

3. The Transmission Customer has submitted a Completed Application and the required deposit, if applicable, for service under this Local Service Agreement and the Tariff.

4. The Transmission Customer agrees to supply information to the Transmission Owner that the Transmission Owner deems reasonably necessary in accordance with Schedule 21 and Good Utility Practice in order for it to receive the requested service.

5. The Transmission Owner agrees to provide and the Transmission Customer agrees to take and pay for service in accordance with the provisions of the Tariff and this Local Service Agreement.

6. Service may be subject to some combination of the charges detailed in Schedule 21 of the OATT. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 21.

7. Any notice or request made to or by either party regarding this Local Service Agreement shall be made to the representative of the other party as indicated below.
Transmission Customer:

_____
_____
_____

Transmission Owner:

_____
_____
_____

The ISO:

_____
_____
_____

8. The ISO New England Inc. Transmission, Markets and Services Tariff (the "Tariff") is incorporated herein and made a part hereof. Capitalized terms used in this Local Service Agreement shall have the meanings ascribed in the Tariff.

9. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the right of the Transmission Owner to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement. Nothing contained in this Local Service Agreement shall be construed as affecting in any way the ability of the Transmission Customer to file with the Commission under Section 206 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms and conditions of this Local Service Agreement.

10. Nothing contained in this Local Service Agreement shall be construed as affecting or enlarging, in whole or in part, the limited responsibility of the ISO under the Transmission Operating Agreement ("TOA") to coordinate the Transmission Owner's provision of Local Service and to determine whether the provision of Local Service would have an impact on facilities used for the provision of Regional Transmission Service.

PART II – Local Network Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Network Service under the Tariff.

2. Service shall commence on the later of: (l) _____, or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facility or Local Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

3. Specifications for Local Network Service.

   a. Term of Service:

   b. List of Network Resources and Point(s) of Receipt:

c. Description of capacity and energy to be transmitted:

d. Description of Local Network Load:

e. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery:

f. List of non-Network Resource(s), to the extent known:

g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services:

h. Identity of Designated Agent:

Authority of Designated Agent:

Term of Designated Agent's authority:

Division of responsibilities and obligations between Transmission Customer and Designated Agent:

i. Interconnection facilities and associated equipment:

j. Project name:

k. Interconnecting Transmission Customer:

l. Location:

m. Transformer nameplate rating:

n. Interconnection point:

o. Additional facilities and/or associated equipment:

p. Service under this Local Service Agreement shall be subject to the following charges:

q. Additional terms and conditions:

4. Planned work schedule.

Milestone (Activity)	Estimated Time Period For Completion (# of months)

5. Payment schedule and costs.

(Study grade estimate, +___% accuracy, year $s)

Milestone	Amount ($)

6. Policy and practices for protection requirements for new or modified load interconnections.

7. Insurance requirements.

PART III– Local Firm Contract Demand Service

1. The Large Load Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Firm Contract Demand Service under the Tariff.

2. Service shall commence on the later of: (l) _____, or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facility or Large Load Network Upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

3. Specifications for Local Firm Contract Demand Service.

a. Term of Service:

b. Firm Contract Demand (MW):

c. Designated Capacity supporting the requested Firm Contract Demand:

d. Description of the Large Load, including gross peak demand (MW), anticipated operating profile, anticipated ramp characteristics, and expected in-service date:~~;~~

e. Large Load Network Upgrades:

f. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services:

g. Identity of Designated Agent:

Authority of Designated Agent:

Term of Designated Agent's authority:

Division of responsibilities and obligations between Large Load Transmission Customer and Designated Agent:

h. Interconnection facilities and associated equipment:

i. Project name:

j. Interconnecting Large Load Transmission Customer:

k. Location:

l. Transformer nameplate rating:

m. Interconnection point:

n. Additional facilities and/or associated equipment:

o. Large Load System Impact Study completion date:

p. Large Load Facilities Study completion date, if applicable:

q. Large Load Cost Recovery Agreement:

r. Service under this Local Service Agreement will be subject to the following charges:

s. Additional terms and conditions:

4. Planned work schedule.

Milestone (Activity)	Estimated Time Period For Completion (# of months)

5. Payment schedule and costs.

(Study grade estimate, +___% accuracy, year $s)

Milestone	Amount ($)

6. Policy and practices for protection requirements for new or modified load interconnections.

7. Insurance requirements.

8. Local Interim Contract Demand Service

Prior to completion of all requirements to receive Firm Contract Demand Service pursuant to the OATT, the Large Load Transmission Customer shall receive Local Interim Contract Demand Service until such requirements have been met.

PART IV– Local Non-Firm Contract Demand Service

1. The Large Load Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Non-Firm Contract Demand Service under the Tariff.

2. Service shall commence on the later of: (l) _____, or (2) the date on which construction of all interconnection equipment, any Direct Assignment Facilities and/or facilities required for Local Non-Firm Contract Demand Service have been completed; or (3) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

3. Specifications for Local Non-Firm Contract Demand Service.

a. Term of Service:

b. Requested Local Non-Firm Contract Demand Service (MW):

c. Description of the Large Load, including gross peak demand (MW), anticipated operating profile, anticipated ramp characteristics, and expected in-service date:~~;~~

d. List of Point(s) of Delivery and metering point(s) when they differ from Point(s) of Delivery:

e. Direct Assignment Facilities:

f. Large Load Network Upgrades:

g. Ancillary Services requested or proof of satisfactory arrangements for Ancillary Services:

h. Identity of Designated Agent:

Authority of Designated Agent:

Term of Designated Agent's authority:

Division of responsibilities and obligations between Large Load Transmission Customer and Designated Agent:

i. Interconnection facilities and associated equipment:

j. Project name:

k. Interconnecting Large Load Transmission Customer:

l. Location:

m. Transformer nameplate rating:

n. Interconnection point:

o. Additional facilities and/or associated equipment:

p. Large Load System Impact Study completion date:

q. Large Load Facilities Study completion date, if applicable:

r. Large Load Cost Recovery Agreement:

s. Redispatch, curtailment, interruption, and load shedding requirements:

t. Service under this Local Service Agreement will be subject to the following charges:

u. Additional terms and conditions:

PART V~~III~~ – Local Point-To-Point Service

1. The Transmission Customer has been determined by the Transmission Owner and the ISO to have a Completed Application for Local Point-To-Point Service under the Tariff.

2. Service shall commence on the later of: (l) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Local Network Upgrades are completed, or (3)

such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

3. Non-firm Local Point-To-Point Service shall be provided by the Transmission Owner upon request by an authorized representative of the Transmission Customer.

4. Specifications for Local Point-To-Point Service.

a. Term of Transaction:

b. Description of capacity and energy to be transmitted by the Transmission Owner including the electric Control Area in which the transaction originates:

c. Point(s) of Receipt:

d. Delivering Party:

e. Point(s) of Delivery:

f. Receiving Party:

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

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

i. Name(s) of any intervening Control Areas providing transmission service:

j. Service under this Local Service Agreement shall be subject to the following charges:

k Interconnection facilities and associated equipment:

l. Project name:

m. Interconnecting Transmission Customer:

n. Location:

o. Transformer nameplate rating:

p. Interconnection point:

q. Additional facilities and/or associated equipment:

r. Additional terms and conditions:

5. Planned work schedule.

Milestone (Activity)	Estimated Time Period For Completion (# of months)

6. Payment schedule and costs.

(Study grade estimate, +___% accuracy, year $s)

Milestone	Amount ($)

7. Policy and practices for protection requirements for new or modified load interconnections.

8. Insurance requirements.

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

Transmission Customer:

By:_____ _____ _____

Name Title Date

_____

Print Name

Transmission Owner:

By:_____ _____ _____

Name Title Date

_____

Print Name

The ISO:

By:_____ _____ _____

Name Title Date

_____Print Name

SCHEDULE 21

ATTACHMENT A-1

Form of Local Service Agreement For The Resale, Reassignment or Transfer of Point-To-Point Transmission Service

1.0 This LOCAL SERVICE AGREEMENT, dated as of _____, is entered into, by and between _____ , a _____organized and existing under the laws of the State/Commonwealth of _____ ("Transmission Owner"), _____ , a _____organized and existing under the laws of the State/Commonwealth of _____ ("Assignee") and ISO New England, Inc., a non-stock corporation organized and existing under the laws of the State of Delaware ("ISO"). Under this Agreement the Transmission Owner, Assignee, and the ISO each may be referred to as a "Party" or collectively as the "Parties."

2.0 The Assignee has been determined by the Transmission Owner to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.

3.0 The terms and conditions for the transaction entered into under this Local Service Agreement shall be subject to the terms and conditions of Part I of Schedule 21 and the Transmission Owner's Local Service Schedule of Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section I.11.a of this Tariff) and the Assignee, to include: contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section I.11.b of this Tariff.

4.0 The Transmission Owner shall credit the Reseller for the price reflected in the Assignee's Local Service Agreement or the associated OASIS schedule.

5.0 Any notice or request made to or by either Party regarding this Local Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Owner:

_____

_____

_____

The ISO:

_____

_____

_____

Assignee:

_____

_____

_____

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

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

Transmission Owner:

By:_____ _____ _____

Print Name: Title: Date:

The ISO:

By:_____ _____ _____

Print Name: Title: Date:

Assignee:

By:_____ _____ _____

Print Name: Title: Date:

Specifications For The Resale, Reassignment Or Transfer of 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 Owner including the electric Control 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 reassigned capacity: _____

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

_____

_____

_____

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

_____

(Name of Transmission Owner) Open Access Transmission Tariff

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: _____

_____

_____

_____

_____

_____

_____

9.0 Name of Reseller of the reassigned transmission capacity:

_____

SCHEDULE 21-CMP

Local Service Schedule

Central Maine Power Company

Table of Contents

I. COMMON SERVICE PROVISIONS ~~3~~**1**

~~1~~A. Definitions ~~3~~1

~~2~~B. Purpose of This Schedule 21-CMP ~~8~~6

~~3~~C. [Reserved] ~~8~~7

~~4~~D. Ancillary Services ~~8~~7

~~8~~E. Billing and Payment ~~10~~8

~~11~~F. Force Majeure and Indemnification ~~12~~9

~~12~~G. Creditworthiness ~~13~~11

~~13~~H. Dispute Resolution Procedures ~~13~~11

I. CMP Transmission Planning Policy Regarding Remedial Actions 11

II. LOCAL POINT-TO POINT TRANSMISSION SERVICE ~~14~~**12**

~~**Preamble**~~ ~~14~~

~~1~~A. Nature of Firm Local Point-To-Point Transmission Service ~~14~~12

~~2~~B. Nature of Non-Firm Local Point-To-Point Transmission Service ~~16~~14

~~3~~C. Service Availability ~~17~~14

~~4~~D. Transmission Customer Responsibilities ~~18~~16

~~5~~E. Procedures for Arranging Firm Local Point-To-Point Transmission Service ~~19~~16

~~6~~F. Procedures for Arranging Non-Firm Local Point-To-Point Transmission Service ~~20~~18

~~7~~G. Additional Study Procedures For Firm Local Point-To-Point Transmission Service Requests ~~21~~19

~~12~~H. Metering and Power Factor Correction at Receipt and Delivery Points(s) ~~21~~19

~~13~~I. Compensation for Local Point-To-Point Transmission Service ~~22~~20

~~15~~J. Interconnection Service ~~23~~21

III. LOCAL NETWORK SERVICE ~~23~~**21**

~~2~~A. Real Power Losses ~~23~~21

~~3~~B. Initiating Service ~~24~~22

~~4~~C. Network Resources ~~24~~22

~~5~~D. Designation of Load ~~25~~23

E. Load Shedding and Curtailments 24
F. Rates and Charges 26
G. Operating Arrangements 27
IV. LOCAL CONTRACT DEMAND TRANSMISSION SERVICE 28
~~6~~A. ~~**Additional Study Procedures For Local Network**~~Nature of Local Contract Demand Transmission Service ~~**Requests**~~ ~~25~~28
B. Service Availability 29
~~7~~C. Load Shedding and Curtailments ~~26~~29
D. Operating Agreement 30
E. Cost Responsibility 30
~~8~~F. Rates and Charges ~~28~~30
~~**10 Operating Arrangements**~~ ~~29~~
SCHEDULE 1 Scheduling, System Control and Dispatch Service ~~31~~33
SCHEDULE 7 Long and Short Term Firm Local Point-To-Point Transmission Service ~~41~~42
SCHEDULE 8 Non-Firm Local Point-To-Point Transmission Service ~~44~~45
SCHEDULE 12 Retail Access Transmission and Distribution Services ~~46~~47
SCHEDULE 13 Meter Services ~~53~~54
SCHEDULE 14 Monthly Carrying Charge For Direct Assignment Facilities ~~66~~63
ATTACHMENT C-CMP Methodology To Assess Available Transfer Capability ~~71~~66
ATTACHMENT D Methodology for Completing a System Impact Study ~~80~~75
ATTACHMENT F Local Network Operating Agreement ~~81~~76
ATTACHMENT G Local Service Wholesale Annual Transmission Revenue Requirement ~~112~~86
ATTACHMENT H Umbrella Service Agreement For Retail Local Network Transmission Service ~~113~~87
ATTACHMENT I ~~Service Agreement For Retail Local Network Transmission Service~~ ~~115~~ 89
ATTACHMENT J Form Letter of Credit ~~121~~95
ATTACHMENT L Creditworthiness Procedure ~~126~~98

I. COMMON SERVICE PROVISIONS

This Local Service Schedule, designated Schedule 21-CMP, governs the terms and conditions of service taken by Transmission Customers over Central Maine's Transmission System. In the event of a conflict between the provisions of this Schedule 21-CMP and other provisions of the Tariff, with respect to Local Service, the provisions of this Schedule 21-CMP shall control.

~~1~~ A. Definitions

Whenever used in this Schedule 21-CMP, in either the singular or plural, the following capitalized terms shall have the meanings specified in the Definition Section of this Part I. Terms used in this Schedule 21-CMP but not defined in this Definition Section shall have the meanings specified in Section 2 of the Tariff. Terms used in this Schedule 21-CMP that are not defined in the Tariff shall have the meanings customarily attributed to such terms by the electric utility industry in New England. Sections, Schedules or Attachments referred to in this Schedule 21-CMP shall mean a section or schedule in or an attachment to this Schedule 21-CMP unless otherwise stated. "Regional Service" as used in this Schedule 21-CMP means Regional Transmission Service as defined in Section I of the Tariff.

~~1.4~~ 1. Annual Transmission Revenue Requirement:

The annual transmission revenue requirement of Central Maine's Transmission System for purposes of this Schedule 21-CMP shall be the amount calculated pursuant to the Central Maine's Local Service transmission revenue requirement set forth in Attachment F of the OATT and reflected in Attachment F, Appendix B, Attachment 2, Worksheet 1, Line No. 9 of the OATT, as updated in accordance with Appendix C of Attachment F of the OATT.

~~1.6~~ 2. Backyard Generation (or Behind-The-Meter Generation):

Generation which interconnects directly with a customer's facilities that will offset all or a portion of a customer's electric load requirements. Any generation used to supply any portion of Local Network Load will not qualify for demand credits associated with Backyard Generation. Such credits shall only be applicable to load not designated as Local Network Load. In such instances, the customer shall be responsible for taking and paying for an appropriate level of Local Point-To-Point Transmission Service.

Notwithstanding any other provisions of this Schedule 21-CMP or Tariff, the Local Network Load of transmission-level retail customers with Behind-The-Meter Generation shall be determined in accordance with Schedule No. 12 of this Schedule 21-CMP.

~~1.7~~ 3. **Central Maine (or CMP):**

The Central Maine Power Company.

~~1.8~~ 4. **CMP-Owned Interconnection Facilities:**

Facilities and equipment, or portions thereof, owned by Central Maine that are necessary to interconnect a customer with Central Maine's Transmission System.

~~1.13~~ 5. **Control Area Operator:**

ISO, or any successor organization or entity, responsible for the continued operation of the New England Control Area and the administration of the Tariff, subject to regulation by the Commission.

~~1.16~~ 6. **Designated Agent:**

Any entity that performs actions or functions required under this Schedule 21-CMP or Tariff on behalf of Central Maine, an Eligible Customer, an Eligible Generator Customer or a Transmission Customer.

~~1.17~~ 7. **Direct Assignment Facilities:**

Facilities or portions of facilities that are constructed by or for Central Maine for (1) the sole use/benefit of a particular Transmission Customer requesting service under this Schedule 21-CMP or (2) the use by a Generator Owner or developer of a generating station requesting to be interconnected to Central Maine's Transmission System. Direct Assignment Facilities shall be specified in the Service Agreement or Interconnection Agreement, which, in addition to the applicable terms and conditions of this Schedule 21-CMP and OATT, governs service to the Transmission Customer; and shall be subject to Commission acceptance.

~~1.19~~ 8. **Eligible Generator Customer:**

Any electric utility or other person generating energy for sale for resale that owns or develops a new generating unit or changes the electrical characteristics of an existing generating unit that is or will be directly interconnected with Central Maine's Transmission System. For purposes of this Schedule 21-CMP, an Eligible Generator Customer is also considered an Eligible Customer as defined in Section I.2.2 of the OATT.

~~1.26~~ 9. **Interconnection Agreement:**

An agreement between Central Maine and an Eligible Customer or an Eligible Generator Customer for Interconnection Service.

~~1.27~~ 10. **Interconnection Service:**

Those services required to electrically connect Transmission Customer's facilities to Central Maine's Transmission System. Interconnection Service includes, but is not limited to, the identification, design, and construction of facilities required to establish and maintain such electrical connection as identified by a completed System Impact Study and Facilities Study. The customer's and Central Maine's contractual obligations associated with Interconnection Service shall be specified in an Interconnection Agreement which shall be executed and filed with the Commission prior to the commencement of such service.

~~1.30~~ 11. **Load Ratio Share:**

Ratio of a Transmission Customer's Local Network Load to Central Maine's total Local Network Load computed in accordance with Sections 21.~~II~~III.~~8.b~~F.2 and 21.~~II~~III.~~8.c~~F.3 of the Local Network Service under Part III of this Schedule 21-CMP.

~~1.35~~ 12. **Local Network Load:**

The load that a Local Network Customer designates for Local Network Transmission Service under Part III of this Schedule 21-CMP. The Local Network Customer's Local Network Load shall include all load served by the output of any Network Resources designated by the Local Network Customer (including losses) and shall not be credited or reduced for any Backyard Generation. All Local Network Customers shall be required to have installed appropriate metering to determine such Backyard Generation, in accordance with the Network Operating

Agreement. A Local Network Customer may elect to designate less than its total load as Local Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete Points of Delivery as Local Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of this Schedule 21-CMP for any Local Point-To-Point Transmission Service that may be necessary for such non-designated load.

Notwithstanding any other provisions of this Schedule 21-CMP and Tariff, the Local Network Load of transmission-level retail customers with Behind-The-Meter Generation shall be determined in accordance with Schedule No. 12 of this Schedule 21-CMP.

~~1.38~~ 13. Local Point-To-Point Transmission Service:

Local Point-To-Point Service, including, without limitation, service over CMP-Owned Interconnection Facilities, is a service provided to (1) Eligible Customers, pursuant to Part II of this Schedule 21-CMP by Central Maine over its Local Network, and (2) Eligible Generator Customers that own and develop generating units that are directly interconnected to Central Maine's Transmission System, pursuant to an Interconnection Agreement.

~~1.39~~ 14. Local Service Retail Annual Transmission Revenue Requirement:

For purposes of calculating Local Service rates and charges to Central Maine's retail customers, the annual transmission revenue requirement of Central Maine for purposes of this Schedule 21-CMP shall be the amount calculated pursuant to the Central Maine's Local Service transmission revenue requirement set forth in Attachment F, Appendix B, Attachment 2, Worksheet 1, Line No. 9 of the OATT, as updated in accordance with Appendix C of Attachment F of the OATT.

~~1.40~~ 15. Local Service Wholesale Annual Transmission Revenue Requirement:

For purposes of calculating Local Service rates and charges to Central Maine's wholesale customers, the annual transmission revenue requirement of Central Maine for purposes of this Schedule 21-CMP shall be the amount calculated pursuant to the Central Maine's Local Service transmission revenue requirement set forth in Attachment F, Appendix B, Attachment 2, Worksheet 1, Line No. 9 of the OATT as further adjusted in accordance with Attachment G of

this Schedule 21-CMP, as updated in accordance with Appendix C of Attachment F of the OATT.

~~1.41~~ 16. **Native Load Customers:**

The wholesale and retail power customers of Central Maine on whose behalf Central Maine, by statute, franchise, regulatory requirement, or contract, has an obligation to construct and operate Central Maine's Transmission System to meet the reliable electric needs of such customers, including but not limited to customers taking service under Schedule No. 12 of this Schedule 21-CMP.

~~1.45~~ 17. **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 Part II of Schedule 21 and Part III of this Schedule 21-CMP.

~~1.46~~ 18. **OATT:**

Section II of the Tariff.

~~1.50~~ 19. **Part I:**

The sections of this Schedule 21-CMP containing the definitions and common service provisions.

~~1.51~~ 20. **Part II:**

The sections of this Schedule 21-CMP pertaining to Local Point-To-Point Transmission Service in conjunction with Schedule 21 and the applicable common service provisions of Part I and appropriate Schedules and Attachments.

~~1.52~~ 21. **Part III:**

The sections of this Schedule 21-CMP pertaining to Local Network Transmission Service in conjunction with Schedule 21 and the applicable common service provisions of Part I and appropriate Schedules and Attachments.

~~1.61~~ 22. **Regional Application:**

A request by an Eligible Generator Customer for Interconnection Service submitted to the Control Area Operator pursuant to the provisions of the OATT.

~~1.62~~ 23. **Tariff:**

The ISO New England Transmission, Markets and Services Tariff.

~~1.71~~ 24. **Transmission Customer:**

Any Eligible Customer or Eligible Generator Customer (or its Designated Agent) that (i) executes a Service Agreement or an Interconnection Agreement, or (ii) requests in writing the filing of a proposed unexecuted Service Agreement to receive Transmission Service under Part II of this Schedule 21-CMP. This term is used in the Part I common service provisions to include customers receiving Transmission Service under Part II ~~and~~, Part III, and Part IV of this Schedule 21-CMP.

~~1.73~~ 25. **Transmission Service:**

Transmission service provided over Central Maine's Local Network, designated as Local Network Transmission Service ~~or~~, Local Point-To-Point Transmission Service, Firm Local Contract Demand Transmission Service, Non-Firm Local Contract Demand Transmission Service, and Interim Local Contract Demand Transmission Service that is provided pursuant to Schedule 21 and this Schedule 21-CMP.

~~1.74~~ 26. **Transmission System:**

The facilities owned, controlled or operated by Central Maine that are used to provide Transmission Service under the OATT, Schedule 21 and Part II and Part III of this Schedule 21-CMP. Central Maine's Transmission System consists of two parts: (1) those transmission facilities which qualify as PTF in accordance with section 49 of the OATT and (2) those remaining transmission facilities which constitute Central Maine's Local Network.

~~2~~ B. Purpose of This Schedule 21-CMP

This Schedule 21-CMP is intended to provide Transmission Service as a ~~compliment~~complement to the Regional Service to be provided under the OATT which is a two-tier transmission arrangement

integrating Regional Service which is provided under the OATT, and Local Network Service and Point-To-Point Service, including, without limitation, service over CMP-Owned Interconnection Facilities as provided under Schedule 21 and this Schedule 21-CMP.

In addition, this Schedule 21-CMP is designed to implement services related to retail access in the State of Maine. Accordingly, the rate schedules and associated service agreements allow Central Maine to act as the agent for its distribution-level customers for the purpose of arranging and obtaining Regional Service pursuant to the OATT. Similarly, Central Maine can act as the agent for a transmission-level customer, if such a customer so requests and certain designated conditions are fulfilled. To the extent any of the provisions in Schedule 12 of this Schedule 21-CMP contradict any of the terms located elsewhere in this Tariff, the provisions in Schedule 12 shall govern for service to retail customers.

~~3~~ C. [Reserved]

~~4~~ D. Ancillary Services

Ancillary Services are needed with Transmission Service to maintain reliability within the New England Control Area.

~~4.1~~ 1. Ancillary Services supporting Transmission Service over PTF:

Ancillary Services to support Transmission Service over PTF are provided pursuant to the OATT.

~~4.2~~2. Ancillary Services supporting Transmission Service over Central Maine's Local Network:

Pursuant to this Schedule 21-CMP, Central Maine will provide and the Transmission Customer is required to purchase from Central Maine, for all Transmission Services provided over its Local Network, Scheduling, System Control and Dispatch Service.

~~4.3~~ 3. Unauthorized Use, Pricing and Discounts:

In the event of an unauthorized use of any Ancillary Service by the Transmission Customer, the Transmission Customer will be required to pay the charge, excluding any discount offered, which would otherwise be applicable. Such charge shall apply for the period of unreserved use.

The specific Ancillary Services, prices or compensation methods are described in the OATT and in this Schedule 21-CMP on the Schedules that are attached to and made part of this Schedule 21-CMP and OATT. Three principle requirements apply to discounts for Ancillary Services provided by Central Maine in conjunction with its provision of Transmission Service as follows: (1) any offer of a discount made by the Central Maine must be announced to all Eligible Customers and Eligible Generator Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by Central Maine's wholesale merchant or an Affiliate's use, if any) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers and Eligible Generator Customers on Central Maine's Local Network.

~~4.4~~ 4. Descriptions and Rate Schedules for Ancillary Services:

Sections ~~4.4.1~~4.a below lists the Ancillary Services that Central Maine provides.

~~*4.4.1*~~a) Scheduling, System Control and Dispatch Service:

The rates and methodology are described in Schedule 1 of this Schedule 21-CMP when provided by Central Maine.

~~8~~ E. Billing and Payment

~~8.1~~ 1. Billing Procedure:

Within a reasonable time after the first day of each month, Central Maine shall submit an invoice to the Transmission Customer for the charges for all services furnished under this Schedule 21-CMP during the preceding month. The invoice shall be paid by the Transmission Customer within ten (10) days of receipt. All payments shall be made, in accordance with the procedure

specified by Central Maine in immediately available funds payable to Central Maine, or by wire transfer to a bank named by Central Maine.

~~8.3~~ 2. Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to Central Maine on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after Central Maine notifies the Transmission Customer to cure such failure, or if the Transmission Customer violates any provision of its Service Agreement, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, Central Maine 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 Central Maine and the Transmission Customer, Central Maine 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 Central Maine may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with applicable Commission rules and regulations, and may proceed with such suspension. If the Transmission Customer is taking Firm Local Contract Demand Transmission Service, Non-Firm Local Contract Demand Transmission Service, or Interim Local Contract Demand Transmission Service, the terms of the applicable Large Load Cost Recovery Agreement shall govern.

~~11~~ F. Force Majeure and Indemnification

~~11.1~~ 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, any order, regulation or restriction imposed by a court or governmental military or lawfully established civilian authorities, or any other cause beyond a party's control. Neither Central Maine nor the Transmission Customer will be considered in default as to any obligation under or related to this Schedule 21-CMP if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure shall

excuse any payment obligation hereunder or under a Service Agreement. However, a party whose performance under or related to this Schedule 21-CMP is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under or related to this Schedule 21-CMP, and shall promptly notify Central Maine or the Transmission Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure

~~11.2~~ 2. Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save Central Maine 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 Central Maine's performance of its obligations under or related to this Schedule 21-CMP on behalf of the Transmission Customer or resulting from the Transmission Customer's acts or omissions under or related to this Schedule 21-CMP, except to the extent that Central Maine is found liable for gross negligence or intentional wrongdoing. For the purposes of this Section ~~11.2~~I.F.2, the term "third parties" includes without limitation, customers under the Tariff, ISO and any other Transmission Owners.

~~11.3~~ 3. Limitations of Liability

Central Maine shall not be liable (whether based on contract, indemnification, warranty, tort, strict liability or otherwise) for money damages or other compensation to the Transmission Customer for actions or omissions by Central Maine in performing its obligations under or related to Schedule 21-CMP, or any Service Agreement hereunder, except to the extent that Central Maine is found liable for gross negligence or intentional misconduct and, in which case, Central Maine shall be liable for only actual direct damages. To the extent the Transmission Customer has claims against Central Maine, the Transmission Customer may only look to the assets of Central Maine for the enforcement of such claims and may not seek to enforce any claims against the Affiliates of Central Maine or the respective directors, members, officers, employees or agents of Central Maine or any of its Affiliates who the Transmission Customer acknowledges and agrees have no personal or other liability for obligations of Central Maine by reason of their status as Affiliates or directors, members, officers, employees or agents of Central Maine or any of its Affiliates. In no event shall Central Maine be liable for any incidental, consequential, multiple, punitive, special, exemplary, or indirect damages, or loss of revenues or

profits, attorneys fees or costs arising out of, or connected in any way with the performance or non-performance of this Schedule 21-CMP or any Service Agreement hereunder, even if such damages are foreseeable or the damaged party has advised Central Maine of the possibility of such damages and regardless of whether any such damages are deemed to result from the failure or inadequacy of any exclusive or other remedy.

~~11.4~~ 4. Survival:

The provisions of this Section ~~11~~F survive termination or expiration of this Schedule 21 or a Service Agreement hereunder.

~~12~~ G. Creditworthiness

For the purpose of determining the ability of the Transmission Customer, or the Eligible Generator Customer taking Interconnection Service, to meet its obligations related to service hereunder, Central Maine may require reasonable credit review procedures in accordance with Attachment L of Schedule 21-CMP.

~~13~~ H. Dispute Resolution Procedures

~~13.1~~ 1. Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and Central Maine involving Transmission Service under this Schedule 21-CMP (excluding applications for rate changes or other changes to this Schedule 21-CMP, or to any Service Agreement entered into under this Schedule 21-CMP, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of Central Maine and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days or such other period as the parties may agree upon by mutual agreement, such dispute may be submitted to mediation or arbitration and resolved in accordance with the arbitration procedures set forth in Section I.6 of the Tariff.

~~13.2~~ 2. **Rights Under The Federal Power Act:**

Except for the moratorium set forth in Attachment F of the OATT, nothing in this section shall restrict the rights of any party to file a complaint with the Commission or seek any other available remedy under relevant provisions of the Federal Power Act.

I. CMP Transmission Planning Policy Regarding Remedial Actions

For any load or generation interconnection that causes or contributes to thermal, voltage, stability, or other reliability impacts on Central Maine's Local Network, automatic disconnection, curtailment, generation reduction, load reduction, or other remedial action following a transmission contingency shall not be relied upon as a substitute for facilities otherwise required to satisfy applicable Central Maine transmission planning criteria, except where Central Maine determines that such reliance is permissible under its applicable planning criteria and the arrangement has received all required approvals. Central Maine's Transmission Planning Criteria document is publicly posted on its web site.

II. LOCAL POINT-TO POINT TRANSMISSION SERVICE

Preamble

Firm and Non-Firm Local Point-To-Point Transmission Service over Central Maine's Local Network will be provided pursuant to the applicable terms and conditions of Schedule 21 and this Schedule 21-CMP. Local Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

Central Maine will provide Interconnection Service to owners and developers of generating units directly interconnected to Central Maine's Transmission System in accordance with an Interconnection Agreement between Central Maine and the Eligible Customer or Eligible Generator Customer.

~~1~~ A. Nature of Firm Local Point-To-Point Transmission Service

1.~~d~~ **Service Agreements:**

A standard form Firm Local Point-To-Point Transmission Service Agreement shall be offered to: (1) an Eligible Generator Customer upon completion of a System Impact Study when no new transmission facilities are required; or (2) an Eligible Generator Customer upon the completion of a Facilities Study or prior to the commencement of construction when new transmission facilities are required. Service Agreements for daily and weekly reservations may be treated as blanket service agreements (i.e., covering more than a single transaction) so long as the Transmission Customer deposits an amount, as described in Section 21.~~I~~II.~~5.c~~E.2 of this Schedule 21-CMP, equal to the monthly cost of Transmission Service associated with the Transmission Customer's anticipated maximum transmission reservation request (MWs). If the Transmission Customer exceeds that anticipated maximum, the Transmission Customer shall increase its deposit.

~~1.g~~ 2. **Classification of Firm Local Transmission Service:**

(i) The Transmission Customer taking Firm Local 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 10.a of Schedule 21 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 10.b of Schedule 21 provided that if Central Maine or another entity has constructed new facilities or upgraded facilities to accommodate the original firm service, Central Maine shall continue to be compensated for its facility costs by the Transmission Customer.

(iii) The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 7 of this Schedule 21-CMP. 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 Section 10 of Schedule 21.

(~~iv~~iii) In the event that a Transmission Customer exceeds its firm Reserved Capacity in any single hour at any Point of Receipt or Point of Delivery, Central Maine shall require that Transmission Customer to apply for additional Firm Local Point-to-Point Transmission Service under this Schedule 21-CMP. The additional Transmission Service shall be for an amount equal to the greatest amount of such excess over its firm Reserved Capacity for the remainder of the

term of the Service Agreement. Charges for such additional service will relate back to the first day of the month following the month in which Central Maine notifies such Transmission Customer that it is subject to the provisions of this paragraph. This charge shall apply until either:

(a) the Transmission Customer applies for and receives Local Network Transmission Service under Part III to replace the service provided by Local Point-to-Point Transmission Service; or

(b) the Transmission Customer modifies its facilities in such a way, at customer's expense, to ensure that the Transmission Customer will not exceed its firm Reserved Capacity during the remaining term of the Service Agreement.

~~2~~ B. Nature of Non-Firm Local Point-To-Point Transmission Service

~~2.d~~ 1. Service Agreements:

Service Agreements for daily and weekly reservation may be treated as blanket service agreements (i.e., covering more than a single transaction).

2.~~e~~ Classification of Non-Firm Local Point-To-Point Transmission Service:

(i) Reserved

(ii) In the event that a Transmission Customer exceeds its non-firm Reserved Capacity in any single hour at any Point of Receipt or Point of Delivery, Central Maine shall require that Transmission Customer to apply for additional non-firm Local Point-to-Point Transmission Service under Schedule 21 and this Schedule 21-CMP. The additional Transmission Service shall be for an amount equal to the greatest amount of such excess over its Non-Firm Reserved Capacity for the remainder of the term of the Service Agreement. Charges for such additional service will relate back to the first day of the month following the month in which Central Maine notifies such Transmission Customer that it is subject to the provisions of this paragraph. This charge shall apply until either:

(a) the Transmission Customer applies for and receives Local Network Transmission Service under Part III to replace the service provided by Local Point-to-Point Transmission Service; or

(b) the Transmission Customer modifies its facilities in such a way, at customer's expense, to ensure that the Transmission Customer will not exceed its non-firm Reserved Capacity during the remaining term of the Service Agreement.

~~3~~ C. Service Availability

~~3.b~~ 1. Determination of Available Transfer Capability:

A description of the specific methodology for assessing available transfer capability (ATC) over PTF that is posted on the OASIS is contained in the OATT. Central Maine's specific methodology for assessing ATC over its Local Network which is posted on the OASIS is contained in Attachment C of this Schedule 21-CMP. In the event sufficient Local Network transfer capability may not exist to accommodate a service request, Central Maine will, at the request of an Eligible Customer or an Eligible Generator Customer, respond by performing a System Impact Study.

~~3.c~~ 2. Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Customer refuses, or otherwise does not provide written notice to Central Maine or the ISO, as applicable, directing Central Maine or the ISO, as applicable, to file an unexecuted Local Service Agreement, the ISO or Central Maine, as applicable, may make such a filing prior to the commencement of service. Transmission Service shall commence and the Transmission Customer shall be obligated to (i) compensate Central Maine at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of this Tariff including posting appropriate security deposits in accordance with the terms of Section 21.~~I~~II.~~5.c.~~E.2 of this Schedule 21-CMP.

3.~~g~~ Real Power Losses:

Real Power Losses are associated with all Transmission Service. Neither the ISO nor Central Maine are obligated to provide Real Power Losses. The Transmission Customer is responsible

for replacing losses associated with all Transmission Service as calculated by Central Maine or the Control Area Operator. In cases where Central Maine or the Control Area Operator does not determine and allocate the actual losses, such losses shall be set at 1.5 percent for demand and 0.9 percent for energy.

~~3.h~~ 4. Load Shedding:

To the extent that system contingency exists on Central Maine's Transmission System and Central Maine determines shedding of load is necessary, the parties shall shed load in accordance with procedures under the Tariff and the rules adopted thereunder, or in accordance with other mutually agreed to provisions.

~~4~~ D. Transmission Customer Responsibilities

~~4.a~~ 1. Conditions Required of Transmission Customers:

Local Point-To-Point Transmission Service and Interconnection Service shall be provided only if the following conditions are satisfied by the Transmission Customer:

(i) The Transmission Customer has pending a Completed Application for Local Service or a Completed Application for Regional Service, as applicable;

(ii) The Transmission Customer or Eligible Generator Customer meets the creditworthiness criteria set forth in Section ~~12~~I.G of this Schedule 21-CMP;

(iii) The Transmission Customer or Eligible Generator Customer will have arrangements in place for any other Transmission Service necessary to effect the delivery from the generating source to Central Maine prior to the time service under Schedule 21 and Part II of this Schedule 21-CMP commences;

(iv) The Transmission Customer or Eligible Generator Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer or Eligible Generator Customer under Schedule 21 and Part II of this Schedule 21-CMP, whether or not the Transmission Customer or Eligible Generator Customer takes service for the full term of its reservation; and

(v) The Transmission Customer or Eligible Generator Customer has executed a Local Point-To-Point Transmission Service Agreement or has agreed to receive service pursuant to Section 21.~~I~~II.~~3.c.~~C.2 of this Schedule 21-CMP.

~~5~~ E. Procedures for Arranging Firm Local Point-To-Point Transmission Service

~~5.a~~ 1. Application:

All Eligible Generator Customers requesting Interconnection Service shall be required to submit a Regional Application for service to the Control Area Operator in accordance with the relevant provisions of the OATT. Upon notification by the Control Area Operator of its receipt of a Regional Application, Central Maine shall determine whether any Transmission or Ancillary Services provided under Schedule 21 and this Schedule 21-CMP will be applicable to the Eligible Generator Customer. To the extent such services provided under Schedule 21 and this Schedule 21-CMP are applicable, the customer will be notified by tendering a Transmission Service Agreement which shall be executed and filed with the Commission, or filed with the Commission unexecuted as provided for in Schedule 21 and Section 21.~~I~~II.~~3.c~~C.2 of this Schedule 21-CMP.

~~5.c~~ 2. Deposit:

A Completed Application for Firm Local Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or, if the Application is for a specific Short-Term Firm Local Point-To-Point Transmission Service, the full charge for Reserved Capacity for service requests of less than one month, including charges for Transmission Service and all applicable Ancillary Services. In the alternative, a Transmission Customer may pay in advance the total expected charge for all services requested.

If the Transmission Customer subsequently enters into a System Impact Study Agreement, which may result in a modification to or an upgrade of Central Maine's Transmission System, or construction of Direct Assignment Facilities to provide the requested service, the deposit shall be based on the average monthly rate for Firm Local Point-To-Point Transmission Service as stated in Schedule 7. Once the Transmission Customer's monthly financial obligation is determined at

the conclusion of the Facilities Study, the Transmission Customer's deposit shall be adjusted accordingly.

If the local Application is for "umbrella" Short-Term Firm Local Point-To-Point Transmission Service, the Transmission Customer must specify in the local Application the maximum capacity and maximum duration expected to be requested which shall be the basis for the deposit required, subject to this Section 21.~~I~~II.~~5.e~~E.2. The deposit shall be based on that maximum capacity and duration, and shall equal the lesser of (a) three (3) months full charges or (b) charges associated with the maximum duration. In the alternative, a Transmission Customer may pay, at least 24 hours before the requested service is to commence, the total expected charge for each request for such Short-Term Firm Local Point-To-Point Transmission Service. In lieu of a cash deposit, Central Maine will accept an irrevocable letter of credit of equal value from a financial institution acceptable to Central Maine. A letter of credit in a form that Central Maine would find generally acceptable is appended as Attachment J to this Schedule 21-CMP.

~~5.d~~ 3. **Notice of Deficient Application:**

If the Control Area Operator, independently or in conjunction with Central Maine, determines that a Regional Application for Interconnection Service fails to satisfy the relevant requirements, the process described in the applicable provisions of the OATT shall apply.

~~5.e~~ 4. **Response to a Completed Application:**

Following submission to the Control Area Operator of a Regional Application by an Eligible Generator Customer, Central Maine will not take any action until it receives a System Impact Study Agreement from the Control Area Operator.

5.~~f~~ **Execution of Service Agreement:**

For service requested by an Eligible Generator Customer, whenever Central Maine determines that a System Impact Study is not required and that the service can be provided, it shall notify the Control Area Operator and the Eligible Generator Customer as soon as practicable but no later than thirty (30) days after receiving notice from the Control Area Operator of the Completed Regional Application. Failure of an Eligible Generator Customer to execute and return the Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 21.~~I~~II.~~3.e~~ C.2 of this Schedule 21-CMP, within fifteen (15) days after it is tendered will be

deemed a withdrawal and termination of the Regional Application and any deposit submitted shall be refunded with Interest. Nothing herein limits the right of an Eligible Generator Customer to file another Regional Application after such withdrawal and termination. Where a System Impact Study is required, the provisions of Section 21.I.7 of Schedule 21 will govern the execution of a Service Agreement.

~~6~~F. Procedures for Arranging Non-Firm Local Point-To-Point Transmission Service

~~6.f~~ 1. Determination of Available Transfer Capability:

Following receipt of a tendered schedule Central Maine will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 21.~~I~~II.~~3.b~~C.1 of this Schedule 21-CMP. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

~~7~~G. Additional Study Procedures For Firm Local Point-To-Point Transmission Service Requests

~~7.a~~ 1. Notice of Need for System Impact Study:

If the request for service has been made pursuant to a Regional Application and Central Maine determines that a System Impact Study is necessary to accommodate the requested service, Central Maine shall so inform the Control Area Operator and the Eligible Generator Customer as soon as practicable. In such cases, Central Maine shall enter into a System Impact Study Agreement with the Control Area Operator or the Eligible Generator Customer, or both, as applicable, provided that the agreement requires the Eligible Generator Customer to reimburse Central Maine for performing the required System Impact Study. Central Maine shall not engage in any activity related to the System Impact Study until the Eligible Customer executes and delivers the System Impact Study Agreement to Central Maine. If the Eligible Generator Customer elects not to execute the System Impact Study Agreement, its Application shall be deemed withdrawn.

~~12~~ H. Metering and Power Factor Correction at Receipt and Delivery Points(s)

~~12.a~~1. Transmission Customer Obligations:

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of this Tariff and to communicate the information to Central Maine. Unless otherwise agreed, such equipment shall remain the property of Central Maine.

~~12.c~~2. Power Factor:

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as Central Maine pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable. Where a Transmission Customer fails to maintain a power factor within the same range as Central Maine pursuant to Good Utility Practices, Central Maine may make whatever improvements or repairs are required to restore or maintain the power factor and charge the Transmission Customer accordingly.

~~13~~ I. Compensation for Local Point-To-Point Transmission Service

Rates for Firm and Non-Firm Local Point-To-Point Transmission Service are provided in the Schedules appended to this Schedule 21-CMP: Firm Local Point-To-Point Transmission Service (Schedule 7); and Non-Firm Local Point-To-Point Transmission Service (Schedule 8); Retail Access Transmission and Distribution Services (Schedule 12); Monthly Carrying Charge For Meter Services (Schedule 13); and Monthly Carrying Charge For Direct Assignment Facilities (Schedule 14).

When a generator interconnected with Central Maine's non-PTF system: (1) wheels power to a wholesale load located on New York State Electric & Gas Corporation's system or (2) wheels power through New York State Electric & Gas Corporation's system to a point in the PJM control area, and in either case is subject to the New York State Electric & Gas Corporation Transmission Service Charge pursuant to the New York Independent System Operator Open Access Transmission Tariff or (3) wheels power to a wholesale load located on Rochester Gas and Electric Corporation's system and is subject to the Rochester Gas and Electric Corporation Transmission Service Charge under the New York Independent System Operator Open Access Transmission Tariff, Central Maine will waive its Transmission Service

charge for Local Point-To-Point Transmission Service, which is described in Schedule Nos. 7 and 8 of this Schedule 21-CMP, each month said Transmission Service Charge under the New York Independent System Operator Open Access Transmission Tariff exceeds the applicable Central Maine Local Point-To-Point Transmission Service charge. The Eligible Generator Customer shall provide CMP with written notice when a wheeling transaction is subject to both a charge for Local Point-To-Point Transmission Service on CMP's system and a New York State Electric & Gas Corporation or Rochester Gas and Electric Corporation Transmission Service Charge under the New York Independent System Operator Open Access Transmission Tariff. Upon receipt of such notice, Central Maine will coordinate with New York State Electric & Gas Corporation or Rochester Gas and Electric Corporation to identify charges so that Central Maine can determine when to waive its Transmission Service charge pursuant to this paragraph.

When a generator interconnected with Central Maine's Non-PTF system wheels power to a retail load located on New York State Electric & Gas Corporation's system or Rochester Gas and Electric Corporation's system pursuant to the applicable retail access program approved by the New York Public Service Commission, Central Maine will waive its Transmission Service charge for Local Point-To-Point Transmission Service. As used in this paragraph, the terms "Transmission Service charge" under the Schedule 21-CMP and the New York State Electric & Gas Corporation or Rochester Gas and Electric Corporation "Transmission Service Charge" under the New York Independent System Operator Open Access Transmission Tariff include only the embedded cost charge defined in the applicable tariff and no other charges. For example, the calculation and waiver of charges discussed in this paragraph do not include calculations or waivers of Ancillary Service charges, Congestion charges, losses, contributions in aid of construction, or Direct Assignment Facilities charges, the application of which will remain unchanged by this paragraph.

~~15~~ J. Interconnection Service

Any entity proposing to interconnect with Central Maine's transmission facilities, that is not party to an agreement executed on or before July 9, 1996, in which Interconnection Service is addressed, that (1) proposes to site a new generating unit and directly interconnect to Central Maine's Transmission System, or (2) proposes to materially change electrical characteristics or increase the capacity of an existing generating unit and remain connected to Central Maine's Transmission System, shall submit an Application for Interconnection Service to the Control Area Operator and shall comply with applicable provisions of this Schedule 21-CMP, the OATT, and the Interconnection Agreement. The Transmission

Customer shall enter into an Interconnection Agreement or an interim construction agreement with Central Maine, at Central Maine's discretion, prior to the construction of any facilities required to provide the requested service as identified in the System Impact Study and Facilities Study.

III. LOCAL NETWORK SERVICE

~~2~~A. Real Power Losses

Real Power Losses are associated with all Transmission Service. The ISO or Central Maine is not obligated to provide Real Power Losses. The Local Network Customer is responsible for replacing losses associated with all Transmission Service as calculated by Central Maine or the Control Area Operator. The applicable Real Power Losses will be calculated according to procedures set by Central Maine or the Control Area Operator. In cases where Central Maine or the Control Area Operator does not determine and allocate the actual losses, such losses shall be set at 1.5 percent for demand and 0.9 percent for energy.

~~3~~ B. Initiating Service

~~3.a~~1. Condition Precedent for Receiving Service:

Local Network Transmission Service will be provided only if the Eligible Customer satisfies the conditions in Section 3.a of Schedule 21 and executes a Local Network Operating Agreement with Central Maine pursuant to Attachment F to this Schedule 21-CMP. Central Maine shall serve as the Designated Agent for all of its distribution-level retail customers participating in Maine's retail access program. As their agent, Central Maine shall assume all responsibilities under Schedule 21.II, Sections 3 and 4, including all associated subsections of this Schedule 21-CMP on their behalf. All of Central Maine's retail transmission-level customers may either take unbundled service directly under the terms of this OATT or may designate Central Maine to serve as their agent to arrange and maintain network service under the terms of the OATT.

~~3.b~~2. Application Procedures:

The applicable deposit related to the provisions described in Section 3.b of Schedule 21.II for Part III of this Schedule 21-CMP is a deposit approximating the charge for one month of service.

~~4~~ C. Network Resources

~~4.d~~1. Operation of Network Resources:

The Local Network Customer shall not operate its designated Network Resources, which are not subject to central dispatch by the Control Area Operator, such that the output of those facilities exceeds it's designated Local Network Load, plus non-firm sales delivered pursuant to Part II of this Schedule 21-CMP, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of Central Maine to respond to an emergency or other unforeseen condition that may impair or degrade the reliability of the Transmission System.

~~4.f~~2. Transmission Arrangements for Network Resources Not Physically Interconnected With Central Maine's Local Network:

The customer shall be obligated to reimburse Central Maine for all costs Central Maine incurs in assisting the customer in obtaining such arrangements. Upon the customer's request, Central Maine shall provide the Transmission Customer an estimate of such costs before they are incurred. Upon the customer's request, Central Maine shall provide reasonable itemization of such costs along with any invoice related to those costs.

~~4.i~~3. Use of Interface Capacity by the Local Network Customer:

There is no limitation upon a Local Network Customer's use of Central Maine's Local Network 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, a Local Network Customer's use of the Central Maine's total interface capacity with other Transmission Systems may not exceed the Customer's Local Network Load.

~~5~~ D. Designation of Load

~~5.c~~1. Network Load Not Physically Interconnected with Central Maine's Local Network:

Central Maine shall include such load as part of a Transmission Customer's Local Network Load only if a scheduling and Interconnection Agreement acceptable to Central Maine is in effect with the Control Area in which the load is located.

~~6~~2. Additional Study Procedures For Local Network Transmission Service Requests

~~6.d~~3. Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Local Network Transmission System are needed to supply the Eligible Generator Customer's or Large Load Eligible Customer's request for Interconnection Service, Central Maine shall execute a Facilities Study Agreement, as directed by the Control Area Operator, with the Eligible Generator Customer or Large Load Eligible Customer. For a service request to remain a Completed Regional Application, the Eligible Generator Customer or Large Load Eligible Customer shall execute the Facilities Study Agreement in a timely manner. If the Eligible Generator Customer or Large Load Eligible Customer elects not to execute the Facilities Study Agreement, its Regional Application shall be deemed withdrawn and its deposit (less reasonable Administrative Costs incurred by Central Maine) shall be returned with Interest.

~~7~~ E. Load Shedding and Curtailments

~~7.a~~1. Procedures:

Prior to the Service Commencement Date, Central Maine 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 the Local Network Transmission System. The parties will implement such programs during any period when Central Maine determines that a system contingency exists and such procedures are necessary to alleviate such contingency. Central Maine will notify all affected Local Network Customers in a timely manner of any scheduled Curtailment.

~~7.b~~2. Transmission Constraints:

During any period when Central Maine determines that a transmission constraint exists on the Local Network Transmission System, and such constraint may impair the reliability of Central Maine's system, Central Maine will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of Central Maine's system. To the extent either Central Maine or the Control Area Operator determine that the reliability of the Transmission System can be maintained by redispatching resources, Central Maine can initiate procedures pursuant to the Local Network Operating Agreement, the Tariff, and other Control Area Operator rules and procedures including, without limitation, Market Rule 1. Any redispatch under this Section may not unduly discriminate between Central Maine's use of the Local Network Transmission System on behalf of its Native Load Customers and any Local Network Customer's use of the Local Network Transmission System to serve its designated Local Network Load.

~~7.d~~3. Curtailments of Scheduled Deliveries:

If a transmission constraint on Central Maine's Local Network Transmission System cannot be relieved through the implementation of redispatch procedures and the Control Area Operator or Central Maine, under the Control Area Operator's direction, determines that it is necessary to curtail scheduled deliveries, the parties shall curtail such schedules in accordance with any applicable provisions of the Local Network Operating Agreement, the Tariff and any Control Area Operator rules and procedures including, without limitation, Market Rule 1.

~~7.f~~4. Load Shedding:

To the extent that a system contingency exists on Central Maine's or the New England Transmission System and Central Maine or the ISO determines that it is necessary for Central Maine 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, or in accordance with other mutually agreed to provisions.

~~7.g~~5. System Reliability:

Notwithstanding any other provisions of this Tariff, Central Maine and the Control Area Operator reserve the right, consistent with Good Utility Practice and on a not unduly

discriminatory basis, to curtail Local Network Transmission Service without liability on Central Maine's or the Control Area Operator'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 Transmission Service would endanger persons or property. In the event of any adverse condition(s) or disturbance(s) on Central Maine's Transmission System or on any other system(s) directly or indirectly interconnected with Central Maine's Transmission System, including without limitation all PTF, Central Maine or the Control Area Operator, consistent with Good Utility Practice, also may curtail Local Network 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. Central Maine or the Control Area Operator shall give the Local Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Local Network Transmission Service will be not unduly discriminatory relative to Central Maine's use of the Local Network Transmission System on behalf of its Native Load Customers. Central Maine 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.

~~8~~ F. Rates and Charges

Retail customers taking unbundled Transmission Service do so pursuant to the rates described in Schedule 12 of this Schedule 21-CMP. Otherwise, the Local Network Customer shall pay Central Maine for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

~~8.a~~1. Monthly Demand Charge:

The Local Network Customer shall pay a monthly demand charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of Central Maine's Local Service Retail Annual Transmission Revenue Requirement or Central Maine's Local Service Wholesale Annual Transmission Revenue Requirement, as applicable. Central Maine's Local Service Retail Annual Transmission Revenue Requirement is calculated pursuant to Attachment F of the OATT and reflected in Attachment F, Appendix B, Attachment 2, Worksheet 1, Line No. 9 of the OATT. Central Maine's Local Service Wholesale Annual Transmission Revenue Requirement is calculated pursuant to Attachment F of the OATT and reflected in Attachment F, Appendix B,

Attachment 2, Worksheet 1, Line No. 9 of the OATT as further adjusted in accordance with Attachment G of this Schedule 21-CMP.

~~8.b~~2. Determination of Local 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 Central Maine's Local Network under Section 21.~~II.5.c~~III.D.1 of this Schedule 21-CMP) coincident with Central Maine's Monthly Local Network Transmission System peak.

~~8.c~~3. Determination of Central Maine's Monthly Local Network Transmission System Load:

Central Maine's monthly Local Network Transmission System load is Central Maine's Monthly Local Network Transmission System Peak minus the coincident peak usage of all Firm Local Point-To-Point Transmission Service ~~customers~~Customers and Firm Local Contract Demand Service Customers (except for any separately metered exempt demand) pursuant to Schedule 21 and ~~Part~~Parts II and IV of this Schedule 21-CMP plus the Reserved Capacity of all Firm Local Point-To-Point Transmission Service Customers and the Contract Demand of all Firm Local Contract Demand Service Customers.

~~8.d~~4. Redispatch Charge:

All costs associated with redispatch of resources shall be charged and allocated in accordance with the Tariff and any Control Area Operator rules and procedures including, without limitation, Market Rule 1.

~~8.e~~5. Stranded Cost Recovery:

Central Maine may seek to recover stranded costs from the Local Network Customer pursuant to this Schedule 21 in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, Central Maine must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act. Central Maine's right to seek recovery of stranded costs shall be subject to the moratorium set forth in Attachment F of the OATT.

~~10~~G. Operating Arrangements

~~10.a~~ 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. If Central Maine and the Local Network Customer agree in the Interconnection Agreement, the Interconnection Agreement can serve as a Local Network Operating Agreement.

~~10.b~~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 Schedule 21 and Part III of this Schedule 21-CMP 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 Central Maine's Local Network Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between Central Maine and the Local Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside Central Maine's Local Network Transmission System, interchange schedules, unit outputs for redispatch required under ~~Section21~~Section 21.II.7, 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 Schedule 21 and Part III of this Schedule 21-CMP, 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 Central Maine for Ancillary Service No. 1 and contracting with the Control Area Operator for Ancillary Service Nos. 2 through 6 or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services which may be provided by another entity, by contracting with another entity, consistent with Good Utility Practice, which satisfies any applicable requirements imposed by NERC, the NPCC, Central Maine or the Control Area Operator. For those Ancillary Services that may be

provided by another entity, Central Maine shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Local Network Operating Agreement is included in Attachment F of this Schedule 21-CMP.

IV. LOCAL CONTRACT DEMAND TRANSMISSION SERVICE

A. Nature of Local Contract Demand Transmission Service

1. Nature of Firm Local Contract Demand Transmission Service:

Firm Local Contract Demand Transmission Service shall be provided in accordance with Schedule 21 Common and Sections II.58 through II.63 of the OATT, and this Local Service Schedule. Firm Local Contract Demand Transmission Service permits a Local Large Load Transmission Customer to serve a Large Load through the Central Maine Local Network on a firm basis.

2. Nature of Non-Firm Local Contract Demand Transmission Service:

Non-Firm Local Contract Demand Transmission Service shall be provided pursuant to Schedule 21 Common, the OATT, and this Local Service Schedule. Local Non-Firm Contract Demand Transmission Service is provided on an as-available basis and is subject to redispatch, interruption, curtailment, and load shedding.

3. Nature of Interim Local Contract Demand Transmission Service:

Interim Local Contract Demand Transmission Service is temporary, non-firm transmission service provided prior to completion of required Local Large Load Network Upgrades and prior to satisfaction of designated capacity requirements applicable to Firm Local Contract Demand Transmission Service. A Local Large Load Transmission Customer receiving Interim Local Contract Demand Transmission Service shall comply with all applicable provisions of Schedule 21 Common, the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

B. Service Availability

1. Real Power Losses:

Real Power Losses are associated with all Transmission Service. Neither the ISO nor Central Maine are obligated to provide Real Power Losses. The Local Large Load Transmission Customer is responsible for replacing losses associated with all Transmission Service as

calculated by Central Maine or the Control Area Operator. In cases where Central Maine or the Control Area Operator does not determine and allocate the actual losses, such losses shall be set at 1.5 percent for demand and 0.9 percent for energy.

C. Load Shedding and Curtailments

1. Procedures for Firm Local Contract Demand Transmission Service:

To the extent that system contingency exists on Central Maine's Transmission System or the New England Transmission System and the ISO, Local Control Center, or Central Maine determines shedding of load or curtailment is necessary, the Local Large Load Transmission Customers receiving Firm Local Contract Demand Transmission Service shall comply with the procedures set forth in Section III.E, above.

2. Procedures for Non-Firm Local and Interim Local Contract Demand Transmission Service:

In addition to any obligations on curtailment and redispatch under Part II.J of the OATT for Non-Firm and Interim Local Contract Demand Service, to the extent that system contingency exists on Central Maine's Transmission System or the New England Transmission System and the ISO, Local Control Center, or Central Maine determines shedding of load or curtailment is necessary, the Local Large Load Transmission Customers receiving Non-Firm Local and Interim Local Contract Demand Transmission Service shall comply with the procedures set forth in Section IV.7 of Schedule 21-Common.

D. Operating Agreement

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 Common, Sections II.61 through II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with Central Maine. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

E. Cost Responsibility

The Local Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Contract Demand Transmission Service, including study costs, Direct

Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21 Common, the OATT, and any applicable Large Load Cost Recovery Agreement

F. Rates and Charges

1. Firm Local Contract Demand Transmission Service:

The Firm Local Contract Demand Transmission Service Customer shall be charged rates consistent with the terms of Section II.62 of the OATT but as applied to Central Maine's local transmission. As such, the Firm Local Contract Demand Transmission Service Customer shall pay a monthly charge determined by multiplying the amount of Firm Contract Demand Service requested by the Large Load Eligible Customer on its Large Load Transmission Service Application times one twelfth (1/12) of Central Maine's Local Service Retail Annual Transmission Revenue Requirement or Central Maine's Local Service Wholesale Annual Transmission Revenue Requirement, as applicable, except that any exempt demand which transitions to Firm Contract Demand Service pursuant to provisions of Part II.J of the OATT and Firm Local Contract Demand Service pursuant to Schedule 21 Common that can be separately metered by Central Maine from any additional demand above the exempt demand shall be billed at the rate established for such exempt demand as of June 18, 2026, as later amended or revised. Central Maine's Local Service Retail Annual Transmission Revenue Requirement is calculated pursuant to Attachment F of the OATT and reflected in Attachment F, Appendix B, Attachment 2 of the OATT. Central Maine's Local Service Wholesale Annual Transmission Revenue Requirement is calculated pursuant to Attachment F of the OATT and reflected in Attachment F, Appendix B, Attachment 2 of the OATT as further adjusted in accordance with Attachment G of this Schedule 21-CMP.

2. Non-Firm Local and Interim Local Contract Demand Transmission Service:

a) Monthly Demand Charge:

Non-Firm Local and Interim Local Contract Demand Transmission Service Customers shall pay a monthly demand charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of Central Maine's Local Service Retail Annual Transmission Revenue Requirement or Central Maine's Local Service Wholesale Annual Transmission Revenue

Requirement, as applicable. Central Maine's Local Service Retail Annual Transmission Revenue Requirement is calculated pursuant to Attachment F of the OATT and reflected in Attachment F, Appendix B, Attachment 2 of the OATT. Central Maine's Local Service Wholesale Annual Transmission Revenue Requirement is calculated pursuant to Attachment F of the OATT and reflected in Attachment F, Appendix B, Attachment 2 of the OATT as further adjusted in accordance with Attachment G of this Schedule 21-CMP.

b) **Determination of Non-Firm Local and Interim Local Contract Demand Customer's Monthly Local Network Load:**

Non-Firm Local and Interim Local Contract Demand Transmission Service Customers' monthly Local Network Load is its hourly load (including its designated Local Network Load not physically interconnected with Central Maine's Local Network under Section 21.III.D.1 of this Schedule 21-CMP) coincident with Central Maine's Monthly Local Network Transmission System peak.

c) **Determination of Central Maine's Monthly Local Network Transmission System Load:**

Central Maine's monthly Local Network Transmission System load is Central Maine's Monthly Local Network Transmission System Peak minus the coincident peak usage of all Firm Local Point-To-Point Transmission Service customers and Firm Local Contract Demand Transmission Service customers (except for any separately metered exempt demand) pursuant to Schedule 21 and Part II and Part IV of this Schedule 21-CMP plus the Reserved Capacity of all Firm Local Point-To-Point Transmission Service Customers and Contract Demand of all Firm Local Contract Demand Transmission Service Customers.

d) **Redispatch Charge:**

All costs associated with redispatch of resources shall be charged and allocated in accordance with the Tariff and any Control Area Operator rules and procedures including, without limitation, Market Rule 1.

e) **Stranded Cost Recovery:**

Central Maine may seek to recover stranded costs from the Firm Local, Non-Firm Local and Interim Local Contract Demand Transmission Service Customers pursuant to this Schedule 21 in

accordance with the terms, conditions and procedures set forth in FERC Order No. 888 and as may be specified in the Large Load Cost Recovery Agreement. However, Central Maine must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into Central Maine's Local Network Control Area. Central Maine or its designee responsible for operating the Local Network can only provide this service, and the Transmission Customer must purchase this service from Central Maine or its designee. As set forth in Section 4I.D, the Transmission Customer is required to purchase this Ancillary Service from Central Maine. The charges for Scheduling, System Control and Dispatch Service are to be based on the formula rate set forth below.

This formula sets forth the details for determining the annual revenue requirement for Scheduling, System Control and Dispatch Service. The revenue requirement reflects the cost of owning, operating and maintaining Central Maine's Local Control Center used for providing Scheduling, System Control and Dispatch Service to customers under this Schedule 21. The term "Local Control Center" used throughout this formula refers to Central Maine's entire system dispatch control center operation. Central Maine's system dispatch control center is comprised of the system dispatch center, which provides services at the regional or PTF level, and the local area dispatch center for services over Central Maine's Local Network.

The Revenue Requirement will be an annual formula rate calculation, effective for an initial term commencing on March 1, 2000 and ending on May 31, 2000, based on 1998 test year data, and updated thereafter each June 1, based on the previous calendar year's FERC Form 1 data, as shown below, using end-of-year balances for each rate base item, as further set forth below.

I. DEFINITIONS

Capitalized terms not otherwise defined in the OATT and in Section 1I.A of Schedule 21-CMP have the following definitions:

A. ALLOCATION FACTORS

1. Wages and Salaries Allocation Factor shall equal the ratio of the Local Control Center Direct Wages and Salaries to total direct wages and salaries excluding administrative and general wages and salaries.

2. Local Control Center Wages and Salaries Allocation Factor shall equal the ratio of the Transmission Local Control Center Direct Wages and Salaries to total Local Control Center Direct Wages and Salaries.

3. Local Control Center Plant Allocation Factor shall equal the ratio of the total Investment in Local Control Center Related Plant to Total Plant in service.

B. TERMS

Administrative and General Expense shall equal Central Maine's expenses as recorded in FERC Account Nos. 920-935, excluding FERC Account Nos. 924, 928, and 930.1.

Amortization of Investment Tax Credits shall equal Central Maine's credits as recorded in FERC Account No. 411.4

Payroll Taxes shall equal those payroll expenses as recorded in Central Maine's FERC Account Nos. 408.1.

Prepayments shall equal Central Maine's prepayment balance as recorded in FERC Account No. 165.

Property Insurance shall equal Central Maine's expenses as recorded in FERC Account No. 924.

Local Control Center Direct Wages and Salaries shall equal Central Maine's direct wages and salaries related to providing Local Control Center services as recorded in FERC Account Nos. 556, 561-561.4, and 581.

Local Control Center Operation and Maintenance Expense shall equal Central Maine's expenses as recorded in FERC Account Nos. 556, 561-561.4, and 581.

Local Control Center Plant Depreciation Reserve shall equal Central Maine's depreciation reserve balance for Local Control Center Related Plant as recorded in FERC Account Nos. 108 and 111.

Local Control Center Plant Materials and Supplies shall equal Central Maine's balance as recorded in FERC Account No. 154.

Local Control Center Related Depreciation Expense shall equal Central Maine's depreciation and amortization expense for Local Control Center Related Plant as recorded in FERC Account Nos. 403 and 404.

Local Control Center Related Plant shall equal Central Maine's gross plant balances used for system control and dispatch purposes and the Local Control Center related portion of intangible and general plant as recorded in FERC Account Nos. 301-399. To the extent that such plant includes any amounts recorded as transmission investment in FERC Account Nos. 350-359, such amounts will be excluded for purposes of determining Annual Transmission Revenue Requirements pursuant to Attachment F of the OATT. Local Control Center Related intangible and general plant shall equal the sum of Central Maine's balances in FERC Account Nos. 301-303 and 389-399, not otherwise directly assigned under this Schedule 21-CMP, multiplied by the Wages and Salaries Allocation Factor.

Local Control Center Support Revenues shall equal the revenues received from Local Control Center supporters as recorded in FERC Account Nos. 454 and 456, excluding any revenues received under Schedule 1 of this Schedule 21-CMP or Schedule 1 of the OATT.

Total Accumulated Deferred Income Taxes shall equal the net of the deferred tax balances as recorded in FERC Account Nos. 281-283 and 190 and excluding any balances related to FAS 109 regulatory assets or liabilities.

Total Municipal Tax Expense shall equal Central Maine's municipal tax expenses as recorded in FERC Account Nos. 408.1.

Total Plant in Service shall equal Central Maine's total gross plant balance as recorded in FERC Account Nos. 301-399.

Transmission Local Control Center Direct Wages and Salaries shall equal Central Maine's direct wages and salaries related to providing Local Control Center services as recorded in FERC Account Nos. 561-561.4.

II. CALCULATION OF TOTAL LOCAL CONTROL CENTER REVENUE REQUIREMENTS

The Local Control Center Revenue Requirement shall equal the sum of the Local Control Center related (A) Return and Associated Income Taxes, (B) Depreciation Expense, (C) Amortization of Investment

Tax Credits, (D) Municipal Tax Expense, (E) Payroll Tax Expense, (F) Operations and Maintenance Expense, (G) Administrative and General, minus (H) Support Revenues.

A. Return and Associated Income Taxes shall equal the product of the Local Control Center Investment Base and the Cost of Capital Rate.

1. Local Control Center Investment Base

The Local Control Center Investment Base will be the year end balances of Local Control Center related: (a) Plant, less (b) Depreciation Reserve, less (c) Accumulated Deferred Taxes, plus (d) Other Regulatory Assets/Liabilities, plus (e) prepayments, plus (f) Materials and Supplies, plus (g) Cash Working Capital.

(a) Local Control Center Related Plant shall equal the balance of Central Maine's Investment in Local Control Center plant and the balance of unassigned intangible and general plant multiplied by the Wages and Salaries Allocation Factor.

(b) Local Control Center Related Depreciation Reserve shall equal the Depreciation Reserve and Accumulated Amortization for Central Maine's investment in Local Control Center Related Plant.

(c) Local Control Center Related Accumulated Deferred Taxes shall equal Central Maine's electric balance of Accumulated Deferred Income Taxes multiplied by the Local Control Center Plant Allocation Factor.

d) Local Control Center Related Prepayments shall equal Central Maine's electric balance of prepayments multiplied by the Local Control Center Plant Allocation Factor.

(e) Local Control Center Related Materials and Supplies shall equal Central Maine's electric balance of Plant Materials and Supplies, multiplied by the Local Control Center Plant Allocation Factor.

(f) Local Control Center Related Cash Working Capital shall be a 12.5% allowance (45 days/360 days) of Local Control Center Operation and Maintenance Expense and Local Control Center Related Administrative and General Expense.

2. Cost of Capital Rate

The Cost of Capital Rate will equal (a) Central Maine's Weighted Cost of Capital, plus (b) Federal Income Tax plus (c) State Income Tax.

(a) The Weighted Cost of Capital will be calculated using the methodology set forth in Attachment F, Appendix A, Worksheet 2, Line No. 6(A) of the OATT, however, using year-end balances to determine the denominator in the calculation.

(b) Federal Income Tax shall equal

$$\frac{(A+[(C+B)/D]) \times FT}{1 - FT}$$

Where FT is the Federal Income Tax Rate, A is the sum of the preferred stock component and the return on equity component, as determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.C. below, C is the equity AFUDC component of Local Control Center Depreciation Expense, as defined in II.B., and D is Local Control Center Investment Base, as determined in II.A.1., above.

(c) State Income Tax shall equal

$$\frac{(A+[(C+B)/D] + \text{Federal Income Tax}) \times ST}{1 - ST}$$

Where ST is the State Income Tax Rate, A is the sum of the preferred stock component and return on equity component determined in Sections II.A.2.(a)(ii) and (iii) above, B is the Amortization of Investment Tax Credits as determined in Section II.C. below, C is the equity AFUDC component of Local Control Center Depreciation Expense, as defined in II.B., D is the Local Control Center Investment Base, as determined in II.A.1., above and Federal Income Tax is the rate determined in Section II.A.~~1~~2.(b) above.

B. Local Control Center Depreciation Expense shall equal the Local Control Center Related Depreciation and Amortization Expense.

C. Local Control Center Related Amortization of Investment Tax Credits shall equal Central Maine's electric Amortization of Investment Tax Credits multiplied by the Local Control Center Plant Allocation Factor.

D. Local Control Center Related Municipal Tax Expense shall equal Central Maine's total electric municipal tax expense multiplied by the Local Control Center Plant Allocation Factor.

E. Local Control Center Related Payroll Tax Expense shall equal Central Maine's total electric payroll tax expense, multiplied by the Wages and Salaries Allocation Factor.

F. Local Control Center Operation and Maintenance Expense shall equal Central Maine's Operation and Maintenance Expenses recorded in FERC Account Nos. 556, 561-561.4, and 581.

G. Local Control Center Related Administrative and General Expenses shall equal the sum of (1) Central Maine's Administrative and General Expenses multiplied by the Wages and Salaries Allocation Factor, (2) Property Insurance multiplied by the Local Control Center Plant Allocation Factor, and (3) Expenses included in Account 928 related to FERC Assessments, not otherwise directly assigned to transmission, multiplied by the Local Control Center Plant Allocation Factor, plus any other Federal and State Local Control Center related expenses or assessments, plus specific Local Control Center related expenses included in Account 930.1.

H. Local Control Center Support Revenues shall equal Central Maine's revenue received from providing system control and dispatch service other than under Schedule 1 of the OATT or Schedule 21-CMP.

III. CALCULATION OF LOCAL SCHEDULE 1 REVENUE REQUIREMENTS

The total Local Control Center Revenue Requirements derived in Section II, above, are further multiplied by the Local Control Center Wages and Salaries Allocation Factor defined in Section I.A.2., above, to determine the transmission related Revenue Requirement. The transmission related Revenue Requirement is then reduced by the revenues recorded in FERC Account No. 456 that Central Maine receives: (1) under Schedule 1 of the OATT, except that such revenues shall exclude any incremental revenues associated with FERC-approved ROE adders for RTO participation and new transmission investment,(2) for short-term service, non-firm service, or any penalties associated with the provision of Scheduling, System Control and Dispatch service under this Schedule 21-CMP, (3) for Control Center

Service ("CCS") Charges received from generators who have elected such arrangements, (4) for Schedule 1 related revenues received pursuant to wheeling out transactions whether such services are provided under this Schedule 21-CMP or pursuant to an Interconnection Agreement, and for (5) Schedule 1 related revenues received by Central Maine pursuant to Transmission Service Agreements that pre-dated Order No. 888, to the extent that such transactions are treated as a revenue credit rather than in the determination of Load Ratio Share. The Schedule 1 related revenues associated with such pre-dated contacts will be prorated between Attachment F, Appendix B of the OATT and Schedule 1 of this Schedule 21-CMP based on gross investment in plant for the services at issue. The credits for wheeling out revenues and for the CCS Charges shall change from month to month based on the actual amounts received by Central Maine for the prior month or for the most recent month that the data is available. The Revenue Requirement in this Schedule shall be revised each month to reflect the annualized amount of such credits.

IV. SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE CHARGES:

The charge for Scheduling, System Control and Dispatch service will be re-determined annually on June 1 of each year, in accordance with the Transmission Formula Rate Protocols reflected in Appendix C to Attachment F of the OATT, and shall be in effect for the succeeding twelve months. The rate per kilowatt for each month is one-twelfth of the annual rate determined by dividing the annual Revenue Requirement calculated in III. above, by Central Maine's average monthly Local Network Transmission System load (as defined in Section 21.~~II.8.c~~III.F.3 of this Schedule 21-CMP) for the prior calendar year. Each Local Network Customer shall pay the Schedule 1 rate on the basis of the number of kilowatts of Monthly Local Network Load (as defined in ~~Section21.II.8.b~~Section 21.III.F.2 of this Schedule 21-CMP).

Each Transmission Customer taking Local Point to Point Transmission Service shall pay the Schedule 1 rate on the basis of the highest amount of Reserved Capacity for each Local Point-To-Point Transmission Service transaction as follows:

For Monthly Service - Annual rate divided by 12 months
For Weekly Service - Annual rate divided by 52 weeks
For Daily Service - Weekly rate divided by 7 days
For Hourly Service – Daily rate divided by 24 hours

Exceeding Capacity Reservations: As set forth in Section ~~4.3~~D.3, in the event the Transmission Customer exceeds the Capacity Reservation specified in the customer's Transmission Service Agreement as determined by Central Maine, the Transmission Customer shall be retroactively charged the rates specified above without any discount, if one is in place at the time, for any capacity exceeding the amount reserved. Such charge shall apply for the period of unreserved use.

Control Center Services Charge

In lieu of taking Scheduling, System Control and Dispatch Service directly under the terms of this Schedule, a generator interconnected to Central Maine's PTF via Direct Assignment Facilities may elect to compensate Central Maine for the cost incurred in providing Control Center Services to such generators via: (a) a Scheduling, System Control and Dispatch Service Charge, incorporated into the generator's Interconnection Agreement, which reflects exactly the same charges and terms described in this Schedule; or (b) a Control Center Service ("CCS") Charge, the terms of which are incorporated into the generator's Interconnection Agreement. If the generator elects (a) or (b), it must incorporate a provision into its Interconnection Agreement in which it agrees to pay charges identical to those described in Schedule Nos. 13 and 14 of this Schedule 21-CMP, however, the generator shall not be required to pay any capital carrying charge in Schedule Nos. 13 and 14 if its has paid a contribution in aid of construction ("CIAC") or made any other payment that reflects all of the capital costs associated with such facilities for which the generator is ultimately responsible.

The CCS Charge shall be based on the following two-part rate (rates effective June 1, 2000):

For Generators less than or equal to 500 MW:

Fixed Charge: $11,304.00 per year, plus

Variable Charge: $0.25 per kw-year.

For Generators greater than 500 MW:

Fixed Charge: $11,304.00 per year, plus

Variable Charge: $0.19 per kw-year.

The maximum level of capacity (kw) for which the generator's interconnection was designed shall be used to establish the billing demand determinants in the calculation of the CCS Charge.

These charges shall be increased or decreased in direct proportion to the amount that the Local Control Center Revenue Requirement increases or decreases, as determined each June 1.

A generator may elect to switch its payment method for Scheduling, System Control and Dispatch Service, once per year, to be effective June 1, provided that the generator sends written notice of its desire to switch, between May 1 and May 15 of that year, to the Manager of Transmission Services at Central Maine. Once Central Maine receives such notice, the generator shall not be permitted to switch again until the next year.

If a generator is paying for Scheduling, System Control and Dispatch Service directly under the terms of this Schedule, or pursuant to provisions in its Interconnection Agreement that mirror the exact terms of this Schedule, Central Maine shall reduce the generator's bill each month to reflect the amounts paid for service under this Schedule for the same month by load that the generator is serving, provided that the load is located in Central Maine's service territory, and the generator has been designated a Network Resource by the load. There is no reduction to a generator's bill, regardless of where the load is located and whether the generator is designated a Network Resource, when the generator is paying the CCS Charge.

To accommodate the timing difference between Local Control Center Revenue Requirements changes and distribution price changes described in Schedule 12 of this Schedule 21-CMP, the Local Control Center Revenue Requirements and related retail transmission price changes for distribution-level retail customers will take effect contemporaneously with changes to distribution rates. The transmission revenue effect of any difference (positive or negative) between when transmission price changes would normally occur (i.e., January 1) and when they actually occur will be accrued with interest, calculated pursuant to Section 35.19a of FERC's regulations and included in the next determination of transmission prices for distribution-level retail customers.

SCHEDULE 7

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

Each Transmission Customer who takes Firm Local Point-to-Point Transmission Service shall pay Central Maine each month on the basis of the highest amount of Reserved Capacity for each transaction reserved as Firm Local Point to Point Transmission Service. Except as provided otherwise below, the charges will be re-determined annually on June 1 of each year, in accordance with the Transmission Formula Rate Protocols reflected in Appendix C to Attachment F of the OATT, and shall be in effect for the succeeding twelve months. The rate per kilowatt for each month is one-twelfth of the annual rate determined by dividing Central Maine's Local Service Annual Transmission Revenue Requirement calculated pursuant to the Attachment F of the OATT and reflected in Attachment F, Appendix B, Attachment 2, Worksheet 1, Line No. 9 of the OATT by Central Maine's average monthly Local Network Transmission System load (as defined in ~~Section21.II.8.c~~Section 21.III.F.3 of this Schedule 21-CMP) for the prior calendar year.

Each Transmission Customer taking Firm Local Point to Point Transmission Service shall pay the firm local point-to-point rate on the basis of the highest amount of Reserved Capacity for each transaction reserved as Firm Local Point-To-Point Transmission Service as follows:

1) **Yearly reservation**: one-twelfth of the annual rate per kilowatt of Reserved Capacity per year.

2) **Monthly reservation**: one-twelfth of the annual rate per kilowatt of Reserved Capacity per month.

3) **Weekly reservation**: 1/52nd of the annual rate per kilowatt of Reserved Capacity per week.

4) **Daily reservation**: 1/5th of the weekly rate per kilowatt of Reserved Capacity per day.

Provided that 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.

Notwithstanding the rates described above, through February 28, 2003, each generator that is interconnected with Central Maine's integrated non-PTF system and taking Firm Local Point to Point

Transmission Service shall for each transaction pay at a rate of $3.00 per kW-year multiplied by the highest amount of Reserved Capacity for that transaction. The charges for reservations of less than one year shall be determined as described above. If in a given month, a generator is serving load in Central Maine's service territory, Central Maine shall reduce the amount billed to the generator for that month's service to account for any amounts paid by such load, except that for short-term transactions where it has not been demonstrated to Central Maine's satisfaction that the generator is serving load in Central Maine's service territory, Central Maine shall bill the generator the total amount owed without any reduction, and issue a refund once it has not been demonstrated to Central Maine's satisfaction that load in its service territory is being served via such transaction. Satisfactory methods of demonstrating that load is being served in Central Maine's service territory include: (a) an affidavit executed by the generator and an affidavit executed by the load, each stating that the generator is serving the load and identifying how much service is being provided; (b) a copy of the executed contract between the generator and the load; or (c) any other method that Central Maine agrees is satisfactory. If, for any reason, the load being served in Central Maine's territory is overstated, the generator shall immediately reimburse Central Maine for all monies that would have been collected based on the correct amount of load, with interest calculated at a rate equal to Central Maine's overall rate of return. If, for any reason, the amount of load served by the generator is understated, Central Maine shall reimburse the generator for all monies that were paid in excess of the amount that should have been paid based on the correct load with interest calculated pursuant to Section 35.19a of FERC's regulations. A generator shall not receive any reduction to the amount it is billed, nor any refund, as described herein, to the extent it is wheeling power out of Central Maine's service territory. Generators are not permitted to purchase transmission on behalf of load at the $3.00 rate. Load must pay for transmission at the full rates described in this OATT. On March 1, 2003, and subsequently, the $3.00 rate and the reduction for service to load in Central Maine's service territory shall expire and be considered void.

The charges described in this schedule are subject to waiver under the circumstances and pursuant to the conditions described in Section 21.II.I~~.13~~ of this Schedule 21-CMP.

5) **Discounts**: Three principal requirements apply to discounts for Transmission Service as follows: (1) any offer of a discount made by Central Maine 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 Central Maine's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, Central Maine must offer the same discounted Transmission Service rate for the same time period to all Eligible

Customers on all unconstrained transmission paths that go to the same Point(s) of Delivery on the Transmission System.

6) **Resales**: The rates and rules governing charges and discounts stated above shall not apply to the resales of Transmission Service, compensation for which shall be governed by Schedule 21 § 11 (a).

SCHEDULE 8

Non-Firm Local Point-To-Point Transmission Service

Each Transmission Customer who takes Non-Firm Local Point-to-Point Transmission Service shall pay Central Maine each month on the basis of the highest amount of Reserved Capacity for each transaction reserved as Non-Firm Local Point to Point Transmission Service. The charges will be re-determined annually on June 1 of each year, and shall be in effect for the succeeding twelve months. The rate per kilowatt for each month is one-twelfth of the annual rate determined by dividing Central Maine's Local Service Annual Transmission Revenue Requirement calculated pursuant to Attachment F of the OATT and reflected in Attachment F, Appendix B, Attachment 2, Worksheet 1, Line No. 9 of the OATT by Central Maine's average monthly Local Network Transmission System load (as defined in ~~Section21.II.8.c~~Section 21.III.F.3 of this Schedule 21-CMP) for the prior calendar year.

Each Transmission Customer taking Non-Firm Local Point to Point Transmission Service shall pay the non-firm local point-to-point rate on the basis of the highest amount of Reserved Capacity for each transaction scheduled as Non-Firm Local Point to Point Transmission Service as follows:

1) **Yearly reservation**: one-twelfth of the annual rate per kilowatt of Reserved Capacity per year.

2) **Monthly reservation**: one-twelfth of the annual rate per kilowatt of Reserved Capacity per month.

3) **Weekly reservation**: 1/52nd of the annual rate per kilowatt of Reserved Capacity per week.

4) **Daily reservation**: 1/7th of the weekly rate per kilowatt of Reserved Capacity per day.

5) **Hourly reservation**: 1/24th of the daily rate per kilowatt of Reserved Capacity per hour.

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.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) 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 (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week The charges described in this schedule are subject to waiver under the circumstances and pursuant to the conditions described in Section 21.II.I~~.13~~ of this Schedule 21-CMP.

6) **Discounts**: Three principal requirements apply to discounts for Transmission Service as follows: (1) any offer of a discount made by Central Maine 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 Central Maine's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, Central Maine must offer the same discounted Transmission Service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same Point(s) of Delivery on the Transmission System.

7) **Resales**: The rates and rules governing charges and discounts stated above shall not apply to the resales of Transmission Service, compensation for which shall be governed by Schedule 21 § 11 (a).

SCHEDULE 12

Retail Access Transmission and Distribution Services

A. EXCEPTIONS TO OPEN ACCESS TRANSMISSION TARIFF:

The following applies only to Retail Network Transmission Service for both transmission-level and distribution level retail customers and Point-To-Point Transmission Service and Contract Demand Transmission Service for transmission-level retail customers. For each unbundled retail Transmission Service, Central Maine specifies below the modifications to the OATT terms and conditions necessary for retail access transmission and distribution services. The exceptions to the OATT specified below will apply to all customers that take service either directly under the following rate designations or pursuant to a targeted rate, Tariff or contract,[1] but for that targeted rate, Tariff or contract, the customer otherwise would take service under the following designations:

Transmission-Level [2] (1) LGS-ST-TOU; (2) LGS-T-TOU; (3) SB-LGS-T; and (4) SB-LGS-ST.

Distribution-Level[3] : (1) A; (2) A-LM; (3) A-TOU; (4); AL (5); IGS-P-TOU; (6) IGS-S-TOU (7) LGS-P-TOU; (8) LGS-S-TOU; (9) MGS-P; (10) MGS-P-TOU; (11) MGS-S; (12) MGS-S-TOU; (13) N (14) R; (15) R-TOU; (16) SB-IGS-P; (17) SB-IGS-S; (18) SB-LGS-P; (19) SB-LGS-S; (20) SL; (21) SGS; and (22) SGS-TOU.

1. Central Maine shall be the sole Designated Agent for arranging network service for its distribution-level retail customers. Central Maine shall be allowed to bill such retail customers directly for combined transmission and distribution services. Distribution-level retail customers shall take Local Network Transmission Service from Central Maine, acting as their agent under an Umbrella Service Agreement for Retail Local Network Transmission Service ("Umbrella Agreement"). Distribution-level retail customers also agree under the Umbrella Agreement that Central Maine will act as their Designated Agent for arranging and obtaining Regional Service and other transmission related services on their behalf pursuant to the Tariff. Such individual distribution-level retail customers are not required to sign

[1] Central Maine may change the price for distribution service that it charges customers pursuant to guidelines established by the Maine Public Utilities Commission. These price changes are normally done with targeted groups of customers or with one customer in order to retain sales or grow sales. The price changes are in the form of a rate or tariff or an individual contract

[2] Transmission-level customers taking service under the specified rate schedules are required to purchase Transmission Services directly under this Schedule 21-CMP and the Tariff, except that transmission-level customers may designate CMP to act as their agent for arranging and obtaining service under the Tariff

[3] Distribution-level customers taking service under the specified rate schedules will purchase Transmission Services from CMP as their Designated Agent in a combined transmission and distribution rate.

separate Transmission Service Agreements. Distribution-level retail customers agree to take Ancillary Services for Scheduling, System Control & Dispatch Service and Reactive Power & Voltage Support From Generating Resources Service from or through Central Maine, which Central Maine will procure on behalf of such customers. Central Maine agrees to perform services under the umbrella Agreement for an initial term of one year (commencing on March 1, 2000), that will continue from year-to-year unless terminated by Central Maine through a unilateral filing with FERC under section 205 of the FPA. Accordingly, Central Maine will transmit capacity and energy sufficient to serve all of its distribution-level retail customers as determined by the Maine Public Utilities Commission.

2. Transmission-level retail customers must sign a Local Point-To-Point Service Agreement, Local Contract Demand Service Agreement, or a Local Network Service Agreement ~~and~~as well as a Network Operating Agreement for Retail Local Network Transmission Service ("Service Agreement"). Local Network Service or Local Contract Demand Service will be supplied by Central Maine to these transmission-level retail customers for an initial term established pursuant to the Service Agreement. Transmission-level retail customers must also purchase Regional Service and transmission-related services under the Tariff or, at their discretion, designate Central Maine to act as their agent for obtaining and arranging Regional Network Service or Regional Contract Demand Service and transmission related services under the Tariff.

3. If specifically requested by Central Maine's transmission-level retail customers in the Service Agreement, Central Maine will also arrange and obtain Regional Network Service ~~and~~or Regional Contract Demand Service as well as related services under the Tariff, and arrange and obtain Ancillary Services for Scheduling, System Control & Dispatch Service and Reactive Power & Voltage Support From Generating Resources Service as provided under the OATT and will bill these retail transmission-level customers directly for Regional Network Service ~~and~~or Regional Contract Demand Service as well as applicable Ancillary Services. Central Maine shall charge transmission-level retail Customers, designating Central Maine as their agent, an administrative fee of $200 per month for arranging such services. The initial minimum term for such designation shall be 15 months from March 1, 2000 or the term of the Service Agreement, and thereafter shall be one (1) year. Transmission-level retail customers electing to change such designation must notify the Manager of Transmission Services, in writing by May 1 of each year to be effective on the annual June 1 of that year, when the formula rates are updated pursuant to Attachment F, Appendix C of the OATT.

4. Transmission-level retail customers designating Central Maine as the sole agent to arrange and obtain Regional Network Service ~~and~~or Regional Contract Demand Service as well as related services pursuant to the Tariff agree to pay in full to Central Maine any and all costs of such services, including costs incurred to arrange such services under the Tariff and for applicable Ancillary Services (including the $200 per month administrative fee (see A.3)).

5. An additional deposit beyond that required to obtain retail distribution service will not be required to accompany an Application for Transmission Service under this Schedule 21. Nevertheless, Central Maine will reserve the right to implement "commercially reasonable" deposit practices should market conditions or individual customer conditions warrant.

6. The reservation priority for existing firm service customers is modified to give retail customers the right to continue to take service.

7. [RESERVED]

8. Unless otherwise specified in their State of Maine Tariffs or in an agreement with Central Maine, the minimum term of service for retail transmission-level customers is one year. The minimum term for retail distribution-level customers will be Central Maine's monthly billing cycle. Thereafter, such retail distribution-level customers will continue to be responsible for transmission charges from typical monthly billing cycle to typical monthly billing cycle.

9. Retail customers taking Transmission Service under the aforementioned rate designations will abide by the MPUC 's deposit, late payment, interest, and disconnection rules associated with the retail distribution service and will not be assessed additional charges covering these issues for Transmission Service under this Schedule 21.

B. TRANSMISSION RATE COMPONENTS OF CENTRAL MAINE'S DISTRIBUTION-LEVEL CUSTOMER RETAIL RATES:

The transmission rate components of Central Maine's distribution-level retail rates are determined as follows:

1. Allocate the transmission related charges[4] under the Tariff and the revenue requirement for Central Maine's Local Service calculated pursuant to Attachment F of the OATT and reflected in Attachment F, Appendix B, Attachment 2, Worksheet 1, Line No. 9 of the OATT, including charges for system control and dispatch as set forth in Schedule 1 of this Schedule 21-CMP, to appropriate retail rate classes based upon historical test year 12 month average coincident peak data adjusted to reflect Behind-The-Meter Generation of transmission-level retail and wholesale customers, in accordance with Sections 21.~~H~~III.~~7~~E, 21.~~H~~III.~~8.b~~F.2 and 21.~~H~~III.~~8.c~~F.3 of this Schedule 21-CMP.

2. Divide the results of the allocation described in "1" above by the appropriate retail billing determinants for the same test year (kWh for customers that are not billed for demand, or kW for customers that are billed for demand) to determine the transmission prices for distribution-level customers associated with "1" above.

3. Beginning March 2000, Central Maine shall recover in distribution-level retail rates the difference between actual Congestion costs billed pursuant to the Tariff, to the extent such Congestion costs are assessed on the basis of transmission reservations or load, and the level of Congestion costs reflected in transmission prices paid by Central Maine's distribution-level retail customers. Any difference between Congestion costs incurred and those in distribution level retail rates, whether positive or negative, will be accrued with interest calculated pursuant to Section 35.19a of the Commission's regulations, and shall be recovered or credited beginning with the next transmission rate change for these customers.

Central Maine shall continue to be able to recover any differences (positive or negative) that exist between actual Congestion costs and that included in rates for recovery of current Congestion costs in subsequent transmission prices. Once recovery of past costs is complete, the amounts shall be removed from Central Maine's transmission prices.

Central Maine shall allocate such congestion costs to each rate class based on the same historical test year 12 month average coincident peak data used to allocate transmission-related charges under the Tariff, as described in "1" and "2" above. The amounts allocated to each rate class shall then be divided

[4] Charges incurred by Central Maine pursuant to the Tariff, including but not limited to congestion uplift costs, are considered transmission-related except for power supply related costs incurred under these regional arrangements. As a general rule, Central Maine defines transmission related charges as those regional charges allocated to Transmission Customers (or transmission owners taking Transmission Service under the Tariff as an agent for retail Transmission Customers) based on transmission billing determinants while power supply related charges are those regional charges associated with the Tariff that are allocated based on energy billing determinants.

by the appropriate retail billing determinants as described in "2" above to determine the transmission prices associated with Congestion costs for distribution-level retail customers, and shall be in addition to the transmission prices for distribution-level retail customers determined in "1" and "2" above.

C. TIMING OF TRANSMISSION RATE CHANGES FOR DISTRIBUTION-LEVEL RETAIL CUSTOMERS:

1. To accommodate the timing difference between transmission price changes and distribution price changes, the retail transmission price changes for distribution-level retail customers will take effect contemporaneously with changes to distribution rates or at other times, as requested by CMP and allowed by the Maine Public Utilities Commission. The transmission revenue effect of any difference (positive or negative) between when transmission price changes would normally occur (i.e., January 1) and when they actually occur will be accrued with interest, calculated pursuant to Section 35.19a of FERC's regulations and included in the next determination of transmission prices for distribution-level retail customers.

2. Transmission prices for distribution-level retail customers will not change each month to account for the crediting of wheeling out revenues that Central Maine receives from generators. Nor will transmission prices for distribution-level retail customers change each month to account for any revenue credits received from generators taking point-to-point service. Rather, Central Maine shall accrue with interest (calculated pursuant to Section 35.19a of FERC's regulations) the difference between the revenue credits properly assigned to distribution-level retail customers and that included in distribution-level transmission rates, and include such accrued amounts in the next determination of distribution-level retail transmission prices.

3. The rates for Scheduling, System Control and Dispatch Service shall not change each month for distribution-level retail customers. To the extent such rates should change each month to reflect revenues associated with the Scheduling, System Control and Dispatch charges paid by generators, and CCS Charges paid by generators, Central Maine shall accrue with interest (calculated pursuant to Section 35.19a of FERC's regulations) the difference between the revenue credits properly assigned each month and the revenue credits actually used, such accrued amount to be incorporated into the next determination of rates under Schedule No. 1 for distribution-level retail customers.

D. TRANSMISSION RATES FOR CENTRAL MAINE'S TRANSMISSION-LEVEL CUSTOMERS:

1. Whether or not Central Maine's retail transmission-level customers designate Central Maine as their sole agent, Central Maine's retail transmission-level customers will be charged the applicable rate for Local Network Service pursuant to the Attachment F of the OATT and reflected in Attachment F, Appendix B, Attachment 2, Worksheet 1, Line No. 9 of the OATT and Section (B) of this Schedule No. 12, and will be charged the applicable rate for Regional Network Service ~~and~~ or Regional Contract Demand Service as well as applicable Ancillary Services in instances where the transmission-level customers designate Central Maine as their agent for acquiring services under the Tariff on their behalf pursuant to Section (B) of this Schedule No. 12.

2. The Local Network Load for each transmission-level retail customer with Behind-The-Meter Generation (not including those customers taking service over a Direct Assignment Facility that interconnects with PTF) shall be determined pursuant to Sections 21.~~H~~III.~~7~~E and 21.~~H~~III.~~8.b~~F.2 of this Schedule 21-CMP, except that Central Maine shall account for such Behind-the-Meter Generation in its calculations of Load Ratio Share using one of the following two methods: (a) by adding to the facility's monthly coincident peak demand (when the Behind-The-Meter Generation is in service), 22.5 percent of the additional load that would be placed on Central Maine's system when the Behind-The-Meter Generation is out of service; or (b) by using the monthly maximum 15 minute measured demand, occurring at any time during the month.

Customers taking service over a Direct Assignment Facility that interconnects with PTF shall pay the applicable charges for service over such Direct Assignment Facilities rather than the charge for Local Network Service under this Schedule 21-CMP. The Load Ratio Share for such Customers shall be calculated using one of the following two methods: (a) by adding to the facility's monthly coincident peak demand (when the Behind-The-Meter Generation is in service), 22.5 percent of the additional load that would be placed on Central Maine's system when the Behind-the-Meter Generation is out of service; or (b) by using the monthly maximum 15 minute measured demand, occurring at any time during the month.

3. The treatment of behind-the-meter load, as described in this Schedule 21-CMP, shall not impact the manner in which Central Maine reports load to ISO, nor shall it impact any regional charges or rates assessed by ISO. Customers who do not designate Central Maine as their agent shall be billed or credited

the difference between the amount billed directly by ISO for services and the allocation of costs that result from Central Maine's apportioning of the total charges under the Tariff using the Load Ratio Shares adjusted for Behind-The-Meter Generation pursuant to this Schedule 21-CMP. In the event ISO adopts any position on behind-the-meter load, any party shall be permitted to make a filing at FERC (under Section 205 of the FPA for Central Maine; under Section 206 of the FPA for all others), proposing a change to the treatment of behind-the-meter load in this Schedule 21-CMP to be consistent with ISO's treatment. Any party responding to such a filing is permitted to argue for no change to the terms of Central Maine's Schedule 21-CMP regarding behind-the-meter load.

4. Each load with Behind-The-Meter Generation shall select one of the two methods described in 2(a) or 2(b) above. Load is permitted to change its selection only once per year by sending written notice of such change to the Manager of Transmission Services at Central Maine no earlier than May 1 of that year and no later than May 15 of that year. Upon proper notice, the requested change shall take effect on June 1 of that year.

5. Notwithstanding any other provision in this Schedule, the Local Network Load of a customer taking non-firm service under Rate O in any month shall be the load placed on the system by the customer at the time of Central Maine's monthly system peak for the load taken under Rate O, without regard for Behind-The-Meter Generation.

6. Nothing herein shall make a Behind-The-Meter Generator a designated Network Resource or prevent such generation from being designated by the generator itself as a Network Resource.

SCHEDULE 13

Meter Services

This formula sets forth the details for determining the annual revenue requirement related to providing Meter Services. The revenue requirement reflects the cost of owning, operating and maintaining Central Maine's Meters. The Revenue Requirement will be an annual formula rate calculation, effective for an initial term commencing on the effective date established by FERC and ending on May 31, 2000, based on 1998 test year data, and updated thereafter each June 1, based on the previous calendar year's FERC Form 1 data, as shown below, using end-of-year balances for each rate base item, as further set forth below.

I. DEFINITIONS

Capitalized terms not otherwise defined in Section ~~1~~I.A of Schedule 21-CMP and used in this formula have the following definitions:

A. ALLOCATION FACTORS

1. Wages and Salaries Allocation Factor shall equal the ratio of the Meter Direct Wages and Salaries to Total Direct Wages and Salaries excluding Administrative and General Wages and Salaries.

2. Meter Plant Allocation Factor shall equal the ratio of the sum of Total Investment in Meter Plant and Meter Related General Plant to Total Plant in service.

B. TERMS

Administrative and General Expense shall equal Central Maine's expenses as recorded in FERC Account Nos. 920-935, excluding FERC Account Nos. 924, 928, and 930.1.

Amortization of Investment Tax Credits shall equal Central Maine's credits as recorded in FERC Account No. 411.4.

Materials and Supplies shall equal Central Maine's balance as recorded in FERC Account No. 154.

Meter Depreciation Expense shall equal Central Maine's depreciation expense for Meter Plant

as recorded in FERC Account No. 403.

Meter Direct Wages and Salaries shall equal Central Maine's direct wages and salaries related to providing meter services as recorded in FERC Account Nos. 586 and 597.

Meter Operation and Maintenance Expense shall equal Central Maine's expenses recorded in FERC Account Nos. 586 and 597.

Meter Plant shall equal Central Maine's gross plant balances used for metering purposes as recorded in FERC Account No. 370.

Meter Plant Depreciation Reserve shall equal Central Maine's depreciation reserve balance for Meter Plant as recorded in FERC Account No. 403.

General Plant shall equal Central Maine's balance in FERC Account No. 389 – 399.

General Plant Depreciation Expense shall equal Central Maine's depreciation expense for General Plant as recorded in FERC Account No. 403.

General Plant Depreciation Reserve shall equal Central Maine's depreciation and amortization reserve balance for General Plant as recorded in FERC Account No. 108.

Payroll Taxes shall equal those payroll expenses as recorded in Central Maine's FERC Account Nos. 408.1.

Prepayments shall equal Central Maine's prepayment balance as recorded in FERC Account No. 165.

Property Insurance shall equal Central Maine's expenses as recorded in FERC Account No. 924.

Total Accumulated Deferred Income Taxes shall equal the net of the deferred tax balances as recorded in FERC Account Nos. 281-283 and 190 and excluding any balances related to FAS 109 regualtory assets or liabilities.

Total Municipal Tax Expense shall equal Central Maine's municipal tax expenses as recorded in FERC Account Nos. 408.1.

Total Plant in Service shall equal Central Maine's total gross plant balance as recorded in FERC Account Nos. 301-399.

II. CALCULATION OF TOTAL METER REVENUE REQUIREMENTS

The Meter Revenue Requirement shall be calculated in accordance with Worksheets 1 through 5 contained in this Schedule 13 and reflected on Line 18 of Worksheet 1 of this Schedule 13.

III. CALCULATION OF THE MONTHLY METERING CARRYING CHARGE:

The annual capital related carrying charge is the sum of the capital related revenue requirement components expressed as a percentage of Central Maine's total net investment in Meter Plant and reflected on Line 23(D) of Worksheet 1 of this Schedule 13. The monthly capital related carrying charge will be one-twelfth of the annual capital related carrying charge and reflected on Line 24(D) of Worksheet 1 of this Schedule 13. The monthly capital related carrying charge will be applied to the net investment in Meter Plant directly assigned to the Transmission Customer to determine the monthly capital related charge. The monthly capital related charge plus the actual monthly depreciation for the Transmission Customers' Direct Assignment Facilities represents the total monthly charge for this service, and shall be in addition to any other applicable charges under this Schedule 21, including Ancillary Services. The annual capital related carrying charge for metering excludes Meter Depreciation Expense. The Meter Depreciation Expense will be tracked and charged separately each month pursuant to this Schedule.

The annual O&M related carrying charge is the sum of the O&M related revenue requirement components expressed as a percentage of Central Maine's total gross investment in Meter Plant and calculated in accordance with Worksheet 4 of this Schedule 13 and reflected in Line 23(E) of Worksheet 1 of this Schedule 13. Gross investment in Meter Plant for purposes of this Schedule, shall reflect the investment in meter facilities for which Central Maine has received a contribution to capital or a contribution in aid of construction. Only the O&M related carrying charge is applicable in cases where the Transmission Customer has paid Central Maine for the capitalized cost of the meter plant.

The monthly O&M related carrying charge will be one-twelfth of the annual O&M related carrying charge and will be reflected in Line 24(E) of Worksheet 1 of this Schedule 13. The monthly O&M

related carrying charge will be applied to the gross investment in meter plant directly assigned to the Transmission Customer to determine the monthly charge for this service, and shall be in addition to any other applicable charges under this Schedule 21, including Ancillary Services.

Central Maine Power Company
Schedule 13 - Meter Investment
Worksheet 1 Summary
Twelve Months Ending _____

Line No.	Meter Investment Base	(A) Total	(B) less Meter Depreciation	(C) Total	(D) Capital	(E) O&M	(F) Reference
1	Meter Plant	$ -		$ -	$ -	$ -	W/S 3 Line 1 Col (C)
2	Meter-Related General Plant	#DIV/0!		#DIV/0!		#DIV/0!	W/S 3 Line 4 Col (C)
3	Total Meter Plant (Lines 1+2)	#DIV/0!		#DIV/0!	$ -	#DIV/0!	
4	Meter Related Depreciation Reserve	#DIV/0!		#DIV/0!	$ -	#DIV/0!	W/S 3 Line 12 Col (C)
5	Accumulated Deferred Income Tax	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!	W/S 3 Line 24 Col (C)
6	Other Regulatory Assets/Liabilities	#DIV/0!		#DIV/0!		#DIV/0!	W/S 3 Line 25 Col (C)
7	Net Investment (Sum Lines 4 thru 6)	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!	
8	Prepayments	#DIV/0!		#DIV/0!		#DIV/0!	W/S 3 Line 26 Col (C)
9	Materials & Supplies	#DIV/0!		#DIV/0!		#DIV/0!	W/S 3 Line 27 Col (C)
10	Cash Working Capital	-		-		-	W/S 3 Line 32 Col (C)
11	Total Meter Investment Base (Sum of Lines 7 thru 10)	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!	
	Revenue Requirements						
12	Return and Associated Income Taxes	#DIV/0!		#DIV/0!	#DIV/0!	#DIV/0!	W/S 2 Line 15 Col (A)
13	Depreciation Expense	#DIV/0!	-	#DIV/0!		#DIV/0!	W/S 4 Line 5 Col (C)
14	Investment Tax Credit	-		-		-	W/S 4 Line 6 Col (C)
15	Municipal Tax Expense	#DIV/0!		#DIV/0!		#DIV/0!	W/S 4 Line 7 Col (C)
16	Operation & Maintenance Expense	-		-		-	W/S 4 Line 10 Col (C)
17	Admin & General Exp	#DIV/0!		#DIV/0!		#DIV/0!	W/S 4 Line 21 Col (C)
18	Total Meter Revenue Requirements (Sum Lines 12 thru 17)	#DIV/0!	$ - (a)	#DIV/0!	#DIV/0!	#DIV/0!	
	Calculation of Carrying Charges						
19	Meter Plant in Service				$ -	$ -	Line 1 (C) above
20	Meter Related Depreciation Reserve				$ -		Line 4 (D) above
21	CIAC's and Contributions Received on Meter Property						Attachment__
22	Total				$ -	$ -	
23	Annual Carrying Charge (line 18 / line 22)				#DIV/0!	#DIV/0!	
24	Monthly Carrying Charge (line 23 / 12)				#DIV/0!	#DIV/0!	

(a) Pursuant to Schedule 13, capital related carrying charge excludes depreciation expense on meter plant. Depreciation expense is tracked and charged separately.

Central Maine Power Company
Schedule 13 - Meter Investment
Worksheet 2 Investment Return and Associated Income Taxes
Twelve Months Ending _____

Line No.			(A) Amount		(B) Capitalization Ratios	(C) Cost of Capital		(D) Weighted Cost of Capital	(E) Equity Portion	(F) Reference
	Capitalization									
1	Long Term Debt				#DIV/0!			#DIV/0!	N/A	Appendix A to Attachment F, W/S 2 line 1
2	Preferred Stock				#DIV/0!			#DIV/0!	#DIV/0!	Appendix A to Attachment F, W/S 2 line 2
3	Common Equity				#DIV/0!		(a)	#DIV/0!	#DIV/0!	Appendix A to Attachment F, W/S 2 line 3
4	Total Capitalization		-		#DIV/0!			#DIV/0!	#DIV/0!	
5	Weighted Cost of Capital		#DIV/0!							Line 4 (D)
	Federal Income Tax									
6	Equity WACC	A	#DIV/0!							Line 4 (E)
7	Meter Related Amortization of ITC	F	-							W/S 1 Line 14 Col (A)
8	Meter Investment Base	G	#DIV/0!							W/S 1 Line 11 Col (A)
9	Federal Income Tax Rate	B								Attachment___
10	Federal Tax Rate	C	#DIV/0!	(b)						
	State Income Tax									
11	State Income Tax Rate	D								Attachment___
12	State Tax Rate	E	#DIV/0!	(c)						
13	Total Cost of Capital Rate (lines 5+8+10)		#DIV/0!							
14	Meter Investment Base		#DIV/0!							W/S 3, Line 33 Col (C)
15	Investment Return and Associated Income Taxes		#DIV/0!							

(a) The ROE is 10.57% (except as may be limited by state law for non-FERC jurisdictional PTOs), and is subject to the outcome of Docket No(s). EL11-66, EL13-33, EL14-86 and EL16-64, including any judicial review thereof. No change in ROE will be made absent a Section 205 or Section 206 filing or compliance filing at FERC.

(b) Federal Income Tax shall equal
((A+F/G)x B)/(1-B)

(c) State Income Tax shall equal
(((A+F/G+C) xD)/(1-D)

Central Maine Power Company					
Schedule 13 - Meter Investment					
Worksheet 3 Investment Base Detail					
Twelve Months Ending _____					
	(A)	(B)	(C)	(D)	
		W&S, PL Allocation			
Line	**Total**	**Factors or DA**	**Meter**	**Reference**	
No.	**Plant in Service**				
1	Meter Plant	100%	$ -	FF1, Page 207.70(g)	
2	General Plant	#DIV/0!	#DIV/0!	FF1, Page 207.96(g)	
3	less General assigned to Schedule 1	#DIV/0!	#DIV/0!	Attachment	
4	Net General Plant	$ -	#DIV/0!		
5	**Total Plant In Service**	$ -	#DIV/0!		
	Depreciation Reserve				
8	Meter Accumulated Reserve	100%	$ -	Attachment__	
9	General Plant Reserve	#DIV/0!	#DIV/0!	FF1, page 219.28 (c)	
10	less General assigned to Schedule 1	#DIV/0!	#DIV/0!	Attachment__	
11	Net General Plant Reserve	-	#DIV/0!		
12	**Total Depreciation Reserve**	$ -	#DIV/0!		
	Accumulated Deferred Income Taxes				
	Total				
13	FERC 190			FF1, Page 234.18(c)	
14	FERC 282			FF1, Page 275.9(k)	
15	FERC 283			FF1, Page 277.19(k)	
16	Total	-			
	Less Assigned to SFAS No 109				
17	FERC 190			FF1, Page 234.5(c)	
18	FERC 282			FF1, Page 275.9(k) footnotes	
19	FERC 283			FF1, Page 277.4(k)	
20	Total	-			
	Net subject to Allocation				
21	FERC 190	-	#DIV/0!	#DIV/0!	Line 13 - Line 17
22	FERC 282	-	#DIV/0!	#DIV/0!	Line 14 - Line 18
23	FERC 283	-	#DIV/0!	#DIV/0!	Line 15 - Line 19
24	**Total Meter Related Accumulated Deferred Income Taxes**	-		#DIV/0!	
25	**Other Regulatory Assets and Liabilities**		#DIV/0!	#DIV/0!	FF1, page 232.1.27 (f)
26	**Prepayments**		#DIV/0!	#DIV/0!	FF1, Page 111.57(c)
27	**Materials and Supplies**		#DIV/0!	#DIV/0!	FF1, Page 110.48(c)
	Cash Working Capital				
28	Operations and Maintenance		100%	-	W/S 4, Line 10 Col (C)
29	Administrative and General		100%	-	W/S 4, Line 21 Col (C)
30	Total			-	
31	Lag Factor (45/360)			0.125	
32	**Cash Working Capital**			$ -	
33	**Total Meter Investment Base** (lines 5+12+24+25+26+27+32)			#DIV/0!	

Central Maine Power Company					
Schedule 13 - Meter Investment					
Worksheet 4 Operations and Maintenance Expense Detail					
Twelve Months Ending _____					
	(A)	(B)	(C)	(D)	
Line No.	**Total**	**W&S, PL Allocation Factors or DA**	**Meter**	**Reference**	
Depreciation					
1 Meter Depreciation Expense		100%	-	Attachment___	
2 General Depreciation Expensee			-	FF1 Page 336.10 (f)	
3 less Assigned to Schedule 1			-	Attachment___	
4 Net General Depreciation Expense	-	#DIV/0!	#DIV/0!		
5 **Total Meter Related Depreciation Expense**	-		#DIV/0!		
6 **Investment Tax Credits**					
7 **Municipal Taxes**		#DIV/0!	#DIV/0!	FF1 Page 263.14 (i)	
Operations & Maintenance Expense					
8 586-Meter Expense		100%	-	FF1 Page 322.140 (b)	
9 597-Maintenance of Meters		100%	-	FF1 Page 322.153 (b)	
10 Total Meter Operations and Maintenance Expense	-	100%	-		
Administrative and General Expense					
11 Total				FF1 Page 323.197 (b)	
less:					
12 921,923,929-Outside Services direct assigned				Attachment___	
13 924-Property Insurance				FF1 Page 323.185 (b)	
14 926-pension credit direct assigned					
15 928-Regulatory Commission Exp				FF1 Page 323.189 (b)	
16 partial 929-attributable to electricity own use				Attachment___	
17 930.1-General Advertising				FF1 Page 323.191 (b)	
18 930.2-Misc General				FF1 Page 323.192 (b)	
19 Net A&G Subject to Wage Allocation Factor	-	#DIV/0!	#DIV/0!		
20 A&G Subject to Plant Allocation Factor	-	#DIV/0!	#DIV/0!		
21 Total Administrative and General Expenses	-		#DIV/0!		

Central Maine Power Company					
Schedule 13 - Meter Investment					
Worksheet 5 Allocation Factors					
Twelve Months Ending _____					
			(A)		(B)
			Total		Reference
Line					
No.		**Meter Wages and Salaries Allocation Factor "W&S"**			
1		Direct Meter Wages and Salaries			Attachment__
2		Total Wages and Salaries			FF1, page 352.28(b)
3		less Administrative and General Salaries			FF1, page 352.27(b)
4		Total Wages and Salaries, net of Administrative and General	-		
5		Percent Allocation (Line 1 / Line 4)	#DIV/0!		
		Meter Plant Allocation Factor "PL"			
6		Total Meter Plant	-		W/S 3 Line 1 Col (C)
7		Plus Meter Related General Plant	#DIV/0!		W/S 3 Line 2 Col (C)
8		Total Meter Related Plant	#DIV/0!		
9		Total Plant in Service excluding ARC's and HVDC Leases			FF1 page 207.104(g) -98(g)-57(g)
10		Percent Allocation (Line 8 / Line 9)	#DIV/0!		

SCHEDULE 14

Monthly Carrying Charge For Direct Assignment Facilities

The annual capital related carrying charge for Direct Assignment Facilities is the sum of the capital related revenue requirement components expressed as a percentage of Central Maine's total net investment in Transmission plant as calculated for retail and wholesale customers pursuant to the formulas set forth in this Schedule 14 of Schedule 21-CMP and reported on Line 31(E) of each such formula. The monthly capital related carrying charge will be one-twelfth of the annual capital related carrying charge as set forth on Line 32(E) of the formulas for retail and wholesale customers in this Schedule 14 of Schedule 21-CMP. The monthly capital related carrying charge will be applied to the net investment in transmission plant directly assigned to the Transmission Customer to determine the monthly capital related charge. The monthly capital related charge plus the actual monthly depreciation for the Transmission Customers' Direct Assignment Facilities represents the total monthly charge for this service, and shall be in addition to any other applicable charges under this Schedule 21, including Ancillary Services. Actual depreciation will be tracked for each Direct Assignment Facility and charged separately each moth pursuant to this Schedule.

The annual O&M related carrying charge is the sum of the O&M related revenue requirement components expressed as a percentage of Central Maine's total gross investment in Transmission Plant as calculated for retail and wholesale customers pursuant to the formulas set forth in this Schedule 14 of Schedule 21-CMP and reported on Line 31(F) of each such formula. Gross investment in transmission plant for purposes of this Schedule, shall reflect the investment in transmission facilities for which Central Maine has received a contribution to capital or a contribution in aid of construction. Only the O&M related carrying charge is applicable in cases where the Transmission Customer has paid Central Maine for the capitalized cost of the transmission plant.

The monthly O&M related carrying charge will be one-twelfth of the annual O&M related carrying charge as set forth on Line 32(F) of the formulas for retail and wholesale customers in this Schedule 14 of Schedule 21-CMP. The monthly O&M related carrying charge will be applied to the gross investment in transmission plant directly assigned to the Transmission Customer to determine the monthly charge for this service, and shall be in addition to any other applicable charges under this Schedule 21, including Ancillary Services.

Central Maine Power Company
Schedule 14 - Direct Assignment Facilities
Carrying Charge for Retail Customers
Twelve Months Ending _____

Line No.	Transmission Investment Base	(A) Total From Appendix A	(B) Incremental Att 2 to Appendix B	(C) less Transmission Depreciation	(D) Total	(E) Capital	(F) O&M
1	Transmission Plant				$ -	$ -	$ -
2	Transmission Related Intangible and General Plant				-		-
3	Transmission Plant/Land Held For Future Use				-	-	-
4	Total Transmission Plant (Lines 1+2+3)	$ -	$ -		$ -	$ -	$ -
5	Transmission Related Depreciation & Amort Reserve				$ -		$ -
6	Transmission Related Accumulated Deferred Inc Tax				-		-
7	Other Regulatory Assets/Liabilities	-			-		-
8	Net Investment (Sum Lines 4 thru 7)	$ -	$ -		$ -	$ -	$ -
9	Transmission Prepayments				$ -		$ -
10	Transmission Materials & Supplies				-		-
11	Transmission Unfunded Reserves				-		-
12	Transmission Related Cash Working Capital				-		-
13	Total Transmission Investment Base (Sum of Lines 8 thru 12)	$ -	$ - (b)		$ -	$ -	$ -
	Revenue Requirements						
14	Return and Associated Income Taxes		(c)		$ -		$ -
15	Transmission Depreciation & Amort Expense		(d)		-		-
16	Transmission Related Municipal Tax Expense		(e)		-		-
17	Transmission Related Payroll Tax Expense				-		-
18	Transmission Operation & Maintenance Expense				-		-
19	Transmission Related Admin & General Exp		(f)		-		-
20	Transmission Related PBOP Under/(Over) Recovery				-		-
21	Transmission Related Expense from Generators	-			-		-
22	Transmission Related Taxes and Fees Charge	-			-		-
23	Transmission Related Amort of Reg Asset for MA State Tax Rate Chai	-			-		-
24	Transmission Rents Received from Electric Property	-			-		-
25	Customer Accounts, Service/Informational and Sales Expenses		(g)		-		-
26	Total Transmission Revenue Requirements (Sum Lines 14 thru 25)	$ - (a)	$ -	$ - (h)	$ -	$ -	$ -
	Calculation of Carrying Charges						
27	Transmission Plant in Service					$ -	$ -
28	Transmission Related Depreciation & Amort Reserve					$ -	
29	CIAC's and Contributions Received on Transmission Property						(i)
30	Total					$ -	$ -
31	Annual Carrying Charge (line 26 / line 30)						
32	Monthly Carrying Charge (line 31 / 12)						

(a) Total Transmission Revenue Requirements as reported in Attachment A to Appendix F, Worksheet 1
(b) Incremental Investment as reported in Attachment 2 to Appendix B, worksheet 2 line 1(E), and are associated with the inclusion of customer -related expenses. Additional details provided in Attachment___
(c) Incremental Return and Associated Income Taxes as reported in Attachment 2 to Appendix B, worksheet 2 line 4(E)
(d) Incremental Depreciation Expense as reported in Attachment 2 to Appendix B, worksheet 2a line 3(C)
(e) Incremental Municipal Tax Expense as reported in Attachment 2 to Appendix B, worksheet 2a line 4(C)
(f) Incremental Administrative and General Expense as reported in Attachment 2 to Appendix B, worksheet 2a line 2(C)
(g) Customer Accounts, Service/Informational and Sales Expense as reported in Attachment 2 to Appendix B, worksheet 2a line 1(C)
(h) Depreciation expense associated with transmission plant as reported in Appendix A to Attachment F, worksheet 4 line 1 (C). Pursuant to Schedule 14, capital-related carrying charge excludes transmission depreciation expense, since depreciation expense on specific direct assignment facilities will be separately tracked and billed.
(i) CIAC's and Contributions received on transmission property provided on Attachment___

Central Maine Power Company
Schedule 14 - Direct Assignment Facilities
Carrying Charge for Wholesale Customers
Twelve Months Ending _____

Line No.	Transmission Investment Base	(A) Total From Appendix A	(B) Incremental Att 2 to Appendix B	(C) less Transmission Depreciation	(D) Total	(E) Capital	(F) O&M
1	Transmission Plant				$ -	$ -	$ -
2	Transmission Related Intangible and General Plant				-		-
3	Transmission Plant/Land Held For Future Use				-		-
4	Total Transmission Plant (Lines 1+2+3)	$ -	$ -		$ -	$ -	$ -
5	Transmission Related Depreciation & Amort Reserve				$ -		$ -
6	Transmission Related Accumulated Deferred Inc Tax				-		-
7	Other Regulatory Assets/Liabilities	-			-		-
8	Net Investment (Sum Lines 4 thru 7)	$ -	$ -		$ -	$ -	$ -
9	Transmission Prepayments				$ -		$ -
10	Transmission Materials & Supplies				-		-
11	Transmission Unfunded Reserves				-		-
12	Transmission Related Cash Working Capital				-		-
13	Total Transmission Investment Base (Sum of Lines 8 thru 12)	$ -	$ -		$ -	$ -	$ -
	Revenue Requirements						
14	Return and Associated Income Taxes				$ -		$ -
15	Transmission Depreciation & Amort Expense				-		-
16	Transmission Related Municipal Tax Expense				-		-
17	Transmission Related Payroll Tax Expense				-		-
18	Transmission Operation & Maintenance Expense				-		-
19	Transmission Related Admin & General Exp				-		-
20	Transmission Related PBOP Under/(Over) Recovery				-		-
21	Transmission Related Expense from Generators				-		-
22	Transmission Related Taxes and Fees Charge				-		-
23	Transmission Related Amort of Reg Asset for MA State Tax Rate Change				-		-
24	Transmission Rents Received from Electric Property				-		-
25	Customer Accounts, Service/Informational and Sales Expenses				-		-
26	Total Transmission Revenue Requirements (Sum Lines 14 thru 25)	$ - (a)	$ - (b)	$ - (c)	$ -	$ -	$ -
	Calculation of Carrying Charges						
27	Transmission Plant in Service					$ -	$ -
28	Transmission Related Depreciation & Amort Reserve					$ -	
29	CIAC's and Contributions Received on Transmission Property						(d)
30	Total					$ -	$ -
31	Annual Carrying Charge (line 26 / line 30)						
32	Monthly Carrying Charge (line 31 / 12)						

(a) Total Transmission Revenue Requirements as reported in Attachment A to Appendix F, Worksheet 1
(b) Incremental revenue requirement associated with customer-related expenses are not included in the calculation of wholesale direct assignment carrying charges.
(c) Depreciation expense associated with transmission plant as reported in Appendix A to Attachment F, worksheet 4 line 1 (C). Pursuant to Schedule 14, capital-related carrying charge excludes transmission depreciation expense, since depreciation expense on specific direct assignment facilities will be separately tracked and billed.
(d) CIAC's and Contributions received on transmission property provided on Attachment___

ATTACHMENT C-CMP

Methodology To Assess Available Transfer Capability

1 Introduction

ISO 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 Area 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 various NERC Reliability Standards. 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 Total Transfer Capability (TTC) and Available Transfer Capability (ATC) associated with Local Service provided under Schedule 21. CMP is a Transmission Provider of Local Service under Schedule 21-CMP in accordance with the Transmission Operating Agreement ("TOA"). Pursuant to CFR§37.6(b) of the FERC Regulations which states the ATC on the Transmission Provider's system and the TTC of that system shall be calculated and posted for each Posted Path. Accordingly, The Transmission Provider's are obligated to calculate and post TTC and ATC for each Posted Path accordingly.

As stated in §37.6(b)(1)(i) Posted Path means (1) any control area to control area interconnection; (2) any path for which service is denied, curtailed or interrupted for more than 24 hours in the past 12 months; and (3) 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.

Non-PTF facilities are primarily radial paths that provide Transmission Service directly to interconnected generators. It is possible, in the future that a particular path may interconnect more nameplate capacity generation than the path's TTC. However, for CMP's Non-PTF modeled by the ISO or the Local Control Center ("LCC"), the ISO or the LCC will only dispatch an amount of generation interconnected to such path so as not to incur a reliability violation on the subject path consistent with ISO's economic, security constrained dispatch methodology.

CMP does not currently have a Posted Path based on the above definition. However, should CMP have any Posted Path(s) in the future, CMP will calculate TTC using NERC MOD-029-1 Rated System Path Methodology as outlined below.

1.1 Scope of Document

The scope of this document is limited to the following functions performed by CMP as the Transmission Provider of Local Point-to Point Transmission Service over Non-PTF pursuant to this Schedule 21-CMP, 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-CMP. TTC and ATC is not calculated by CMP 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.

2 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 the 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 Real-Time Energy Market does not require an advance physical reservation for use of the PTF. In the event that the net of the economic External Transactions is greater than the transfer 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 to non-PTF local facilities utilized for Local Network Service by generation or load. However, CMP 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-CMP 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.

3 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-CMP is calculated using applicable NERC Standards and posted on the CMP OASIS site.

CMP will calculate and post TTC on OASIS for all Non-PTF Posted Paths that are eligible for Local Point-to-Point Transmission Service reservations. The TTC on CMP's Non-PTF eligible for Local Point-to-Point Transmission Service reservations are relatively static values. CMP thus calculates the TTC for Non-PTF Posted Paths equal to the rating of the particular transmission path.

4 Capacity Benefit Margin (CBM)

CBM is defined as the amount of firm transmission transfer capability set aside by a TSP for use by the load serving entities. The ISO does not set aside any CBM for use by the load serving entities, because of the New England approach to capacity planning requirements in the ISO New England Operating Documents. Load serving entities operating within the New England Control Area are required to arrange for their Capacity Requirements prior to the beginning of any given month in accordance with 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 that their capacity needs are met; therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of CMP's ATC calculation and because CBM for the New England Control Area is set to zero (0), CMP 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_{NF})

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}).

5 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. CMP does not have any Non-PTF external interfaces, and therefore TRM for CMP's Non-PTF is zero.

6 Calculation of ATC for CMP's Local Facilities - General Description

Applicable NERC Standards 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 CMP'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 CMP'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-PTF in the New England market is almost always positive. With this simplified version of ATC, there is no detailed algorithm to be described or posted. Thus, for those Non-PTF facilities that serve as a path for the CMP Schedule 21-CMP Local Point-to-Point Transmission Customers, CMP 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.

6.1 Calculation of Firm ATC (ATC_F)

6.1.1 Calculation of ATC_F in the Planning Horizon (PH)

For purposes of this Attachment C, 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. Firm Transmission Service over Schedule 21-CMP that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_F$ and $counterflows_F$ of Schedule 21-CMP transmission reservations are not considered in the ATC calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F.

6.1.2 Calculation of ATC_F in the Operating Horizon (OH)

For purposes of this Attachment C, 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. Daily Firm Transmission Service over Schedule 21-CMP is the only firm service offered in the Operating Horizon (OH). $Postbacks_F$ and $counterflows_F$ of Schedule 21-CMP transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F.

6.1.3 Firm Transmission Service is not offered in the Scheduling Horizon (SH) therefore ATC_F in the SH is zero.

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

6.2.1 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-CMP are zero. Non-Firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U, $Postbacks_{NF}$ and $counterflows_{NF}$ of Schedule 21-CMP 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}.

6.2.2 Calculation of ATC_{NF} in the OH

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

As discussed above TRM and CBM for Schedule 21-CMP are zero. TRM_U, $counterflows_{NF}$ and ETC_{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 $Postbacks_{NF}$.

6.3 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, for CMP's Non-PTF modeled by ISO or the LCC, 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 consistent with ISO's economic, security constrained dispatch methodology. Therefore, ATC in the PH, OH and SH may become zero, but will not become negative.

7 Posting of ATC

7.1 Location of ATC Posting

ATC values are posted on CMPs OASIS site in accordance with NAESB Standards.

7.2 Updates To ATC

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

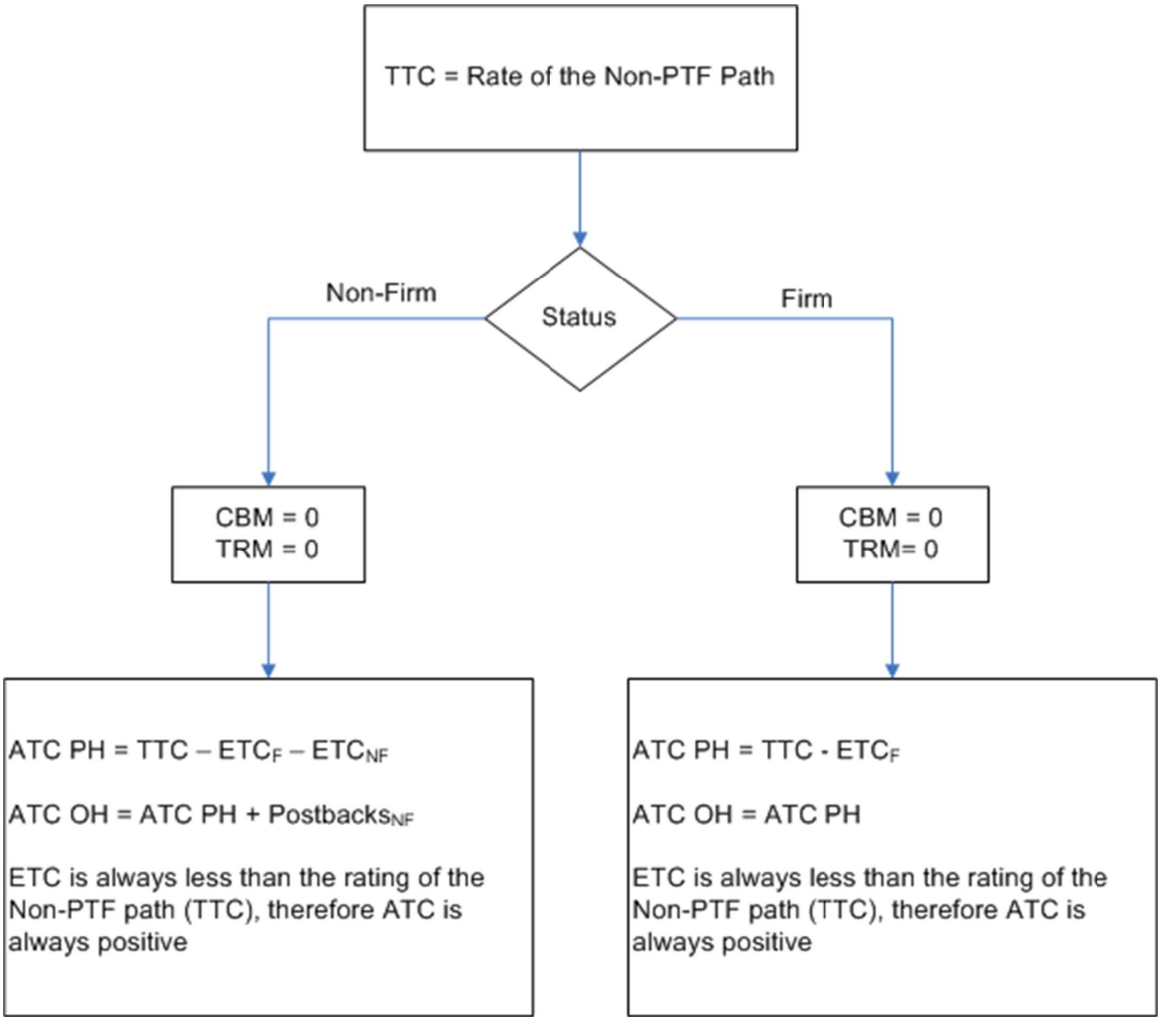
7.3 Coordination of ATC Calculations

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

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

http//www/cmpco.com/SuppliersAndPartners/TransmissionServices/CMPTransmissionSvc/CMPDownloads.html

Non-PTF Transmission Path ATC Process Flow Diagram



ATTACHMENT D

Methodology for Completing a System Impact Study

Central Maine (or its Designated Agent) may require System Impact Studies for the purpose of determining the feasibility of providing Transmission Service under this Schedule 21-CMP. All System Impact Studies will be coordinated with the Control Area Operator, as applicable, and completed using the same method employed by Central Maine to provide Transmission Service to its Affiliate customers. System Impact Studies associated with a request from an Eligible Generator Customer or Large Load Eligible Customer for Interconnection Service shall be performed at the direction of the Control Area Operator, to the extent required by the OATT. Specifically, System Impact Studies will be performed by applying ~~NPCC Criteria and the "~~NERC Reliability Standards ~~of ISO," or its successor~~, NPCC Criteria, ISO New England planning and operating requirements, and Central Maine's applicable transmission planning criteria, , while assuring that Central Maine's Native Load Customers and those loads directly interconnected to the Central Maine Transmission System that are receiving Transmission Service can be served economically and reliably. All of the criteria, standards, and guidelines referenced above are ~~included as part of~~consistent with the information in the annual FERC Form 715 filing of Central Maine. The System Impact Study will include the analyses necessary to determine the impacts of the requested Transmission Service and identify any additions, modifications, Direct Assignment Facilities, or upgrades to Central Maine's Transmission System required to provide the requested service consistent with applicable criteria, standards, guidelines, and study requirements. Central Maine may evaluate impacts on PTF and non-PTF facilities, including Local Network and subtransmission facilities that may be affected by changes in power flows resulting from the proposed project or service.

ATTACHMENT F

Local Network Operating Agreement

This Local Network Operating Agreement is part of Schedule 21 and is subject to and in accordance with all provisions of said Schedule 21. All definitions and terms and conditions of this Schedule 21-CMP are incorporated herein by reference.

1.0 General Terms and Conditions

Central Maine agrees to provide Local Network Transmission Service or Local Contract Demand Transmission Service to the Transmission Customer subject to the Transmission Customer operating its facilities in accordance with applicable Central Maine, Control Area Operator, NERC and NPCC criteria, rules, standards, procedures or guidelines as they may be changed from time to time. In addition, service to the Transmission Customer is provided subject to the terms and conditions contained herein.

1.1 Character of Service

All Local Network Transmission Service or Local Contract Demand Transmission Service shall be in the form of three-phase sixty (60) hertz alternating current at a delivery voltage agreed to by both parties.

1.2 Maintenance Scheduling

Central Maine shall consult the Transmission Customer regarding the timing of any scheduled maintenance of the Transmission System that would affect service to the Transmission Customer.

1.3 Information Requirements

The Transmission Customer shall be responsible for providing all information required by the Control Area Operator and Central Maine necessary for planning, operations, maintenance and regulatory filings. This information may include, but not be limited to:

Load related data:

- Ten (10) year forecast of Local Network Load at each delivery point.
- Power factor performance.
- Amount of interruptible load under contract, including interruption terms.
- Load shedding capability by delivery point.
- Capability to shift load between delivery points.

- Disturbance reports.
- Results of periodic metering and protection equipment tests and calibration.
- Planned changes to interconnection equipment.
- Voltage reduction capability.

Network Resources and interconnected generation related data:

- Resource operating characteristics, including ramp rate limits, minimum run times, etc.
- Ten year forecast of resource additions, retirements and capability changes.
- Generator reactive capability.
- Results of periodic metering and protection equipment tests and calibration.

Failure of the Transmission Customer to respond promptly and completely to Central Maine's reasonable request for information shall result in a fine of $100 per day payable to Central Maine. Continued failure to respond shall constitute default.

In addition to the types of information shown above, the Transmission Customer shall supply accurate and reliable operating information to Central Maine. Such information might include, but not be limited to, metered values for kWh, kW, KVAR, voltage, current, frequency, breaker status data and all other data necessary for reliable operation. Central Maine can require such information to be provided electronically using a method such as Supervisory Control And Data Acquisition (SCADA), Remote Terminal Units (RTU), remote access metering that is capable of interfacing directly with Central Maine's dispatch computer system. All equipment used for such purposes must be approved by Central Maine.

1.4 Operating Requirements

The Transmission Customer shall not conduct any switching or other activity likely to affect Central Maine's system without first contacting and receiving permission from Central Maine.

The Transmission Customer shall carry out all switching orders from Central Maine, the Control Area Operator, or a Designated Agent of either, in a timely manner.

The Transmission Customer shall operate all of its equipment and facilities connected to Central Maine's Transmission System, either directly or indirectly, in a safe, reliable and efficient manner. Such

operations shall also conform to Good Utility Practice and all requirements and guidelines of Central Maine, the Control Area Operator, NERC and NPCC.

1.5 Discontinuance of Service

If at any point in time, it is Central Maine's judgment that the Transmission Customer is operating its equipment in a manner that would adversely impact the quality of service, reliability or safe operation of Central Maine's system, it may discontinue Transmission Service until the condition has been corrected.

If it is Central Maine's or the Control Area Operator's judgment that an emergency exists or that significant adverse impact is imminent, service to the Transmission Customer may be discontinued without notice. Otherwise, Central Maine or the Control Area Operator shall provide the Transmission Customer with reasonable notice of any intent to discontinue service. When practical, Central Maine will also allow suitable time for the Transmission Customer to correct the problem.

1.6 Required Equipment

The Transmission Customer will install, maintain and repair all interconnection equipment at its expense.

1.7 Emergency Operations

The Transmission Customer shall be subject to all applicable emergency operation standards and practices required of Central Maine to operate in an interconnected regional power pool. For Local Network Customers that are not members of ISO, Central Maine reserves the right to require such customers to provide their fair share of actions required under ISO Operating Procedure No 4: Action During a Capacity Deficiency, ISO Operating Procedure No. 7: Action in an Emergency and ISO Operating Procedure No. 14: Action During Extremely Light Load Conditions.

These actions might include, but are not limited to, running generation at maximum or minimum capability, voltage reduction, load shedding, transferring load between Points of Delivery, public appeals for load reduction, implementation of interruptible load programs and starting stand-by and idle generation.

2.0 Metering

Central Maine will provide Local Network Service or Local Contract Demand Service to each Point of Delivery specified in the Transmission Customer's Service Agreement. Each Point of Delivery shall have a unique identifier, meter location and meter number.

2.1 Equipment

All metering equipment and installations used to measure energy and capacity delivered to the Transmission Customer must be approved by Central Maine. All Local Network and Local Contract Demand Customers with Backyard Generation shall be required to have installed appropriate metering to determine such Backyard Generation. Central Maine may require the installation of telemetering equipment for the purposes of billing and power factor measurements and to allow Central Maine to operate its system reliably and efficiently. All such equipment will be installed and maintained at the Transmission Customer's expense.

All meters shall be capable of measuring the instantaneous kW within each hour, net flow in kWh and reactive power flow.

2.2 Seals

All meters shall be sealed, and the seals shall not be broken without prior approval by Central Maine.

2.3 Access

The Transmission Customer shall provide access, including telecommunications access, for a representative of Central Maine, to the meters at reasonable times for the purposes of reading, inspecting, and testing. Central Maine shall use its best efforts not to interfere with normal business operations.

2.4 Calibration and Maintenance

Unless otherwise mutually agreed, the meters shall not be tested or recalibrated or any of the connections, including those of the transformers, disturbed or changed except in the presence of duly authorized representatives of Central Maine and the Transmission Customer or under Emergency Conditions or unless either party, after reasonable notice fails or refuses to have its representatives present.

2.5 Testing

Central Maine will make periodic tests of the metering equipment using Central Maine's standards of accuracy and procedures. Central Maine shall notify the Transmission Customer prior to conducting any metering tests, and the Customer may observe the test. If the meter is found to be inaccurate or otherwise defective, it shall be repaired, adjusted, or replaced at the Transmission Customer's expense.

3.0 Interconnection Equipment

The Transmission Customer's interconnection equipment shall meet all standards of Good Utility Practice.

3.1 Cost

Central Maine will not bear any costs of the interconnection, including any changes as required by this Agreement. The cost of Direct Assignment Facilities will be paid in accordance with this Schedule 21-CMP and the Service Agreement. In the event that Central Maine would incur any expense in connection with the Direct Assignment Facilities, prior to Central Maine incurring any such expense, the Transmission Customer shall be responsible for forwarding to Central Maine funds sufficient to cover that expense, as estimated by Central Maine, including any tax liability for contribution in aid of construction. Central Maine will provide the customer with the actual expenses associated with the funding of Direct Assignment Facilities within sixty (60) days of completion of construction. Adjustments will be made within thirty (30) days thereafter.

3.2 Inspection

Central Maine may inspect the Transmission Customer's interconnection equipment to determine if all standards of Good Utility Practice are met. Central Maine shall not be required to deliver to, or receive electricity from, the Transmission Customer until those requirements are met.

3.3 New Resources

The Transmission Customer shall not connect any generators after the execution of this agreement without first informing Central Maine in writing one-hundred-twenty (120) days in advance of any such connection, except that any such generation not requiring approval of the ISO, shall not be connected without sixty (60) days prior notice in writing. Any third party generating facilities connected after the date of the execution of this agreement shall comply with Central Maine's then-existing Technical Interconnection Requirements for Non-Utility Generation as it applies to generation connected directly to the Central Maine system. The Transmission Customer shall be responsible to ensure compliance with these requirements.

In the event that the Transmission Customer or any third party generating facilities incorporate a synchronous generator after the date of the execution of this Local Network Operating Agreement, the Transmission Customer shall furnish, install and maintain equipment necessary to establish and maintain synchronism with Central Maine's system.

3.4 Protection Equipment

In order to protect Central Maine's system from damage, to minimize the likelihood of injury to operating personnel and third parties, and to allow Central Maine to maintain service to its non-generating customers in the event the Transmission Customer's system encounters operating difficulties, the Transmission Customer shall at its expense, provide, install, and maintain the following equipment insofar as required by Good Utility Practice and, after consultation with Central Maine:

A. A three-phase, gang-operated, load-break, lockable main disconnect switch that allows isolation of the Transmission Customer's facilities from Central Maine's system.

B. An automatic circuit breaker activated by a D.C. power source independent of both Central Maine's and the Transmission Customer's A.C. voltage source which can be tripped by the protective relay system under all system conditions. The circuit breaker must also be suitable for use in synchronizing generation on the Transmission Customer system to Central Maine's system.

C. Under-frequency and over-frequency protective relays to be used in conjunction with the required automatic circuit breaker.

D. Under-voltage and over-voltage protective relays to be used in conjunction with the required automatic circuit breaker.

E. Over-current protective relays to be used in conjunction with the required automatic circuit breaker.

F. Potential and current transformers to be used for the above relaying, sized and connected as approved by Central Maine.

G. Such other equipment as may be reasonably required by Good Utility Practice, as recommended by Central Maine.

H. The Transmission Customer shall provide to Central Maine complete documentation of the Transmission Customer's interconnection equipment, including, but not limited to, power one-line diagrams, relaying diagrams, plans, sectional and elevation views, grading plans, conduit plans,

foundation plans, fence and grounding plans and detailed steel erection diagrams. In addition, the Transmission Customer agrees to provide to Central Maine complete documentation of any changes to the Transmission Customer's Interconnection equipment.

I. The protective relay system required to detect faults on Central Maine's system and the breaker required to disconnect the Transmission Customer's generation to protect the general public and Central Maine's personnel must be approved by Central Maine. Central Maine shall provide relay settings and recommendations for design, equipment selection, and routine maintenance. The Transmission Customer shall purchase, install, and maintain the protective relay system, and maintain and make available to Central Maine all maintenance and test records. Central Maine shall perform functional test(s), at reasonable intervals, of the protective relay system to determine whether the system functions in a manner acceptable to Central Maine and shall notify the Transmission Customer in writing of the test results. The Transmission Customer shall bear the cost of this testing and any other assistance that may be requested of Central Maine before and after the system is made operational.

J. The Transmission Customer shall, at its own expense, repair and maintain its protective relay system and any other equipment owned or operated by the Transmission Customer.

3.5 Maintenance and Modifications To The Interconnection

A. The Transmission Customer shall repair and maintain during the term hereof all of the Transmission Customer's interconnection equipment on the Transmission Customer's side of the visible disconnect that isolates the Transmission Customer's facilities from Central Maine's system, in accordance with established practices and standards for the operation and maintenance of power system equipment.

B. The Transmission Customer shall maintain its own generation in accordance with Good Utility Practice. The Transmission Customer shall ensure that all third party generation facilities connected to the Transmission Customer system is maintained in accordance with Central Maine's Technical Interconnection Requirements for Non-Utility Generation.

C. The Transmission Customer shall arrange with Central Maine an initial functional testing and inter-tie inspection, to be completed prior to the effective date of this agreement. In addition, the Transmission Customer shall arrange with Central Maine for an annual, visual inspection of all

interconnection facilities and associated maintenance records. Every two years, the Transmission Customer shall arrange a relay calibration test and operational test of the Transmission Customer's interconnection equipment. The relay calibration test must be performed by a qualified contractor approved by Central Maine and acceptable to the Transmission Customer or by Central Maine itself. After the relay calibration tests are completed, Central Maine may perform a relay system functional test. The Transmission Customer shall bear the cost of any relay testing and any other assistance that may be requested by Central Maine before and after the system is made operational.

D. Before May 1 of each year, Central Maine shall provide the Transmission Customer with recommended dates for scheduling maintenance of the Transmission Customer's generating facilities, third party generating facilities greater than 5 MW and the Transmission Customer transmission facilities operating at 34.5 Kv or greater. The Transmission Customer shall provide to Central Maine on or before June 1 of each year a list of periods, in order of preference and in accordance with Central Maine's recommended dates, during which the Transmission Customer prefers to schedule maintenance during the subsequent calendar year. If Central Maine does not provide the Transmission Customer with recommended dates before May 1 of any year, the Transmission Customer shall nonetheless provide Central Maine on or before June 1 of that year, a list of periods, in order of preference, in which the Transmission Customer prefers to schedule maintenance during the subsequent calendar year, and Central Maine will attempt to accommodate the Transmission Customer's proposed schedule of maintenance periods if Central Maine can do so without adverse operational or economic effect on ISO, Central Maine or its customers. By July 1 of each year, the Transmission Customer and Central Maine will agree on maintenance periods for the interconnection equipment.

E. If Central Maine in its reasonable judgment determines that the Transmission Customer's interconnection equipment is, in any substantial respect, being maintained otherwise than in accordance with Good Utility Practice, Central Maine may so notify the Transmission Customer in writing. Within thirty (30) days of the date of notification, the Transmission Customer shall conform its maintenance practices to the requirements of Good Utility Practice and of this agreement. In the event that the Transmission Customer fails to bring its maintenance practices into conformance with the requirements of Good Utility Practice within that thirty (30) day period, Central Maine may de-energize the interconnection between the Transmission Customer and Central Maine until the Transmission Customer has conformed its maintenance practices as provided herein.

F. The Transmission Customer shall give Central Maine adequate written notice of any modification or replacement of the Transmission Customer's interconnection equipment. All additions, modifications or replacements must meet the requirements of this agreement and all standards of Good Utility Practice. If the Transmission Customer makes changes without notice to Central Maine, or if Central Maine has reasonable cause to believe that the changes may create dangerous conditions, Central Maine may de-energize the interconnection between the Transmission Customer and Central Maine.

G. The Transmission Customer, at its expense, shall change the Transmission Customer's interconnection equipment as may be reasonably required by Central Maine or as may otherwise be required to conform to Good Utility Practice to meet changing requirements of Central Maine's system.

H. In the event that de-energization of the interconnection is required by the provisions of this agreement, Central Maine will only de-energize the interconnection at the affected Point or Points of Delivery.

4.0 Power Factor

To prevent degradation of voltage to Central Maine's customers, to prevent unnecessary system losses, and to maintain Central Maine voltage levels and area reactive support, the Transmission Customer shall maintain a 97% or higher power factor. Should Central Maine be required to maintain a higher power factor level than 97%, the Transmission Customer shall be required to do so as well. Failure by the Transmission Customer to maintain acceptable power factor may result in additional Direct Assigned Facilities charges associated with installing any equipment needed to maintain the designated power factor.

5.0 Voltage Control

The Transmission Customer's automatic voltage control equipment shall ensure that no more than a 3% instantaneous variation in voltage shall occur at the interconnection during connection or disconnection of a synchronous generator, an induction generator, or any motor load or capacitor.

6.0 Harmonics

The Transmission Customer must operate and maintain its system in a manner that avoids the generation of harmonic frequencies exceeding the limits established by the latest revision of IEEE-519 Recommended Practices and Requirements for Harmonics Control in Electrical Power Systems.

7.0 Default

The Transmission Customer's failure to meet the terms and conditions of the agreement shall be deemed to be a default resulting in Central Maine seeking, consistent with FERC rules and regulations, immediate termination of service.

ATTACHMENT G

Local Service Wholesale Annual Transmission Revenue Requirement

Central Maine Power Company					
Local Annual Transmisison Revenue Requirements (ATTR)					
for Wholesale Customers					
Annual Revenue Requirements for Year					
Line		(A)		(B)	
No.		Amount		Reference	
1	Annual Projected Revenue Requirements			Attachment 2 to Appendix B, W/S 1, line 9(A)	
	less:				
2	Incremental Expenses associated with Customer Expense			Attachment 2 to Appendix B, W/S 1, line 3(A)	
3	Incremental Return associated with Customer Expense			Attachment 2 to Appendix B, W/S 2, line 4(E)	
4	Subtotal (lines 2+3)	$ -			
5	Annual Projected Revenue Requirements for Wholesale Customers (lines 1 minus 4)	$ -			
6	Total Company Coincident Peak - excluding PTF Customers ($/KW-Year)			Attachment_____	
7	Annual Cost per KW-Year (line 5 divided by line 6)	#DIV/0!			
8	Coincident Peak associated with non-PTF Wholesale Customers			Attachment_____	
9	Wholesale Transmisison Revenue Requirement (line 7 multiplied by line 8)	#DIV/0!			

ATTACHMENT H

Umbrella Service Agreement For Retail

Local Network Transmission Service

1.0 This Service Agreement, dated as of March 1, 2000 is entered into, by and between Central Maine Power Company, and Central Maine Power Company, as the Designated Agent for its distribution level retail access customers as determine by the Maine Public Utility Commission ("Transmission Customer"). Such retail customers are not required to sign a Service Agreement, but have designated Central Maine as their agent to arrange and maintain Local Network Transmission Service under the Central Maine Power Company Local Service Schedule 21 and Regional Network Service under the OATT on their behalf.

2.0 Service under this agreement shall commence on March 1, 2000. The Service Agreement shall be effective for an initial term of one year. Thereafter, it will continue from year-to-year unless terminated by Central Maine through a unilateral filing with FERC under section 205 of the FPA. Unless otherwise specified in their State of Maine Tariffs or in their contract with Central Maine, retail distribution level customers taking service under this Service Agreement shall be responsible for transmission charges for the initial term of one month of Central Maine's typical monthly billing cycles for retail customers. Thereafter, such customers will continue to be responsible for transmission charges from typical monthly billing cycle to typical monthly billing cycle.

3.0 Central Maine agrees to provide and the Transmission Customer agrees to take and pay for Local Network Service in accordance with the provisions of Part III of this Schedule 21-CMP, Schedule 12 and this Service Agreement. Retail customers shall continue to pay Maine Public Utility Commission ordered rates, including without limitation, stranded costs and distribution-related costs, as applicable.

4.0 This Schedule 21-CMP is incorporated herein and made a part hereof.

Specifications for Retail Local Network Transmission Service

1.0 Term of Transaction: The Service Agreement shall be effective for an initial term of one year. Thereafter, it will continue from year-to-year.

Start Date: March 1, 2000

2.0 General description of capacity and energy to be transmitted by Central Maine including the electric Control Area in which the transaction originates.

Central Maine will transmit capacity and energy sufficient to serve all of it retail distribution level customers as determined by the Maine Public Utility Commission.

3.0 Retail Local Network Service Customers agree to take the following Ancillary Services from Central Maine under the terms and conditions of the OATT and Central Maine's Local Service Schedule 21.

1. Scheduling, System Control and Dispatch.

Retail Local Network Customers agree to take the following Ancillary Services under the terms and conditions of the OATT and applicable ISO Market Rules through Central Maine or another entity acting as their Designated Agent.

1. Scheduling, System Control and Dispatch
2. Reactive Supply and Voltage Control Service
3. Regulation and Frequency Response Service (Automatic Generation Control)
4. Energy Imbalance Service
5. Ten Minute Spinning Reserve Service
6. Ten Minute Non-Spinning Reserve Service
7. Thirty Minute Operating Reserve Service

ATTACHMENT I

Service Agreement For Retail Local Network Transmission Service

or Retail Local Contract Demand Transmission Service

1.0 This Service Agreement, dated as of _____, is entered into, by and between Central Maine Power Company ("Central Maine"), and _____ ("Transmission Customer").

2.0 The Transmission Customer has been determined by the Central Maine to have a Completed Application for Local Network Transmission Service (check here) or Local Contract Demand Transmission Service (check here) under Schedule 21.

3.0 By checking here , the Transmission Customer agrees to designate Central Maine as its sole agent, pursuant to Schedule 12, for arranging and obtaining Regional Network Service or Regional Contract Demand Transmission Service under the Tariff. The Transmission Provider agrees to bill the Transmission Customer directly for such services, and the Transmission Customer agrees to pay in full such bill for PTF service or Contract Demand service.

3.1 The Transmission Customer agrees to pay Central Maine any and all charges associated with the distribution component of the network service even if there is a dispute over charges associated with the transmission component of the network service. Central Maine reserves the right to terminate service for non-payment of charges for distribution service. Disputes concerning charges for distribution service will be subject to the rules of the Maine Public Utilities Commission. Disputes concerning Transmission Service will be subject to Federal Energy Regulatory Commission ("FERC") rules. Any partial payment by the Transmission Customer to Central Maine will be applied first to any outstanding charges associated with Transmission Services provided by Central Maine to the Transmission Customer under the Tariff. Thereafter, any partial payment by the Transmission Customer to Central Maine will be applied to the outstanding charges associated with the distribution component of the network services provided by Central Maine under Central Maine's Local Service Schedule.

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 facility additions or upgrades are completed, or (3) the date on which a Local Network Operating Agreement is executed and all requirements of said Agreement have been completed or (4) such other

date as it is permitted to become effective by the Commission. Service under this agreement shall terminate on _____.

5.0 Central Maine agrees to arrange and to provide and the Transmission Customer agrees to take and pay for Local Network Service in accordance with the provisions of Part III of this Schedule 21-CMP or Local Contract Demand Service in accordance with the provisions of Part IV of this Schedule 21-CMP, as applicable, 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.

Central Maine:

_____
_____
_____

Transmission Customer:

_____
_____
_____

7.0 This Local Service Schedule 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.

Central Maine:

By:_____ _____ _____

Name Title Date

Transmission Customer:

By:_____ _____ _____

Name Title Date

Specifications For Local Network Transmission Service or Local Contract Demand Transmission Service

1.0 Term of Transaction: _____

Start Date: _____

Termination Date: _____

2.0 General description of capacity and energy to be transmitted by Central Maine including the electric Control Area in which the transaction originates.

_____

3.0 Detailed description and forecast of Local Network Load and/or Contract Demand at each delivery point:

_____

_____

_____

4.0 Detailed description of each Network Resource, including any operating restrictions:_____

_____

_____

5.0 Detailed description of the Transmission Customer's anticipated use of Central Maine's interfaces:

_____

_____

_____

6.0 Description of any Transmission System owned or controlled by the Transmission Customer:_____

_____

_____

_____

7.0 Names(s) of any intervening Transmission Owners:

_____

_____

_____

8.0 The Local Network Service or Local Contract Demand Service Customer agrees to take the following Ancillary Services from Central Maine.

1. Scheduling, System Control and Dispatch _____Yes\No

The Local Network Service or Local Contract Demand Service Customer agrees to take the following Ancillary Services from the ISO, a third party or agrees to self provide them.

		Yes/No	Source
1.	Reactive Supply and Voltage Control	____	* _____
2.	Regulation and Frequency Response	____	* _____
3.	Energy Imbalance	____	* _____
4.	Spinning Reserve	____	* _____
5.	Supplemental Reserve	____	* _____

9.0 Description of required Direct Assignment Facilities:

_____

_____

_____

10.0 In addition to the charge for Transmission Service and charges for Ancillary Services as set forth in this Schedule 21, the customer will be subject to the following charges:

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

_____

_____

10.2 Direct Assignment Facilities Charges:_____

_____

_____

10.3 Redispatch Charges:

_____

_____

10.4 Facility Additions or Upgrade Charges:

_____

ATTACHMENT J

Form Letter of Credit

[BANK LETTERHEAD]

IRREVOCABLE LETTER OF CREDIT

[Date]

Irrevocable Letter of Credit No.

Central Maine Power Co.
Manager, Transmission Services
83 Edison Drive
Augusta, ME 04336

Dear Sirs:

At the request and on the instructions of our customer _____ we hereby establish our irrevocable letter of credit No. _____ in your favor for the account of _____and authorize you to draw on _____ Bank an amount not to exceed _____Dollars ($_____).

Funds under this letter of credit are available to you against a sight draft on us, which must be marked "Drawn under _____ Bank Irrevocable Letter of Credit No. _____ dated _____ ".

Each draft must be accompanied by: (1) a written statement by your duly authorized officer that there is then payable to you from _____ an amount equal to the amount of such draft and specifying the section of the Power Purchase Agreement under which the amount is payable; and (2) the original of this letter of credit, which will be returned to you following notation hereon by the Bank

of the amount of such draft, except that, if the amount of the draft is in the full amount of this letter of credit, then the letter of credit will be retained by the Bank.

Drafts so drawn and accompanied will be honored by this Bank if presented to our main office in _____, prior to the close of business on the expiration date. The expiration date of this letter of credit is _____.

Upon the payment to you of any amount demanded hereunder, we shall be fully discharged on our obligation under this letter of credit with respect to such amount, and we shall not thereafter be obligated to make any further payments under this letter of credit in respect of such amount to you or to any other person.

If at any time prior to presentation for payment hereunder, we receive a certificate signed by an authorized officer of Central Maine stating that this Letter of Credit has been lost, stolen, mutilated or destroyed, we will, upon receipt of (i) the mutilated Letter of Credit, in the case of mutilation of the Letter of Credit, or (ii) in other cases, such proof of loss as we shall reasonably specify, issue to Central Maine a replacement Letter of Credit dated the same date, bearing the same number, in the same amount, and in all other respects identical to this Letter of Credit, as it may have been amended or reduced, except that the replacement Letter of Credit shall be marked "Duplicate" and shall contain a provision stating, "This duplicate Letter of Credit is issued to replace Letter of Credit No. _____; the beneficiary herein agrees to return promptly this duplicate Letter of Credit to [Bank]_____ in the event the original Letter of Credit is recovered."

This letter of credit sets forth in full our understanding and such understanding shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein.

This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits, 1983 Revision, ICC Publication No. 400 (the "Uniform Customs"). This letter of credit shall be deemed to be a contract made under the laws of the State of Maine and shall, as to matters not governed by the Uniform Customs, be governed by and construed in accordance with the laws of said State.

Very truly yours,

BANK

By:

Its:

ATTACHMENT L

Creditworthiness Procedure

I. General Information

This Attachment L details the specific requirements for creditworthiness procedures of Schedule 21-CMP of the OATT for Central Maine Power Company ("CMP"). Any customer taking (i) any service under Schedule 21-CMP, the Local Service Schedule ("LSS") for CMP under the OATT or (ii) any Federal Energy Regulatory Commission ("Commission") regulated Interconnection Service from CMP (such a customer is referred to herein as a "Customer" and such services are referred to individually herein as a "Service" and collectively as "Services") must meet the terms of this Attachment L. The creditworthiness of each Customer must be established prior to receiving Service from CMP. A Customer will be evaluated at the time it's Application for such Service is provided to CMP or to ISO. A credit review shall be conducted for each Transmission Customer at least annually or upon reasonable request by the Transmission Customer. CMP may conduct a credit review any time there is a material change in a Customer's financial conditions as set forth in Section VIII.A. Any change in this Attachment L will be made in accordance with Section 10 and posted on CMP's OASIS.
All Customers must comply with the terms of this Attachment L. The Customer should refer to the Company's web site at www.cmpco.com or the Company's OASIS site, for the applicable contact representative at CMP.

Upon receipt of a Customer's Financial Information, CMP will review it for completeness and will notify the Customer if additional information is required. Upon completion of a credit evaluation of a Customer, CMP will notify the Customer of the results as well as of any Financial Assurance requirements. CMP will provide a written report of the credit evaluation, upon written or email request by the Customer.

II. Financial Information

- Customers requesting Service are required, at the sole discretion of CMP, to submit, if available, all current rating agency reports from Standard and Poor's ("S&P"), Moody's
- and/or Fitch of the Customer, its direct or indirect parent ("Parent"), or other credit provider, or

- Audited financial statements provided by a registered independent auditor for the two most recent years, or the period of its existence, if shorter, for the Customer, its Parent, or credit provider.

III. Creditworthiness Requirements

A. The Customer must meet at least one of the following quantitative criteria:

a) If rated, the Customer must have either for itself or for its outstanding debt the following:

- S&P's or Fitch rating of at least a **BBB-**, or
- Moody's rating of at least a **Baa3**.

Not withstanding any other provision of this Schedule L, a Customers credit will be limited as follows:

Rating (S&P / Moody's)	Credit Limit
A/A2	$30,000,000
A-/A3	$20,000,000
BBB+/Baa1	$15,000,000
BBB/Baa2	$10,000,000
BBB-/Baa3	$5,000,000

If ratings by different agencies are inconsistent, CMP will use the lowest rating.

b) If unrated or if rated below BBB-/Baa3, as stated in a), the Customer must meet all of the following:

- A Current Ratio of at least 1.0 times (current assets divided by all current liabilities);
- A Total Capitalization Ratio of less than 60% debt: total debt (including all short-term borrowing) divided by total shareholders' equity plus total debt:

c) If the Customer relies on the creditworthiness of a parent company; the Customer's parent company must meet the criteria set out in (a) or (b) above, and must provide to CMP a written guarantee,

to CMP's satisfaction, that it will be unconditionally responsible for all financial obligations associated with the Customer's receipt of Transmission Service from CMP.

B. If the Customer does not meet the quantitative criteria in Section A of this Section III, the Customer will qualify for unsecured credit equivalent to two months of Transmission Service charges, or for Interconnection Service, the credit equivalent of two months of the annual facilities charges and other ongoing charges, if the following qualitative criteria are met:

- The Customer has, on a rolling basis, 12 consecutive months of payments to CMP with no missed, late or defaults in payment.

IV. Financial Assurance

If the Customer does not meet the creditworthiness set out in Section III, then the Customer must either:

- Pay in advance for service an amount equal to the lesser of the total charge for Services or the charge for three months of Services not less than five (5) business days in advance of the commencement of service; or,
- Subject to prior approval by CMP, for Transmission Service of three (3) months or longer, prepay each month not less than (5) business days before the beginning of the month. Notwithstanding any other provision of this Attachment L, CMP will not pay interest for prepayment of the current month's service.
- For Interconnection Service, prepayment of three (3) months of the anticipated facilities construction and all construction related costs including but not limited to project planning, management and overheads, as specified and updated from time to time by CMP, not less than five (5) business days in advance of commencing work; or prepayment of all construction related costs according to a schedule to be included in the Interconnection Agreement or E&P Agreement. If a conflict arises between the Terms of this Schedule L and an Interconnection or E&P Agreement, the terms of Interconnection or E&P Agreement shall apply.
- Obtain Financial Assurance, to CMP's satisfaction in the form of (a) letter of credit, (b) performance bond, (c) a cash deposit, or (d) corporate guarantee equal to the equivalent of three (3) months of Transmission Service changes prior to receiving service.

If the Customer pays for service more than one month in advance or posts a cash deposit, CMP will pay the Customer interest on the amounts not yet due to CMP, computed in accordance with the Commission's regulations at 18 C.R.F. § 35.19a(a)(2)(iii).

V. Credit Levels

If the Customer meets the applicable criteria outlined in Section III, that Customer may receive unsecured credit equivalent to three (3) months of transmission charges or, for interconnections, the credit equivalent of three (3) months of the annual facilities charges and other ongoing charges.

VI. Contesting Creditworthiness Determination

The Customer may submit a written request for reconsideration within twenty (20) calendar days of being notified of the creditworthiness determination. Such request should provide information supporting the basis for reconsideration. CMP will review and respond to the request within twenty (20) calendar days.

VII. Process for Changing Credit Requirements

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

A. General Notification Process

a) CMP shall provide written notification to ISO and stakeholders of any filing described above, at least thirty (30) days in advance of such filing.

b) Filing notifications shall include a detailed description of the filing, including a redlined document containing revised change(s).

c) CMP shall consult with interested stakeholders upon request.

d) Following Commission acceptance of such filing and upon the effective date, CMP shall revise its Attachment L Creditworthiness Procedures and an updated version of Schedule 21-CMP shall be posted on the ISO website.

B. Transmission Customer Responsibility

When there is a change in requirements, it is the responsibility of the Transmission Customers to forward updated financial information to the Company, to the address noted on CMP's OASIS site and indicate whether the change affects their ability to meet the requirements of Attachment L. In such cases where the Customer's status has changed, the Customer must take the necessary steps to comply with the revised requirements of Attachment L by the effective date of the change. Failure to meet the requirements of this Section VII (B) shall, at CMP's sole discretion, result in the requirement to post Financial Assurance immediately upon written or email notice by CMP.

VIII. Posting Collateral Requirements

A. Changes in Customer's Financial:

Each Customer must inform CMP in writing, within five (5) business days of any material change in its financial condition, and, if the Customer qualifies under Section IIIA. (c), that of its Parent. A material change in financial conditions may include, but not limited to, the following:

- Change in ownership direct or indirect, by way of 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.

Failure to meet the requirements of this Section VIII (A) shall, at CMP's sole discretion, result in the requirement to post Financial Assurance immediately upon written or email notice by CMP.

B. Change in Creditworthiness Status

A Customer who has been extended unsecured credit under this policy must provide Financial Assurance as set forth in Section IV, within three (3) business days, if one or more of the following conditions apply:

- The Customer no longer meets the applicable criteria for creditworthiness in item III;
- The Customer exceeds the amount of unsecured credit extended by CMP, in which case Financial Assurance equal to the amount of excess must be provided within three (3) business days; or
- The Customer has missed two or more payments for any of the Services offered by the Company's in the last 12 months.
- The Customer fails to meet the requirements of Sections VII (B) or VIII (A).

In the event that CMP determines that there is a change in the credit level or collateral requirements, the Customer may request a written explanation of the basis for this change. Such notification should be sent, in writing or via email, to the CMP contact indicated on the CMP OASIS site. CMP shall respond to such request within twenty (20) days of receipt of such notification.

Customers must post additional collateral within three (3) business days, from the date they are notified of the need for additional requirements.

IX. Ongoing Financial Review

Each Customer is required to submit to CMP annually or when issued, as applicable:

- Current rating agency report covering the Customer or its Parent;
- Audited financial statements of the Customer or its Parent from a registered independent auditor; and
- 10-Ks and 8-Ks, promptly upon their issuance.

X. Suspension of Service

CMP may, at its sole discretion, immediately suspend service (with notification to Commission) to a Customer, and may initiate proceedings with Commission to terminate service, if the Customer does not meet the terms described in items III through VII at any time during the term of service or if the customer's payment obligations to CMP exceed the amount of unsecured or secured credit to which it is

entitled under this Attachment L. A Customer is not obligated to pay for Transmission Service that is not provided as a result of a suspension of service.

SCHEDULE 21-CTMEEC

I. COMMON SERVICE PROVISIONS

1 Definitions

Whenever used in this Local Service Schedule, in either the singular or plural number, the following capitalized terms shall have the meanings specified in this Section 1. Terms used in this Local Service Schedule that are not defined in this Local Service Schedule shall have the meanings set forth in the OATT or customarily attributed to such terms by the electric utility industry in New England. Where there is a conflict between this Local Service Schedule and the OATT, the terms here shall apply

1.1 Annual True Up

The reconciliation of- actual costs- to actual revenues received- under Section 2.1 of this Schedule 21-CTMEEC for any Service Year.

1.2 -Transmission Customer's Schedule 12C Costs Load

~~The~~ For a Transmission Customer taking Regional Network Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service under the OATT, the Monthly 12C Costs Load is the Transmission Customer's load on the CTMEEC Transmission System coincident with the monthly Connecticut transmission system peak Load. For a Transmission Customer taking Firm Contract Demand Service under the OATT, the Monthly Schedule 12C Costs Load is the Firm Contract Demand for load located in Connecticut.

1.3 CTMEEC

The Connecticut Transmission Municipal Electric Energy Cooperative.

1.4 CTMEEC Transmission System

The transmission facilities owned by CTMEEC used to provide transmission service under this Schedule.

1.5 Interest

The amount computed in accordance with the Commission's regulations at 18 C.F.R. §35.19a (a)(2)(iii). Interest on deposits and shall be calculated from the day the deposit check is credited to CTMEEC's account.

1.6 ~~-~~Schedule 12C ~~-~~Cost Responsibility Agreement

An agreement under which a customer subject to Schedule 21-CTMEEC agrees or is deemed to agree to take or pay for the service to which Schedule 21-CTMEEC relates.

1.7 Schedule 12C Facilities

Facilities, the cost of which the New England System Operator determines should not be included in Attachment F of the OATT.

1.8 CTMEEC Transmission System Schedule 12C Costs Load

~~CTMEEC's~~ Connecticut's 12-month ~~average~~ load coincident with the monthly transmission system peak load for the Service Year during which service is rendered (expressed in kilowatts).

1.9 New England System Operator

ISO New England~~,~~ Inc. ("ISO") or its successor entity.

1.10 Party(ies)

CTMEEC and the Transmission Customer receiving service under the Tariff.

1.11 Service Year

The calendar year in which the Transmission Customer is receiving service under this Schedule.

1.12 CTMEEC's Transmission System

The PTF and non-PTF facilities owned, controlled or operated by CTMEEC. This includes PTF facilities whose costs are not included in the regional rate.

2. Billing and Payment

2.1 Billing Procedure

Within a reasonable time after the first day of each month, CTMEEC, or its agent, shall submit an invoice to the Transmission Customer for the charges for all services furnished under the OATT 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 CTMEEC, or its agent, or by wire transfer to a bank named by CTMEEC or its agent. Billing hereunder shall be based on cost estimates made by CTMEEC subject to Annual True-up when actual costs for the Service Year are known. The- Schedule 12C Costs Annual True-up shall be calculated in accordance with Attachment 3 of Appendix B to Attachment F, under this OATT. The Annual True-up will include interest calculated in accordance with 18 C.F.R. § 35.19a(a)(2)(iii) of the Commission's regulations.

2.2 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. § 35.19a(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 CTMEEC.

2.3 Transmission Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to CTMEEC on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after CTMEEC

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, CTMEEC 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 CTMEEC and the Transmission Customer, CTMEEC will continue to provide service under the Schedule 12C Costs Responsibility 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 CTMEEC may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. Neither Party shall have the right to challenge any monthly bill or to bring any court or administrative action of any kind questioning the propriety of any bill after a period of twenty four (24) months from the date the bill was due; provided, however, that in the case of a bill based on estimates, such twenty-four month period shall run from the due date of the final adjusted bill. For a Transmission Customer taking Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service, the terms of the applicable Cost Recovery Agreement shall govern.

3. Regulatory Filings

Nothing contained in the OATT or any 12C Costs Responsibility Agreement shall be construed as affecting in any way such right as CTMEEC may have to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Schedule 12C Costs Responsibility Agreement, rule or regulation under Section 205 or 206 or other provision of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder provided the exercise of such rights is not in contravention of the Moratorium established in FERC Docket No. EL16-19. Nor shall anything contained in the OATT or any Agreement be construed as affecting in any way such right as CTMEEC may have as a governmental entity that is not a jurisdictional "public utility" under the Federal Power Act to effect unilaterally a change in rates, terms and conditions, charges, classification of service, Schedule 12C Costs Responsibility Agreement, rule or regulation provided the exercise

of such rights is not in contravention of the Moratorium established in FERC Docket No. EL16-19.

Nothing contained in the OATT or any Schedule 12C Costs- Responsibility Agreement shall be construed as affecting in any way the ability of any Party receiving service under the OATT to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

4. Creditworthiness

See Attachment CTMEEC-B to this Schedule 21-CTMEEC.

II. SCHEDULE 21-CTMEEC SERVICE

1. Nature of Service

Service under Schedule 21-CTMEEC requires that Eligible Customers, who take Regional Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service under the OATT in a state or area in which CTMEEC's Schedule 12C -Facilities are located, pay for their portion of the Schedule 12C Costs of CTMEEC's Transmission System as determined in accordance with this Schedule.

2. Rates and Charges

2.1 General

Rates for Schedule 21-CTMEEC Service shall be determined as set forth in Schedule CTMEEC-1 on the basis of estimated costs for each Service Year until the actual costs for such Service Year are determined. Thereafter, payments made on such estimated costs shall be recalculated based on actual data for that Service Year, and an appropriate billing adjustment shall be made pursuant to Section 2.1 of this Schedule 21-CTMEEC.

2.2 ~~Eligible Customers Taking Service Under the ISO OATT~~Schedule 12.C Costs Charge

Any Eligible Customer taking Regional Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service under the OATT in the State of Connecticut, shall pay to CTMEEC the Monthly Demand Charge set forth in Section 2.3.- CTMEEC shall not charge any such customer any such costs until such- Schedule 12C Costs Responsibility Agreement has been accepted by the Commission.

2.3 Monthly Demand Charge

The Transmission Customer shall pay monthly Demand Charges, which shall be determined by multiplying the Customer's Schedule 12C Costs Load times the Annual Schedule 12C Costs Rate calculated in accordance with the formula specified in Appendix A of Schedule CTMEEC-1.

2.4 Determination of Transmission Customer's Schedule 12C Costs Load

The Transmission Customer's Schedule 12C Costs Load ~~is its hourly load in Connecticut coincident with the monthly transmission system peak load for Connecticut.~~ will be determined in accordance with Section 1.2 of this Schedule 21-CTMEEC.

SCHEDULE CTMEEC-1: CHARGE PROVISIONS FOR SCHEDULE 21-CTMEEC

I. DEMAND CHARGE

Transmission Customers will pay a demand charge for Service under Schedule 21-CTMEEC.

1. Determination of Demand Charge

The Demand Charge will be determined in accordance with Section II.2.3 of this Schedule 21-CTMEEC.

2. CTMEEC's Annual Transmission Revenue Requirements ("ATRR")

The Annual Transmission Revenue Requirements shall be determined in accordance with the formula specified in Attachment 3 of Appendix B to Attachment F of this OATT.

II. TAX RATES AND TAXES

The Formula Requirements set forth in this Schedule CTMEEC-1 in effect during a Service Year shall be based on applicable tax rates and taxes in effect during the Service Year. If, at any time, additional or new taxes are imposed on CTMEEC or existing taxes are removed, the Formula Requirements will be appropriately modified and filed with the Commission in accordance with Part 35 of the Commission's regulations.

III. ADDITIONAL CHARGES

In addition to the applicable charges of this Schedule 21-CTMEEC, and as otherwise specified in the Schedule 12C Costs Responsibility Agreement, the Transmission Customer shall pay to CTMEEC each month the following additional charges for service provided during such month.

A. Regulatory Expenses Charge

CTMEEC shall have the right to file for recovery of regulatory expenses associated with this Schedule 21-CTMEEC and the Schedule 12C Costs Responsibility Agreements.

SCHEDULE CTMEEC-1 Appendix A CTMEEC's rates will be calculated in accordance with the formula provided below.

	Amount	Reference
1. Schedule 12C Costs ATRR	**$ -**	Attachment 3 of Appendix E to Attachment F
2. CTMEEC Transmission System Schedule 12C Costs Load for the calendar year two years prior to the Service Year	-	Attachment _
3. AnnualSchedule 12C Costs Rate	#DIV/0!	Line1 /Line 2

ATTACHMENT CTMEEC-A: -SCHEDULE 12C -COST RESPONSIBILITY -AGREEMENT

This Schedule 12C Costs Responsibility Agreement ("Agreement") –dated as of _____, is entered into by and between the Connecticut Transmission Municipal Electric Energy Cooperative and "Transmission Customer".

The Transmission Customer is_____ -and has been determined by CTMEEC to be an Eligible Customer taking Regional Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service under the OATT who is located in the state or area in which Schedule 12C Facilities have been identified under Schedule 12C of the ISO-NE Open Access Transmission Tariff ("OATT") and authorized for Schedule 12C Cost Recovery under Schedule 21- CTMEEC on file with, and as may be revised from time to time in accordance with the rules of the Federal Energy Regulatory Commission. The Transmission Customer agrees to pay its portion of the Schedule 12C costs of the Middletown Norwalk 345 kV Transmission Project ("Schedule 12C Facilities") as provided in Section II of the Schedule 21-CTMEEC-. Service under this Agreement shall commence on the later of: (1) 0001 hours on _____, or (2) such other date as it is permitted to become effective by the Commission. Service under this Agreement shall terminate on 2400 hours on _____.

Other special provisions (if any): ~~RESERVED~~

_____.

Any notice or request made to or by any Party regarding this Agreement shall be made in writing and shall be telecommunicated or delivered either in person, or by prepaid mail (return receipt requested) to the representative of the other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party to the other.

CTMEEC:

~~Director of~~ Asset Management

30 Stott Avenue

Norwich, CT. 06360

TRANSMISSION CUSTOMER:

_____

_____

_____

Any exhibits to this Agreement and the Tariff are incorporated herein and made a part hereof. This Agreement may be amended, from time to time, as provided for in Schedule 21-CTMEEC of the OATT.

IN WITNESS WHEREOF, the Parties have caused this Service Agreement to be executed by their respective authorized officials as of the date first above written.

CTMEEC

By:

TRANSMISSION CUSTOMER

By:

SCHEDULE 21-CTMEEC ATTACHMENT CTMEEC-B Creditworthiness Procedures

1. General Information

All customers taking any service under Schedule 21-CTMEEC must meet the terms of this Attachment CTMEEC-B.

2. Establishing Creditworthiness

a) Each customer that, immediately prior to the closing of the transaction reviewed in Docket No. EC11-31, is then taking service under the Schedule 21 of the predecessor owner of the facilities subject to that proceeding is deemed to be creditworthy at the time of closing, and need not re-establish its creditworthiness at that time in order to continue receiving service.

b) Unless covered by section (a) above, each customer's creditworthiness must be established before receiving transmission services from CTMEEC. A customer will be evaluated at the time that its application for transmission service is provided to CTMEEC based on the creditworthiness information required under this Attachment CTMEEC-B. CTMEEC shall conduct a credit review of each transmission customer not less than annually or upon reasonable request by the transmission customer.

c) CTMEEC will review the customer's creditworthiness information for completeness and will notify the customer if additional information is required.

d) Upon completion of a creditworthiness evaluation of a customer, CTMEEC will forward a written evaluation to the customer if it determines that Financial Assurance must be provided.

3. Financial Information

Customers requesting transmission service must submit if available the following:

a) All current rating agency reports of the customer from Standard and Poor's ("S&P"), Moody's Investors Service ("Moody's"), and/or Fitch Ratings ("Fitch").

b) A Management Discussion and Analysis ("MD&A") along with audited financial statements provided by an independent registered public accounting firm or a registered independent auditor for the three (3) most recent fiscal years, or the period of the customer's existence, if shorter than three (3) years.

4. Creditworthiness – Qualification for Unsecured Credit

a) A customer may receive unsecured credit from CTMEEC equivalent to three (3) months of the transmission charges. The customer must meet at least one of the following criteria:

(i) If rated, the customer's lowest rating from the three rating agencies on its senior unsecured long-term debt; or if the customer does not have such a rating, then one rating level below the rating then assigned to the customer's corporate credit rating, as follows:

1. a Standard and Poor's or Fitch rating of at least BBB, or

2. a Moody's rating of least Baa2.

(ii) If un-rated or if rated below BBB/Baa2, as described in 4(a)(i) above, the customer must meet all of the following creditworthiness criteria for the three (3) most recent fiscal years:

1. A Capitalization Ratio (Debt divided by the sum of shareholders' equity and Debt) of no more than 60 percent Debt, where "Debt" is defined as the sum of all long-term and short-term debt, preferred securities and capital leases. Each of which is recorded in accordance with generally accepted accounting principles;

2. Earnings before interest, taxes, depreciation and amortization ("EBITDA") in the most recent fiscal quarter divided by interest expense (ratio of EBITDA-to-interest expense of at least three (3) times); and

3. Audited Financial Statements with an unqualified auditor opinion.

b) If the customer relies on the creditworthiness of a parent company, the parent company must satisfy the ratings criteria in Section 4(a) above, and must provide to CTMEEC a written guarantee that it will be unconditionally responsible for all financial obligations associated with the customer's receipt of transmission service from CTMEEC.

c) If the customer or the customer's parent company do not qualify for unsecured credit under Sections 4(a) or (b) above, the customer can still qualify for unsecured credit equivalent to three (3) months of transmission service charges, if:

(i) the customer has, on a rolling basis, 12 consecutive months of payments to CTMEEC with no missed, late or defaults in payment; or

(ii) the customer has an executed long-term contract for the sale of the full output (energy and capacity) of its generating unit and either has executed a corresponding service transmission service agreement under Schedule 21-CTMEEC for the transmission of that output or the execution of such agreement is pending the customer's demonstration of creditworthiness.

5. Financial Assurance

If the customer does not meet the applicable requirements for unsecured credit set out in Section 4 then the customer must either:

a) pay in advance an amount equal to the lesser of the total charge for transmission service not less than five (5) days in advance of the commencement of service, in which case CTMEEC will pay to the customer interest on the amounts not yet due to CTMEEC, computed in accordance with 18 C.F.R. §35.19(a)(2)(iii) of the Commission's Regulations; or

b) obtain Financial Assurance in the form of a letter of credit or a parent guarantee equal to the equivalent of three (3) months of transmission service charges prior to receiving service.

(i) The letter of credit must be one or more irrevocable, transferable standby letters of credit issued by a United States commercial bank or a United States branch of a foreign bank provided that such customer is not an affiliate of such bank. The issuing bank must have a credit rating of at least A2 from Moody's or an A rating from S&P or Fitch, or an equivalent credit rating by another nationally recognized rating service reasonably acceptable to CTMEEC, provided that such bank shall have assets totaling not less than ten billion dollars ($10,000,000,000). All costs of the letter of credit shall be borne by the applicant for such letter of credit. In the event of an inconsistency in the ratings by Moody's, S&P, or Fitch, a "split rating", the lowest credit rating shall apply.

(ii) If the credit rating of a bank or other financial institution issuing a letter of credit to a customer falls below the levels specified in Section 5(b)(i) above, the customer shall have three (3) business days to obtain a suitable letter of credit from another bank or other financial institution that meets the specified levels unless CTMEEC agree in writing to extend such period.

6. Notifications

Each customer must inform CTMEEC in writing within three (3) business days of any material change in its or its letter of credit issuer's financial condition, and if the customer qualifies under Section 4(b), that of its parent company. A material change in financial condition may include, without limitation, the following:

a) change in ownership by way of a merger, acquisition, or substantial sale of assets;

b) downgrade by a recognized major financial rating agency;

c) placement on credit watch with negative implications by a major financial rating agency;

d) a bankruptcy filing by the customer or parent;

e) any action requiring the filing of a SEC Form 8-K;

f) declaration of or acknowledgement of insolvency;

g) report of a significant quarterly loss or decline in earnings;

h) resignation of key officer(s); or

i) issuance of a regulatory order and/or the filing of a lawsuit that could materially adversely impact current or future financial results.

7. Ongoing Financial Review

Each customer is required to submit to CTMEEC annually or when issued, as applicable:

a) current rating agency reports;

b) audited financial statements from an independent registered public accounting firm or a registered independent auditor; and

c) SEC Forms 10-K and 8-K, promptly upon their filing.

8. Change in Creditworthiness Status

A customer who has been extended unsecured credit pursuant to Section 4, must comply with the terms of Financial Assurance in Section 5, if one or more of the following conditions apply:

a) the customer no longer meets the applicable criteria for unsecured credit in Section 4;

b) the customer exceeds the amount of unsecured credit extended by CTMEEC, in which case Financial Assurance equal to the amount of exceeded unsecured credit must be provided within five (5) business days; or

c) the customer has missed two or more payments for any of the transmission services provided by CTMEEC in the last twelve (12) months.

9. Procedures for Changes in Credit Levels and Collateral Requirements

a) CTMEEC shall issue notice to a customer of any changes to the approved credit levels and/or collateral requirements within five (5) business days after (1) receiving notification of any material changes in financial condition under Section 6 above; (2) receiving the information required for the customer's ongoing financial review listed in Section 7 above; or (3) the occurrence of any of the events leading to a change in creditworthiness requirements listed in Section 8 above.

b) A customer may submit a written request that CTMEEC provide an explanation of the reasons for the changes in credit levels and/or collateral requirements within five (5) business days after receiving notification of the changes. CTMEEC will provide a written response within five (5) business days after receiving such a request.

10. Contesting Creditworthiness Determinations

A customer may contest CTMEEC's determination of its creditworthiness by submitting a written request for re-evaluation within 20 calendar days of being notified of the creditworthiness determination. The request should provide information supporting the basis for a re-evaluation of the customer's creditworthiness. CTMEEC will review the request and respond within 20 calendar days of receipt.

11. Process for Changing Credit Requirements

a) In the event CTMEEC plan to revise the Schedule 21-CTMEEC requirements for credit levels or collateral requirements described in this Attachment CTMEEC-B, they will make a filing under Section 205 or 206 or other applicable provision of the Federal Power Act.

b) CTMEEC shall provide written notification to ISO-NE and stakeholders of any filing described above, at least 30 days in advance of such filing.

c) Filing notifications shall include a detailed description of the filing, including a redlined document containing revised changes(s) to this Attachment CTMEEC-B.

d) CTMEEC shall consult with interested stakeholders upon request.

e) Following Commission acceptance of such filing and upon the effective date, CTMEEC shall revise their Attachment CTMEEC-B and an updated version of Schedule 21-CTMEEC shall be posted to the ISO-NE web site.

f) When CTMEEC change their credit requirements for service under Schedule 21-CTMEEC, the customer is responsible for forwarding updated financial information to CTMEEC. The customer must indicate whether the change affects its ability to meet the requirements of Attachment CTMEEC-B. In cases where the customer's credit status has changed, the customer must take the necessary steps to comply with the revised credit requirements of Attachment CTMEEC-B by the effective date of the change.

12. Suspension of Service

CTMEEC may immediately suspend service (with notification to the Commission) to a customer, and may initiate proceedings with the Commission to terminate service, if the customer does not meet the terms described in Sections 4 through 8 at any time during the term of service or if the customer's payment obligations to CTMEEC exceed the amount of unsecured or secured credit to which it is entitled under this Attachment -CTMEEC-B. A customer is not obligated to pay for transmission service that is not provided as a result of a suspension of service.

EVERSOURCE

SCHEDULE 21-ES

Preamble

Schedule 21-ES governs the terms and conditions of service taken by Transmission Customers over the Transmission Systems of The Connecticut Light and Power Company, Public Service Company of New Hampshire, NSTAR Electric Company (West) and NSTAR Electric Company (East), and is structured as follows:

- **Schedule 21-ES (Part A)**

  The portion of Schedule 21-ES that relates to The Connecticut Light and Power Company ("CL&P"), Public Service Company of New Hampshire and NSTAR Electric Company (West) (together, the "Eversource Companies") is designated as Schedule 21-ES, Part A.

- **Schedule 21-ES (Part B)**

  The portion of Schedule 21-ES that relates to NSTAR Electric Company (East) ("NSTAR East") is designated as Schedule 21-ES, Part B.

SCHEDULE 21- ES

PART A

SCHEDULE 21-ES (PART A)

TABLE OF CONTENTS

I. Common Service Provisions

II. Local Point-To-Point Service

III. Local Network Service

IV. Local Firm Contract Demand Service

V. Local Non-Firm Contract Demand Service

VI. Local Interim Contract Demand Service

~~**IV**~~**VII.** Rates and Charges

Schedule ES-1 (Part A): Scheduling System Control and Dispatch Service

Schedule ES-2 (Part A): Local Service

Appendix A: Local Service Rates

Schedule ES-3 (Part A): Schedule 12C Costs

Appendix A: Schedule 12C Costs Rates

Attachment ES-C (Part A): Available Transfer Capability Methodology

Attachment ES-D (Part A): Penalty Disbursement Methodology

Attachment ES-E (Part A): Schedule 12C Costs Responsibility Agreement

Attachment ES-G (Part A): Network Operating Agreement

Attachment ES-L (Part A): Creditworthiness Procedures

SCHEDULE 21-ES (PART A)

LOCAL SERVICE SCHEDULE

This Local Service Schedule, designated Schedule 21-ES (Part A), governs the terms and conditions of service taken by Transmission Customers over the Transmission System of The Connecticut Light and Power Company, Public Service Company of New Hampshire and NSTAR Electric Company (West) (together, the "Eversource Companies"), but not over the Transmission System of NSTAR Electric Company (East) ("NSTAR East"), which provides service pursuant to Schedule 21-ES (Part B). Under this Service Schedule, the Eversource Companies provides Local Network Service, ~~and~~ Local Point-to-Point Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service, as well as Scheduling, System Control and Dispatch Service as an ancillary service associated with both Local Network Service, ~~and~~ Local Point-to-Point Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service. References herein to "this Local Service Schedule" refer to Schedule 21-ES (Part A).

I. COMMON SERVICE PROVISIONS

1 Definitions

Whenever used in this Local Service Schedule, in either the singular or plural number, the following capitalized terms shall have the meanings specified in this Section 1. Terms used in this Local Service Schedule that are not defined in this Local Service Schedule shall have the meanings set forth in the Tariff or customarily attributed to such terms by the electric utility industry in New England. Where there is a conflict between this Local Service Schedule and the Tariff, the terms here shall apply

1.1 Annual True-Up

The reconciliation of actual costs to actual revenues received under Section 3.0 of this Local Service Schedule for any Service Year.

1.2 Customer's Monthly Local Service Load

The Transmission Customer's load on the Eversource Companies Transmission System coincident with the Eversource Companies' monthly transmission system peak load. This will be calculated individually for Transmission Customers in the states of Connecticut, Massachusetts, and New Hampshire based on their loads in each state, as applicable. For a Transmission

Customer taking Firm Contract Demand Service under the OATT, the Customer's Monthly Local Service Load is the Customer's Firm Contract Demand.

1.3 Customer's Monthly Schedule 12C Costs Load

The Schedule 12C Costs Customer's load for a Designated State or Area coincident with the monthly transmission system peak load for the Designated State or Area. For a Transmission Customer taking Firm Contract Demand Service under the OATT, the Customer's Monthly Schedule 12C Costs Load is the Firm Contract Demand for load located within the Designated State or Area.

1.4 Designated State or Area

The state or area to which the Commission approves the allocation of Schedule 12C Costs identified in Section 13.4.

1.5 Eversource Companies

For purposes of this Schedule 21-ES (Part A), the Eversource Companies shall refer to The Connecticut Light and Power Company, NSTAR Electric Company (West), and Public Service Company of New Hampshire, but excluding NSTAR Electric Company (East), which provides transmission service pursuant to Schedule 21-ES (Part B).

1.6 Eversource Companies' Transmission System

The transmission facilities owned, controlled or operated by the Eversource Companies that are used to provide transmission service under this Local Service Schedule.

1.7 Eversource Companies' Transmission System Local Service Load for the State

The 12-month average Eversource Companies' Transmission System loads in a state coincident with the Eversource Companies' monthly transmission system peak loads, minus the 12-month average usage of all Firm Point-To-Point Service Customers and Firm Contract Demand Customers pursuant to this Local Service Schedule in the state coincident with the Eversource Companies' monthly transmission system peak loads, plus the 12-month average Reserved Capacity of all Firm Point-To-Point Service Customers and the Firm Contract Demand of all Firm Contract Demand Service Customers in the state for the Service Year during which services is rendered (expressed in kilowatts). This will be calculated individually for the states of Connecticut, Massachusetts, and New Hampshire based on the load for each state, as applicable.

1.8 Eversource Companies' Transmission System Schedule 12C Costs Load for the Designated State or Area

The Eversource Companies' 12-month average Designated State or Area load coincident with the monthly transmission system peak load for the Designated State or Area for the Service Year during which service is rendered (expressed in kilowatts). For Connecticut customers, the transmission system peak load shall be all Regional Network Load in Connecticut. For Massachusetts customers, transmission system peak load shall exclude the load of generators taking RNS for the delivery of offline station service.

1.9 **Interest**

The amount computed in accordance with the Commission's regulations at 18 CFR §35.19a (a)(2)(iii). Interest on deposits shall be calculated from the day the deposit check is credited to the Eversource Service Company's account.

1.10 **Interruption**

A reduction in non-firm transmission service due to economic reasons pursuant to Schedule 21.

1.11 **Local Network Service Load**

The load that a Network Customer designates for Local Network Service under this Local Service Schedule. The Network Customer's Local Network Service Load shall include all load designated by the Network Customer, (including losses). A Network Customer may elect to designate less than its total load as Local Network Service Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete Points of Delivery as Local Network Service Load, the Eligible Customer is responsible for making separate arrangements under this Local Service Schedule for any Local Point-To-Point Service that may be necessary for such non-designated load. The Local Network Loads shall be specified in the Local Service Agreement.

1.12 **Long Term Firm Local Point-To-Point Service**

Firm Local Point-To-Point Service provided under this Local Service Schedule with a term of one year or more.

1.13 **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 Local Network Service under Part III of this Local Service Schedule.

1.14 **Network Upgrades**

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

1.15 **Non-Firm Local Point-to-Point Service**

Local Point-To-Point Service under this Local Service Schedule that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in this Local Service Schedule. Non-Firm Local Point-To-Point Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.16 **Party(ies)**

The Eversource Companies and the Transmission Customer receiving service under the Tariff.

1.17 **Schedule 12C Costs**

Costs for PTF that the ISO determines -are not allowed recovery in Regional Network Service rates.

1.18 **Schedule 12C Costs Responsibility Agreement ("CRA")**

An executed agreement that contains the terms and conditions related to the cost responsibility for Schedule 12C Costs.

1.19 **Service Agreement**

Service Agreement is a Local Service Agreement as defined in Attachment A to Schedule 21-Common.

1.20 **Service Year**

The calendar year in which the Transmission Customer is receiving service under this Local Service Schedule.

1.21 **Short-Term Firm Point-To-Point Service**

Firm Point-To-Point Service under this Local Service Schedule with a term of less than one year.

2. Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. The Eversource Companies are required to provide (or offer to arrange with the New England System Operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Service (i) Scheduling, System Control and Dispatch.

The Transmission Customer serving load within the Eversource Companies Control Area shall also obtain the following ancillary services: (i) Reactive Supply and Voltage Control from Generation Sources, (ii) Regulation and Frequency Response, (iii) Energy Imbalance, (iv) Operating Reserve - Spinning, and (v) Operating Reserve - Supplemental.

The Transmission Customer serving load within the Eversource Companies Control Area is required to acquire the appropriate Ancillary Services, whether from the New England System Operator, the Eversource Companies, another party, or by self-supply.

The Transmission Customer may not decline the Eversource Companies' or the New England System Operator's offer of appropriate 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 Eversource Companies.

If the Eversource Companies are unable to provide Scheduling, System Control and Dispatch, the Eversource Companies can fulfill their obligation to provide this Ancillary Service by acting as the Transmission Customer's agent to secure this Ancillary Service from the New England System Operator. The Transmission Customer may elect to (i) have the Eversource Companies act as its agent to obtain Scheduling, System Control and Dispatch, (ii) secure Scheduling, System Control and Dispatch directly from the New England System Operator, or from a third party.

The Eversource Companies or New England System Operator 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 Schedule that is attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Eversource Companies in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Eversource Companies must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Eversource Companies system.

3. Billing and Payment

3.1 **Billing Procedure**

Within a reasonable time after the first day of each month, Eversource Service Company shall submit an invoice to the Transmission Customer for the charges for all services furnished or costs allocated under the Tariff during the preceding month.

The invoice shall be paid by the Transmission Customer within twenty-five (25) days of the date of the invoice. All payments shall be made in immediately available funds payable to the Eversource Service Company, or by wire transfer to a bank named by the Eversource Service Company. Billing hereunder shall be based on cost estimates made by the Eversource Companies subject to Annual True-up when actual costs for the Service Year are known. The Local Service, Schedule 12C Costs, and Scheduling and Dispatch Center Annual True-up shall be calculated in accordance with Attachment 2 of Appendix B to Attachment F, Worksheet 4 and Attachment 3 of Appendix B to Attachment F, Worksheet 5 under this OATT, respectively. The Annual True-up will include interest calculated in accordance with 18 C.F.R. § 35.19a(a)(2)(iii) of the Commission's regulations.

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. § 35.19a(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 the Eversource Service Company.

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 the Eversource Service Company on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Eversource Service Company 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 Eversource Companies 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 the Eversource Companies and the Transmission Customer, the Eversource Companies 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 Eversource Companies may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. Neither Party shall have the right to challenge any monthly bill or to bring any court or administrative action of any kind questioning the propriety of any bill after a period of twenty-four (24) months from the date the bill was due; provided, however, that in the case of a bill based on estimates, such twenty-four month period shall run from the due date of the final adjusted bill. If the Transmission Customer is taking Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service, the terms of the applicable Large Load Cost Recovery Agreement shall govern.

4. Creditworthiness: See Attachment ES-L (Part A).

II. LOCAL POINT-TO-POINT SERVICE

Scheduling of Local Point-To-Point Service:

ISO will dispatch all resources subject to its control, pursuant to Market Rule 1, in order to meet load and to accommodate external transactions. Resources within the New England Control Area using Firm Point-to-Point Service shall be dispatched based on economic merit in accordance with Market Rule 1 and will have no physical scheduling or dispatch rights. Transmission Customers will be charged for congestion costs and any other costs associated with such dispatch in accordance with Market Rule 1.

5. Nature of Firm Point-To-Point Service

5.1 Classification of Firm Transmission Service

The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule ES-2 (Part A), as appropriate, for Long-Term and Short-Term Firm Point-To-Point Service. In the event that either a Transmission Customer has not made a capacity reservation, or a Transmission Customer exceeds its firm capacity reservation at the Point of Receipt and Point of Delivery the Transmission Customer shall be billed and pay for its actual use of such excess capacity in addition to any Reserved Capacity pursuant to Schedule ES-2 (Part A), including ancillary services provided pursuant to Schedule ES-1 (Part A) hereto.

6. Nature of Non-Firm Point-To-Point Service

6.1 Classification of Non-Firm Point-To-Point Service

The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule ES-2 (Part A), as appropriate, for Non-Firm Point-To-Point Service. In the event that either a Transmission Customer has not made a capacity reservation, or a Transmission Customer exceeds its non-firm capacity reservation at any Point of Receipt or Point of Delivery, the Transmission Customer shall be billed and pay for its actual use of such excess capacity in addition to any Reserved Capacity pursuant to Schedule ES-2 (Part A), including ancillary services provided pursuant to Schedule ES-1 (Part A) hereto. Non-Firm Point-To-Point Service shall include transmission of energy on an hourly basis and transmission of scheduled short-term capacity

and/or energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule ES-2 (Part A).

7. Service Availability

7.1 Real Power Losses

Real Power Losses are associated with all transmission service. The Eversource Companies are not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as determined under Market Rule 1. The applicable Real Power Loss factors are as follows:

The amount of transmission losses incurred in transmitting power from the POR(s) to the POD(s) ("Loss Amount") shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the Eversource Companies' OASIS In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth below:

	Cumulative Losses in Percent		
POR/POD	**Peak***	**Off-Peak**	**24 Hr. Avg.**
Bulk Transmission	1.98	2.42	2.21
Bulk Substation	2.46	2.92	2.70
Pri. Distribution	4.58	4.50	4.54

*Peak hours are defined as 0700-2300, Monday-Friday; Off-Peak hours are all other hours.

8 Procedures for Arranging Firm Point-To-Point Service

8.1 Deposit

A Completed Application for Firm Point-To-Point Service also shall include a deposit of either three month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month.

9. Additional Study Procedures For Firm Point-To-Point Service Requests:

9.1 Disbursement Methodology for Late Study Penalties

See Attachment ES-D (Part A).

III. LOCAL NETWORK SERVICE

10. Nature of Local Network Service

10.1 Real Power Losses

Real Power Losses are associated with all transmission service. The Eversource Companies are not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as determined under Market Rule 1. The applicable Real Power Loss factors are as follows:

The amount of transmission losses incurred in transmitting power across the Eversource Companies Transmission System to the Network Customer's Local Network Service Load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth below:

Cumulative Losses in Percent

POR/POD	Peak*	Off-Peak	24 Hr. Avg.
Bulk Transmission	1.98	2.42	2.21
Bulk Substation	2.46	2.92	2.70
Pri. Distribution	4.58	4.50	4.54

*Peak hours are defined as 0700-2300, Monday-Friday; Off-Peak hours are all other hours.

11. Network Resources

11.1 Use of Interface Capacity by the Network Customer

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

12. Additional Study Procedures For Local Network Service Requests

12.1 Disbursement Methodology for Late Study Penalties See Attachment ES-D (Part A)

13. Operating Arrangements

13.1 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.

13.2 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 Eversource Companies Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between the Eversource Companies and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation

schedules for units outside the Eversource Companies 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 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 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 the Eversource Companies, 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. The Eversource Companies shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Network Operating Agreement is included in Attachment ES-G (Part A).

IV. LOCAL FIRM CONTRACT DEMAND SERVICE

14. Nature of Service

Local Firm Contract Demand Service shall be provided in accordance with Schedule 21 Common and Sections II.58 through II.63 of the OATT, and this Local Service Schedule. Local Firm Contract Demand Service permits a Large Load Transmission Customer to serve a Large Load through the Eversource Companies' Transmission System on a firm basis.

15. Real Power Loss

Real Power Losses are associated with all transmission services. The Eversource Companies are not obligated to provide Real Power Losses. The Large Load Transmission Customer is responsible for replacing losses associated with all transmission services as determined under Market Rule 1. The applicable Real Power Loss factors are as follows:

The amount of transmission losses incurred in transmitting power across the Eversource Companies Transmission System to the Large Load Transmission Customer's Firm Contract Demand load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any

reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth below:

Cumulative Losses in Percent

POR/POD	Peak*	Off-Peak	24 Hr. Avg.
Bulk Transmission	1.98	2.42	2.21
Bulk Substation	2.46	2.92	2.70
Pri. Distribution	4.58	4.50	4.54

*Peak hours are defined as 0700-2300, Monday-Friday; Off-Peak hours are all other hours

16. Load Shedding and Curtailment

To the extent that a system contingency exists on the Eversource Companies' Transmission System or the New England Transmission System and the ISO, Local Control Center, or the Eversource Companies determine that load shedding or curtailment is necessary, Local Large Load Transmission Customers receiving Local Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

17. Operating Agreement

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 Common, Sections II.61 and II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with the Eversource Companies. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

18. Cost Responsibility

The Local Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Firm Contract Demand Service, including study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21 Common, the OATT, and any applicable Cost Recovery Agreement.

V. LOCAL NON-FIRM CONTRACT DEMAND SERVICE

19. Nature of Service

Local Non-Firm Contract Demand Service shall be provided pursuant to Schedule 21 Common, the OATT, and this Local Service Schedule. Local Non-Firm Contract Demand Service is provided on an as-available basis and is subject to redispatch, interruption, curtailment, and load shedding.

20. Real Power Loss

Real Power Losses are associated with all transmission services. The Eversource Companies are not obligated to provide Real Power Losses. The Large Load Transmission Customer is responsible for replacing losses associated with all transmission services as determined under Market Rule 1. The applicable Real Power Loss factors are as follows:

The amount of transmission losses incurred in transmitting power across the Eversource Companies Transmission System to the Large Load Transmission Customer's Firm Contract Demand load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth below:

	Cumulative Losses in Percent		
POR/POD	Peak*	Off-Peak	24 Hr. Avg.
Bulk Transmission	1.98	2.42	2.21
Bulk Substation	2.46	2.92	2.70
Pri. Distribution	4.58	4.50	4.54

*Peak hours are defined as 0700-2300, Monday-Friday; Off-Peak hours are all other hours.

21. Redispatch, Load Shedding and Curtailment

In addition to any obligations on curtailment and redispatch under Part II.J of the OATT for Non-Firm Contract Demand Service, to the extent that a system contingency exists on the Eversource Companies'

Transmission System or the New England Transmission System and the ISO, Local Control Center, or the Eversource Companies determine that load shedding or curtailment is necessary, Large Load Transmission Customers receiving Local Non-Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

22. Operating Agreement

The Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 Common, Sections II.61 and II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with the Eversource Companies. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

23. Cost Responsibility

The Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Firm Contract Demand Service, including study costs, Direct Assignment Facilities, Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21 Common, the OATT, and any applicable Cost Recovery Agreement.

VI. LOCAL INTERIM CONTRACT DEMAND SERVICE

The rates, terms, and conditions for Local Interim Contract Demand Service shall be identical to those for Local Non-Firm Contract Demand Service.

~~IV~~VII. Rates and Charges

The Transmission Customer shall pay the Eversource Service Company for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

~~14~~24.1 Local Services

Rates for Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service shall be determined as set forth in Schedule ES-2 (Part A) on the basis of estimated costs for each Service Year until the actual costs for such Service Year are determined. Thereafter, payments made on such estimated costs shall be recalculated based on actual data for that Service Year, and an appropriate billing adjustment shall be made pursuant to Section 3 of this Local Service Schedule. Each Local Point-to-Point Service customer under this Local Service Schedule will be charged for the total Reserved Capacity specified in each reservation for Point-to-Point Service made under this Local Service Schedule at the rates set forth in this Schedule ES-2 (Part A). The Eversource Companies shall use Part II of the Tariff to make its Third-Party Sales. The Eversource Companies shall account for such use at the applicable Tariff rates.

~~14~~24.2 Monthly Local Network Service Charge

A Transmission Customer with load on the Eversource Companies Transmission System shall pay monthly charges, which shall be determined by multiplying the Customer's Monthly Local Service Load in the state in which its loads are located by the annual Local Network Service rate for the state, as calculated in accordance with Appendix A of Schedule ES-2 (Part A). The rates calculated in Schedule ES-2 (Part A) will be calculated individually for the states of Connecticut, Massachusetts, and New Hampshire based on load and revenue requirements for each state, as applicable.

~~14~~24.3 Schedule 12C Costs Charge

Any Eligible Customer taking Regional Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service under the ISO Tariff in a Designated State or Area shall pay a monthly Schedule 12C Costs charge, which shall be determined by multiplying the Customer's Monthly Schedule 12C Cost Load in the Designated State or Area by the annual Schedule 12C Costs rate for the Designated State or Area as calculated in accordance with Appendix A of Schedule ES-3 (Part A). The Eversource Service Company shall execute a CRA under this Local Service Schedule, in the form set forth in Attachment ES-E (Part A), to recover such charges from such customer. The Eversource Service Company shall not bill any such customer any such costs unless (1) such CRA has been executed

with the Eligible Customer, or (2) an unexecuted CRA has been permitted to be made effective by the Commission.

~~14~~24.4 Listing of Schedule 12C Costs by Designated State or Area:

(a) Connecticut:
Bethel to Norwalk Project
Middletown to Norwalk Project
Glenbrook Cables Project
Greater Springfield Reliability Project (Connecticut portion)

(b) Massachusetts:
Greater Springfield Reliability Project (Massachusetts portion)

(c) New Hampshire
[RESERVED]

SCHEDULE ES-1 (PART A)

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 ("S&D") is to be provided directly by the Eversource Companies (if the Eversource Companies are the Control Area operator) or indirectly by the Eversource Companies making arrangements with the New England System Operator that performs this service for the Eversource Companies Transmission System. The Transmission Customer must purchase this service from the Eversource Companies or the New England System Operator. The charges for S&D Service are included in the Local Service Charges pursuant to Schedule ES-2 (Part A), Local Service. To the extent the New England System Operator performs this service for the Eversource Companies, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Eversource Companies by that New England System Operator.

SCHEDULE ES-2 (PART A)
LOCAL SERVICE

I. Each month, Eversource Service Company shall bill the Transmission Customer for Local Service and the Transmission Customer shall be obligated to pay Eversource Service Company the charges as set forth in this Schedule ES-2 (Part A), as applicable.

A. TRANSMISSION CHARGES

1. Local Network Service

The Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service charges will provide for recovery of the costs of the transmission facilities of the Eversource Companies in accordance with Line 3 of Appendix A of this Schedule ES-2 (Part A). The rate for Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service shall be the rate for Local Network Service.

2. Local Point-to-Point Service

The Local Point-to-Point Service charges will provide for recovery of the costs of the transmission facilities of the Eversource Companies in accordance with Lines 4-13 of Appendix A of this Schedule ES-2 (Part A).

In the event that a Transmission Customer utilizes transmission capacity without a reservation or exceeds its capacity reservation at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay for its actual use of such excess capacity in addition to the charges for each monthly, weekly or daily transactions during such month. The charge for such excess use of capacity shall be determined by multiplying the actual hourly use in excess of its capacity reservation times the applicable Local Service on-peak or off-peak hourly rate posted on the Eversource Companies' OASIS.

~~2~~3. Provision re: Exchanges

With respect to entitlement transactions or energy transactions or other transactions that involve an exchange, each party to such transaction shall be treated as an individual Transmission Customer under this Local Service Schedule. Accordingly, a separate Schedule ES-2 (Part A) or other applicable charge(s) will be calculated for, and a separate bill will be rendered to, each such individual Transmission Customer.

~~3~~4. Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by the Eversource Companies must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, the Eversource Companies must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

~~4~~5. Resales

The rates and rules governing charges and discounts in Sections I.A.2 of this Schedule ES-2 (Part A) stated above shall not apply to resales of transmission service, compensation for which shall be governed by Schedule 21.

~~5~~6. Credit to the Transmission Charge

Whenever service provided hereunder is interrupted or curtailed by the Eversource Companies, the Local Control Center or the New England System Operator, the Transmission Charges to the Transmission Customer calculated pursuant to Section A, of this Schedule ES-2 (Part A) shall be credited by an amount equal to the sum of the credits calculated for each hour of interruption or curtailment in service. The credit to the Transmission Customer for each such hour of interruption or curtailment shall be calculated as the product of (i) the applicable equivalent hourly charge for hourly, daily, weekly, or monthly transactions, and (ii) the kilowatts of service interruption or curtailment during such hour.

SCHEDULE ES-2 (PART A)

APPENDIX A

LOCAL SERVICE RATES

For Costs in 20__

Local Service Rates for each state will be calculated in accordance with the formula provided below. The Local Service Rates will be calculated separately for Connecticut, Massachusetts, and New Hampshire, as applicable, utilizing inputs specific to each state in lines 1 and 2.

	Input Cells are Shaded Yellow	(A)	(B)
Line No.	**Description**	**Amount**	**Reference**
1	Local Service ATRR for the state	**$ -**	Attachment 2 of Appendix B W/S 1, Line 9(A)
2	Eversource Companies' Transmission System Local Service Load for the State for the calendar year two years prior to the Service Year	-	Attachment _

3	Annual Local Network Service rate for the state	#DIV/0!	Line 1 / Line 2
	Local Point-to-Point Service (ON PEAK)		
4	Annual Rate per kW	#DIV/0!	Line 3
5	Monthly Rate per kW	#DIV/0!	Line 4 / 12 months
6	Weekly Rate per kW	#DIV/0!	Line 4 / 52 weeks
7	Daily Rate per kW	#DIV/0!	Line 6 / 5 days
8	Hourly Rate per kW	#DIV/0!	Line 7 / 16 hours
	Local Point-to-Point Service (OFF PEAK)		
9	Annual Rate per kW	#DIV/0!	Line 3
10	Monthly Rate per kW	#DIV/0!	Line 9 / 12 months
11	Weekly Rate per kW	#DIV/0!	Line 9 / 52 weeks
12	Daily Rate per kW	#DIV/0!	Line 11 / 7 days
13	Hourly Rate per kW	#DIV/0!	Line 12 / 24 hours

SCHEDULE ES-2 (PART A)

[Reserved]

SCHEDULE ES-3 (PART A)
SCHEDULE 12C COSTS

I. Each month, the Eversource Service Company shall bill the Transmission Customer for Schedule 12C Costs and the Transmission Customer shall be obligated to pay the Eversource Companies the charges as set forth in this Schedule ES-3 (Part A), as applicable.

A. TRANSMISSION CHARGES

The Schedule 12C Costs charges will provide for recovery of the costs of the transmission facilities of the Eversource Companies in accordance with Line 16 of Appendix A of this Schedule ES-2 (Part A).

SCHEDULE ES-3 (PART A)

APPENDIX A

SCHEDULE 12C COSTS RATES

For Costs in 20__

Schedule 12C Costs rates will be calculated in accordance with the formula provided below. The Schedule 12C Costs rates will be calculated separately for the Designated State or Area as applicable, utilizing inputs specific to the Designated State or Area in lines 1 and 2.

	Input Cells are Shaded Yellow	(A)	(B)
Line No.	**Description**	**Amount**	**Reference**
1	Schedule 12C Costs ATRR for the Designated State or Area**e**	**$** -	Attachment 3 of Appendix B W/S 1, Line 8(A)
2	Eversource Companies' Transmission System Schedule 12C Costs Load for the Designated State or Area for the calendar year two years prior to the Service Year	-	Attachment _
3	Annual Schedule 12C Costs rate for the Designated State or Area	#DIV/0!	Line 1 / Line 2

ATTACHMENT ES-C (PART A)
AVAILABLE TRANSFER CAPABILITY METHODOLOGY

TABLE OF CONTENTS

1. Introduction

2. Transmission Service in the New England Markets

3. The Eversource Companies' Total Transfer Capability (TTC)

4. Capacity Benefit Market (CBM)

5. Transmission Reliability Margin (TRM)

6. Calculation of ATC for the Eversource Companies' Local Facilities

7. Posting of ATC Related Information

8. Process Flow Diagram for ATC Calculation

1. Introduction

ISO 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 Area is interconnected to three neighboring Balancing Authority Areas ("BAA"): New Brunswick System Operator Area ("NBSO Area"), New York Independent System Operator Area ("NYISO Area"), and Hydro-Quebec TransEnergie Area ("HQTE Area").

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 Service Provider for Regional Transmission Service associated with Pool Transmission Facilities, the Participating Transmission Owners ("PTOs") provide local transmission service over Non-Pool Transmission Facilities within the RTO footprint and are responsible for calculating TTC and ATC associated with Local Transmission Service provided under Schedule 21 pursuant to the Transmission Operating Agreement ("TOA"). Pursuant to CFR § 37.6(b)[1] of the FERC Regulations, Transmission Providers are obligated to calculate and post TTC and ATC for each Posted Path. The ISO is not responsible for the calculation of these values.

Pursuant to the terms of the Transmission Operating Agreement executed between the companies comprising the Eversource Companies hereunder as Participating Transmission Owners ("PTOs") and ISO, the Eversource Companies are a Transmission Service Provider and calculates TTC and ATC for certain Local Facilities over which Local Point-to-Point Service is provided under this Schedule 21-ES (Part A).

[1] §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.

Posted Path is defined as 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 (§37.6(b)(1)(i)).

Non-PTF facilities are primarily radial paths that provide transmission service directly to interconnected generators. It is possible, in the future that a particular path may interconnect more nameplate capacity generation than the path's TTC. However, for the Eversource Companies' Non-PTF modeled by the ISO or the Local Control Center ("LCC"), the ISO or the LCC 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 consistent with ISO's economic, security constrained dispatch methodology.

The Eversource Companies does not currently have any Posted Paths based on the above definition. However, if the Eversource Companies does have any Posted Path(s) in the future, the Eversource Companies will calculate TTC using NERC Standard MOD-029-1 Rated System Path Methodology as outlined below.

1.1 Scope of Document

The scope of this document is limited to those functions performed or utilized by the Eversource Companies as the Transmission Provider of Schedule 21-ES (Part A) Local Point-to Point transmission service over Non-PTF pursuant to the PTOs' Transmission Operating Agreement 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 Service is provided under Schedule 21-ES (Part A). TTC and ATC is not calculated by the Eversource Companies for Local Network Service because ISO employs

a market model for economic, security constrained dispatch of generation, and the Eversource Companies does not require advance reservation for such network service.

2. 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 the bulk electric system has differed from the Commission's 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 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 ISO Area, 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 the economic External Transactions is greater than the transfer 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 where utilized for Local Network Service by generation or load. However, the Eversource Companies own Local Facilities over which an advance transmission service reservation for firm or non-firm transmission service may be required. On those Local Facilities, the market participant may obtain a

transmission service reservation from the Eversource Companies under Schedule 21-ES (Part A) prior to delivery of energy into the New England Wholesale Market. This document addresses the calculation of ATC and TTC for these non-PTF internal paths.

3. Eversource Companies 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-ES (Part A) is calculated using NERC Standard MOD-029-1 Rated System Path Methodology and posted on the Eversource Companies' OASIS site.

The Eversource Companies will calculate and post TTC on its OASIS site for all non-PTF Posted Paths that are eligible for Local Point-to-Point Service reservations. The TTC on the Eversource Companies' non-PTF Local Facilities that are eligible for Local Point-to-Point Service reservations are relatively static values. The Eversource Companies thus calculate the TTC for Non-PTF Posted Paths that may require Local Point-to-PointService reservations on its OASIS provider page according to NAESB Standards.

4. Capacity Benefit Market (CBM)

CBM is defined as the amount of firm transmission transfer capability set aside by a TSP for use by the Load Serving Entities. The ISO does not set aside any CBM for use by the Load Serving Entities, because of the New England approach to capacity planning requirements in the ISO New England Operating Documents. Load Serving Entities operating within the New England Control Area are required to arrange for their Capacity Requirements prior to the beginning of any given month in accordance with 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 that their capacity needs are met; therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of the Eversource Companies' ATC calculation and because CBM for the New England Control Area is set to zero (0), the Eversource Companies utilizes a zero (0) CBM value.

Existing Transmission Commitments, Firm (ETC_F)

The ETC_F are those confirmed Firm transmission reservations (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_{NF})

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}).

5. 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. The Eversource Companies does not have any external interfaces, and therefore TRM for the Eversource Companies' non-PTF facilities is zero.

6. Calculation of ATC for Eversource Companies' 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 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 the non-PTF assets described above, as ATC is positive and listed as 9999. Transmission Customers are not restricted from reserving firm or non-firm transmission service on non-PTF facilities.

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-PTF assets in the New England market is almost always positive. With this simplified version of ATC, there is no detailed algorithm to be described or posted. Thus, for those non-PTF facilities that serve as a path for Schedule 21-ES (Part A) Local Point-to-Point Transmission Customers, the Eversource Companies 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.

6.1 Calculation of Schedule 21-ES (Part A) Firm ATC (ATC_F)

6.1.1 Calculation of ATC_F in the Planning Horizon (PH)

For purposes of this Attachment C 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. Firm Transmission Service under Schedule 21-ES (Part A) that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_F$ and $counterflows_F$ of Schedule 21-ES (Part A) transmission reservations are not considered in the ATC calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F

6.1.2 Calculation of ATC_F in the Schedule 21-ES (Part A) Operating Horizon (OH)

For purposes of this Attachment C 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. Daily Firm Transmission Service under Schedule 21-ES (Part A) is the only firm service offered in the Operating Horizon (OH). $Postbacks_{F}$ and $counterflows_{F}$ of Schedule 21-ES (Part A) transmission reservations are not considered in the ATC_{F} calculation. Therefore, ATC_{F} in the OH is equal to the TTC minus ETC_{F}.

6.1.3 Because Firm Schedule 21-ES (Part A) transmission service is not offered in the Scheduling Horizon (SH): ATC_{F} in the SH is zero.

6.2 Calculation of Schedule 21-ES (Part A) Non-Firm ATC (ATC_{NF})

6.2.1 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-ES (Part A) are zero. Non-Firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_{U}, $Postbacks_{NF}$ and $counterflows_{NF}$ of Schedule 21-ES (Part A) 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}.

6.2.2 Calculation of ATC_{NF} in the OH

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

As discussed above TRM and CBM for Schedule 21-ES (Part A) are zero. TRM_{U}, counterflows and ETC_{NF} are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_{F}, plus postbacks of PTP_{F} in OH as PTP_{NF} ($Postbacks_{NF}$)

6.3 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.

As stated above, the Eversource Companies' 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, but will not become negative.

7. Posting of Schedule 21-ES (Part A) ATC

7.1 Location of ATC Posting

ATC values are posted on the Eversource Companies' OASIS site.

7.2 Updates To ATC

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

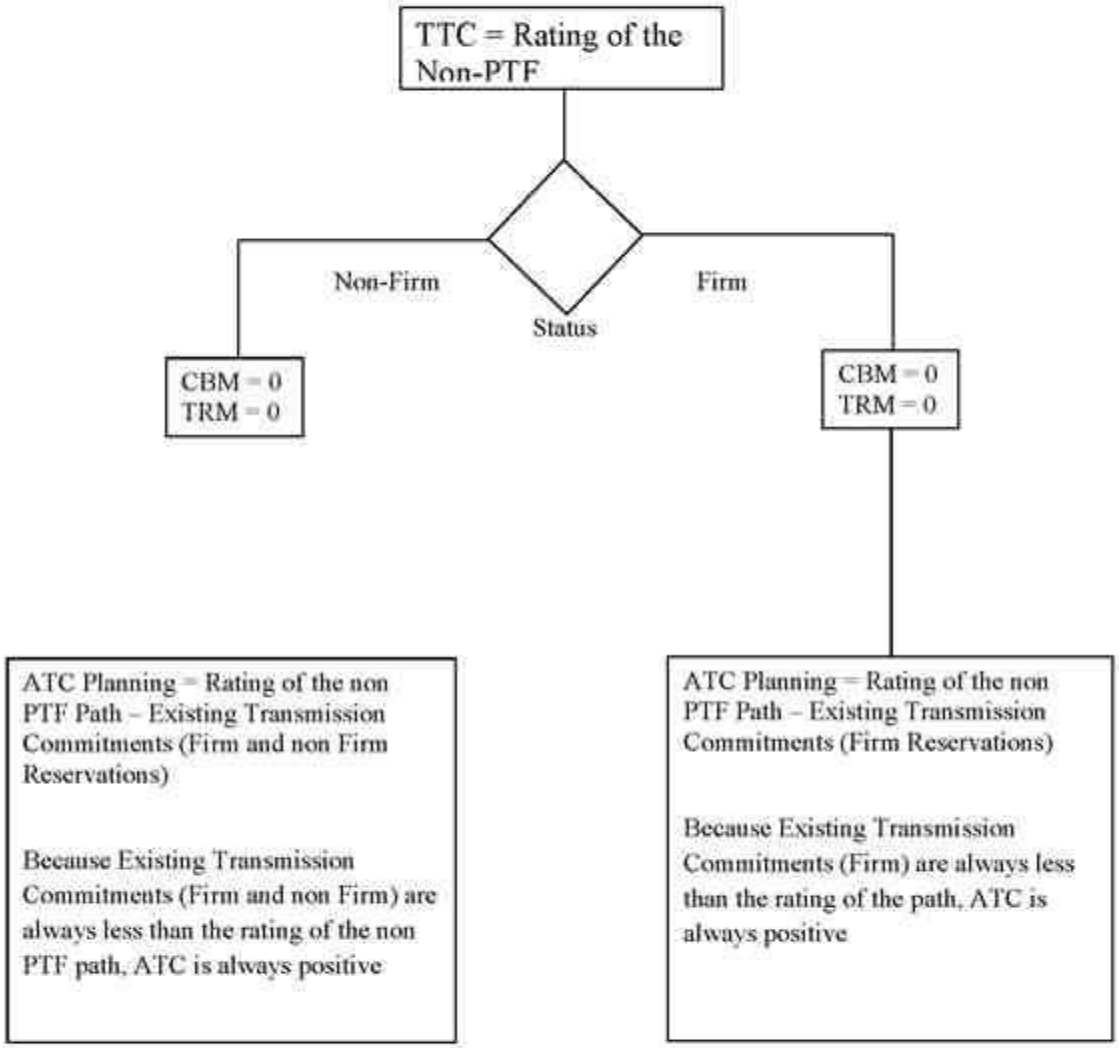
7.3 Coordination of ATC Calculations

Schedule 21-ES (Part A) non-PTF has no external interfaces. Therefore, it is not necessary to coordinate the values.

7.4 Mathematical Algorithms A link to the actual mathematical algorithm for the calculation of ATC for the Eversource Companies non-PTF internal interfaces is located at https://www.eversource.com/Content/docs/default-source/Tranmission/attachment-6.pdf?sfvrsn=0.

8. Process Flow Diagram for ATC Calculation

Non-PTF Transmission Path ATC Process Flow Diagram



ATTACHMENT ES-D (PART A)
PENALTY DISBURSEMENT METHODOLOGY

Late Study Penalties: Penalties paid by the Transmission Provider pursuant to Schedule 21 are referred to as "Late Study Penalties," and therefore subject to distribution to all Transmission Customers that are not affiliated with the Transmission Provider. On the month following the end of each calendar quarter, each Transmission Customer that is not affiliated with the Transmission Provider shall receive, on the relevant monthly invoice, a credit for its share of the Late Study Penalties that were assessed during the applicable calendar quarter. The Transmission Customer's share of the Late Study Penalties (if any) will be determined as follows:

(a) For each quarter, the Transmission Provider will determine: (1) the sum of all Late Study Penalties assessed during the quarter measured in dollars (LSRq), and (2) the sum of all transmission revenue from Transmission Customers that are not affiliated with the Transmission Provider during that quarter, measured in dollars (LSTRq). Where:

LSRq = Late Study Penalty Revenue in the quarter
LSTRq = Transmission Revenue from Transmission Customers not affiliated with the Transmission Provider in the quarter

(b) For each quarter, each Transmission Customer that was not affiliated with the Transmission Provider will receive a credit equal to the product of (i) LSRq multiplied by (ii) a fraction derived from dividing the amount of transmission revenue from that Transmission Customer (TC1) during that quarter (measured in dollars), where TC1 is equal to one Transmission Customer, and a denominator equal to LSTRq.

(c) The Transmission Provider shall apply the credit for Late Study Penalties to service that the non-affiliated Transmission Customer takes from the Transmission Provider pursuant to this Schedule 21-ES (Part A). Any remaining credit will be refunded to the Transmission Customer.

ATTACHMENT ES-E (PART A)

SCHEDULE 12C COSTS RESPONSIBILITY AGREEMENT

This Schedule 12C Costs Responsibility Agreement ("CRA" or "Agreement"), dated as of _____, is entered into by and between the Eversource Energy Service Company ("Eversource Service" or "COMPANY"), acting as agent for [The Connecticut Light and Power Company, NSTAR Electric Company (West), Public Service Company of New Hampshire], and the "Transmission Customer."

The Transmission Customer is _____. The Transmission Customer has been determined to be an Eligible Customer taking Regional Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service under the Tariff whose load is located in the Designated State or Area for Schedule 12C Costs listed in Section 14.3 of Schedule 21-ES (Part A) of the OATT.

The Transmission Customer agrees to pay its portion of the cost of Schedule 12C Costs in the Designated State or Area in which the Transmission Customer's load is located as provided in the Tariff and in accordance with Commission orders. Billing under this Agreement shall commence on the later of: (1) 0001 hours on _____, or (2) such other date as permitted by the Commission.

Charges under this Agreement shall terminate on the earlier of: (1) the date on which the Schedule 12C Costs assets in the Designated State or Area in which the Transmission Customer's load is located are retired; or (2) the date upon which the Transmission Customer no longer takes Regional Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service under the Tariff in the Designated State or Area in which the Transmission Customer's load is located; provided, that the Transmission Customer shall remain responsible for all final payment obligations. In the event that the Transmission Customer sells or assigns, or transfers its load to another entity ("New Transmission Customer"), the Transmission Customer must provide Eversource Service with at least ninety (90) calendar days advance written notice of the sale, assignment, or transfer.

The Transmission Customer shall remain liable for the performance of all obligations under this Agreement until a new CRA has been executed between the New Transmission Customer and Eversource

Service, or in the case of an unexecuted CRA, such other date as it has been permitted to be made effective by the Commission. No sale or assignment shall become effective until the Parties have complied with all Applicable Laws and Regulations required for such sale, assignment, or transfer**.**

Other special provisions (if any)

_____.

Any notice or request made to or by any Party regarding this Agreement shall be made in writing and shall be telecommunicated or delivered either in person, or by prepaid mail (return receipt requested) to the representative of the other Party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one Party to the other.

COMPANY:

_____

_____

_____

TRANSMISSION CUSTOMER:

_____

_____

_____

Any exhibits, Schedules, Attachments, Appendices to this Agreement and/or the Tariff are incorporated herein and made a part hereof. This Agreement may be amended, from time to time, as provided for in Schedule 21-ES (Part A) of the OATT.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officials as of the date first above written.

EVERSOURCE ENERGY SERVICE COMPANY

By: _____

Its _____

TRANSMISSION CUSTOMER

By: _____

Its _____

ATTACHMENT ES-G (PART A)
NETWORK OPERATING AGREEMENT

This Network Operating Agreement is an appendix to Schedule 21-ES (Part A) (this Local Service Schedule) of the OATT and operates as an implementing agreement for Local Network Service under this Local Service Schedule. This Network Operating Agreement is subject to and in accordance with Part III of this Local Service Schedule. All definitions and other terms and conditions of this Local Service Schedule are incorporated herein by reference.

1.0 Definitions:

1.1 Data Acquisition Equipment

Supervisory control and data acquisition ("SCADA"), remote terminal units ("RTUs") to obtain information from a Party's facilities, telephone equipment, leased telephone circuits, fiber optic circuits, and other communications equipment necessary to transmit data to remote locations, and any other equipment or service necessary to provide for the telemetry and control requirements of this Local Service Schedule.

1.2 Data Link

The direct communications link between the Transmission Customer's energy control center and the Eversource Companies' designated location(s) that will enable the Eversource Companies to receive real time telemetry and data from the Transmission Customer.

1.3 Metering Equipment

High accuracy, solid state kW, kVAR, kWh meters, metering cabinets, metering panels, conduits, cabling, high accuracy current transformers and high accuracy potential transformers, which directly or indirectly provide input to meters or transducers, metering recording devices, telephone circuits, signal or pulse dividers, transducers, pulse accumulators, metering sockets, test switch devices, enclosures, conduits, and any other metering, telemetering or communication equipment necessary to implement the provisions of this Local Service Schedule.

1.4 Protective Equipment

Protective relays, relaying panels, relaying cabinets, circuit breakers, conduits, cabling, current transformers, potential transformers, coupling capacitor voltage transformers, wave traps, transfer trip and fault recorders, which directly or indirectly provide input to relays, fiber optic communication equipment, power line carrier equipment and telephone circuits, and any other protective equipment necessary to implement the protection provision of this Local Service Schedule.

2.0 Term

The term shall be as provided in the Local Service Agreement consistent with this Local Service Schedule (including, but not limited to, application procedures, commencement of service, and effect of termination).

3.0 Point(s) Of Interconnection

Local Network Service will be provided by the Eversource Companies at the point(s) of interconnection specified in Appendix __, as amended from time to time. Each point of interconnection in this listing shall have a unique identifier, meter location, meter number, metered voltage, terms on meter compensation and designation of current or future year of in service.

4.0 Cogeneration And Small Power Production Facilities

If a Qualifying Facility is located or locates in the future on the System of the Transmission Customer, and the owner or operator of such Qualifying Facility sells the output of such Qualifying Facility to an entity other than the Transmission Customer, the delivery of such Qualifying Facility's power shall be subject to and contingent upon transmission arrangements being established with the Eversource Companies prior to commencement of delivery of any such power and energy.

5.0 Character Of Service

Network Transmission Service at the points of interconnection shall be in the form of single phase or balanced three-phase alternating current at a frequency of sixty (60) hertz. The Transmission Customer shall operate and maintain its electric system in a manner that avoids: (i) the generation of harmonic frequencies exceeding the limits established by the latest revision of IEEE-519; (ii) voltage flicker exceeding the limits established by the latest revision of IEEE-141; (iii) negative sequence currents; (iv) voltage or current fluctuations; (v) frequency variations; or (vi) voltage or power factor levels that could

adversely affect the Eversource Companies' electrical equipment or facilities or those of its customers, and in a manner that complies with all applicable NERC, NPCC, ISO and The Eversource Companies' operating criteria, rules, regulations, procedures, guidelines and interconnection standards as amended from time to time.

6.0 Continuity Of Service

(a) The Eversource Companies and the Transmission Customer shall operate and maintain their respective network systems, in accordance with Good Utility Practice, and in a manner that will allow the Eversource Companies to safely and reliably operate the Eversource Companies Transmission System in accordance with this Local Service Schedule, so that either Party shall not unduly burden the other Party; provided, however, that notwithstanding any other provision of this Local Service Schedule, the Eversource Companies shall retain the sole responsibility and authority for all operating decisions that could affect the integrity, reliability and security of the Eversource Companies Transmission System.

(b) The Eversource Companies shall exercise reasonable care and Due Diligence to ensure Local Network Service hereunder in accordance with Good Utility Practice; provided, however, that the Eversource Companies shall not be responsible for any failure to ensure electric power service, nor for interruption, reversal or abnormal voltage of the service, if such failure, interruption, reversal or abnormal voltage is due to a Force Majeure.

7.0 Power Factor

(a) Where Local Network Service provided under this Local Service Schedule is for delivery of power to a load center of the Transmission Customer served from the Eversource Companies Transmission System, the Transmission Customer shall maintain load power factor levels, during both on- and off- peak hours, appropriate to meet the operating requirements of the Eversource Companies, and shall follow the ISO standards and practices, as set forth in the Local Service Agreement.

(b) Where Local Network Service provided under this Local Service Schedule is for delivery of power from a generating facility connected to the Eversource Companies Transmission System, the

Transmission Customer shall deliver power at a lagging or leading power factor as set forth in the Local Service Agreement.

(c) Where Local Network Service provided under this Local Service Schedule is for delivery of power from outside the Eversource Companies Transmission System, the obligation to maintain proper sending and receiving end voltages rests with the Transmission Customer, as set forth in the Local Service Agreement.

(d) In the event that the power factor levels and reactive supply requirements set forth in the Local Service Agreement are not maintained by the Transmission Customer, the Eversource Companies shall thereupon have the right to take the appropriate corrective action and to charge the Transmission Customer for the costs thereof. The Eversource Companies shall have the right, at any time, unilaterally to make a Section 205 filing with the Commission for the recovery of any such costs.

8.0 Metering

(a) The Transmission Customer shall, at its expense, purchase all necessary metering equipment to accurately account for the electric power being transmitted under this Local Service Schedule. The Eversource Companies may require the installation of telemetering equipment for the purposes of billing, power factor measurements and to allow the Eversource Companies to maximize economic and reliable operation of its transmission system. Such metering equipment shall meet the specifications and accepted metering practices of the Eversource Companies and applicable criteria, rules, standards and operating procedures, or such successor rules and standards. At the Eversource Companies' option, communication metering equipment may be installed in order to transmit meter readings to the Eversource Companies' designated locations.

(b) Electric power being transmitted under this Local Service Schedule will be measured by meters at all points of interconnection and/or on generating facilities (Network and non-Network Resources) located on and outside the Transmission Customer's system as required by the Eversource Companies.

(c) The Transmission Customer shall purchase meters capable of time-differentiated (by hour) measurement of the instantaneous flow in kW and net active power flow in kWh and of reactive power

flow. All meters shall compensate for applicable line and/or transformer losses in accordance with Good Utility Practice when measurement is made at any location other than the point of interconnection.

(d) The Eversource Companies reserves the right: (i) to determine metering equipment ownership; (ii) to determine the equipment installation at each point of interconnection; (iii) to require the Transmission Customer to install the equipment -- or -- install the equipment with the Transmission Customer supplying without cost to the Eversource Companies a suitable place for the installation of such equipment; (iv) to determine other equipment allowed in the metering circuit; (v) to determine metering accuracy requirements; (vi) to determine the responsibilities for operation, maintenance, testing and repair of metering equipment.

(e) The Eversource Companies shall have access to metering data, including telephone line access, which may reasonably be required to facilitate measurement and billing under this Local Service Schedule. The Eversource Companies may require the Transmission Customer provide, at its expense, a separate dedicated voice grade telephone circuit for the Eversource Companies and the Transmission Customer to remotely access each meter. Metering equipment and data shall be accessible at all reasonable hours for purposes of inspection and reading.

(f) All metering equipment shall be tested in accordance with practices of the Eversource Companies, applicable criteria, rules, standards and operating procedures or upon the request by the Eversource Companies. If at any time metering equipment fails to register or is determined to be inaccurate, in accordance with The Eversource Companies' practices and applicable criteria, rules, standards and operating procedures, the Transmission Customer shall make the equipment accurate as soon thereafter as practicable, and the meter readings and rate computation for the period of such inaccuracy, insofar as can reasonably be ascertained, shall be adjusted; provided, however, that no adjustment to charges shall be required for any period exceeding two (2) months prior to the date of the test. Representatives of the Eversource Companies will be afforded opportunity to witness such tests.

9.0 Local Network Service Load

The Transmission Customer shall provide the Eversource Companies with the actual hourly Local Network Service Load for each calendar month by the seventh day of the following calendar month.

10.0 Data Transfer:

(a) The Transmission Customer shall provide timely, accurate real time information to the Eversource Companies in order to facilitate performance of its obligations under this Local Service Schedule.

(b) The selection of real time telemetry and data to be received by the Eversource Companies and the Transmission Customer shall be necessary for safety, reliability, security, economics, and/or monitoring of real-time conditions that affect the Eversource Companies Transmission System. This telemetry shall include, but is not limited to, loads, line flows (MW and MVAR), voltages, generator output, and status of substation equipment at any of the Transmission Customer's transmission and generation facilities. To the extent that the Eversource Companies or the Transmission Customer requires data that are not available from existing equipment, the Transmission Customer shall, at its expense and at locations designated by the Eversource Companies or the Transmission Customer, install any metering equipment, data acquisition equipment, or other equipment and software necessary for the telemetry to be received by the Eversource Companies or the Transmission Customer. The Eversource Companies shall have the right to inspect equipment and software associated with the data transfer in order to assure conformance with Good Utility Practices.

11.0 Maintenance of Equipment

The Transmission Customer shall, on a regular basis in accordance with practices of the Eversource Companies, applicable criteria, rules, standards and operating procedures or at the request of the Eversource Companies, and at its expense, test, calibrate, verify and validate the data link, metering equipment, data acquisition equipment, transmission equipment, protective equipment and other equipment or software used to implement the provisions of this Local Service Schedule. The Eversource Companies shall have the right to inspect such tests, calibrations, verifications and validations of the data link, metering equipment, data acquisition equipment, transmission equipment, protective equipment and other equipment or software used to implement the provisions of this Local Service Schedule. Upon The Eversource Companies' request, the Transmission Customer will provide the Eversource Companies a copy of the installation, test and calibration records of the data link, metering equipment, data acquisition equipment, transmission equipment, protective equipment and other equipment or software. The Eversource Companies shall, at the Transmission Customer's expense, have the right to monitor the

factory acceptance test, the field acceptance test, and the installation of any metering equipment, data acquisition equipment, transmission equipment, protective equipment and other equipment or software used to implement the provisions of this Local Service Schedule.

12.0 Notification

(a) The Transmission Customer shall notify and coordinate with the Eversource Companies prior to the commencement of any work or maintenance by the Transmission Customer, Network Member, or contractors or agents performing on behalf of either or both, which may directly or indirectly have an adverse effect on the Transmission Customer or the Eversource Companies' data link, or the reliability of the Eversource Companies Transmission System. All notifications for scheduled outages of the data link, metering equipment, data acquisition equipment, transmission equipment, protective equipment and other equipment or software must meet the requirements of the ISO and the Eversource Companies.

13.0 Emergency System Operations

(a) The Transmission Customer, at its expense, shall be subject to all applicable emergency operation standards promulgated by NERC, NPCC, ISO and the Eversource Companies which may include but not limited to underfrequency relaying equipment, load shedding equipment and voltage reduction equipment.

(b) The Eversource Companies reserves the right to take whatever actions they deem necessary to preserve the integrity of the Eversource Companies Transmission System during emergency operating conditions. If the Local Network Service at the points of interconnection is causing harmful physical effects to the Eversource Companies Transmission System facilities or to its customers (e.g., harmonics, undervoltage, overvoltage, flicker, voltage variations, etc.), the Eversource Companies shall promptly notify the Transmission Customer and if the Transmission Customer does not take the appropriate corrective actions immediately, the Eversource Companies shall have the right to interrupt Local Network Service under this Local Service Schedule in order to alleviate the situation and to suspend all or any portion of Local Network Service under this Local Service Schedule until appropriate corrective action is taken.

(c) In the event of any adverse condition or disturbance on the Eversource Companies Transmission System or on any other system directly or indirectly interconnected with the Eversource Companies Transmission System, the Eversource Companies may, as it deems necessary, take actions or inactions that, in the Eversource Companies' sole judgment, result in the automatic or manual interruption of Local Network Service in order to: (i) limit the extent or damage of the adverse condition or disturbance; (ii) prevent damage to generating or transmission facilities; (iii) expedite restoration of service; or (iv) preserve public safety.

14.0 Cost Responsibility

(a) The Transmission Customer shall be responsible for the costs incurred by the Transmission Customer and the Eversource Companies to implement the provisions of this Local Service Schedule including, but not limited to, engineering, administrative and general expenses, material and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, and relocation of equipment, or software.

(b) Additionally, the Transmission Customer shall be responsible for all costs incurred by the Transmission Customer and the Eversource Companies for on-going operation and maintenance of the metering, telecommunications and safety protection facilities and equipment required to implement the provisions of this Local Service Schedule. Such work shall include, but not limited to, normal and extraordinary engineering, administrative and general expenses, material, and labor expenses associated with the specifications, design, review, approval, purchase, installation, maintenance, modification, repair, operation, replacement, checkouts, testing, upgrading, calibration, removal, or relocation of equipment required to accommodate service under this Local Service Schedule.

15.0 Default

The Transmission Customer's failure to implement the terms and conditions of this Network Operating Agreement will be deemed to be a default under this Local Service Schedule and will result in the

Eversource Companies seeking, consistent with FERC rules and regulations, immediate termination of service under this Local Service Schedule.

16.0 Regulatory Filings

Nothing contained in this Local Service Schedule or any associated Service Agreement, including this Network Operating Agreement, shall be construed as affecting in any way the right of the Eversource Companies to unilaterally make application to the Commission for a change in any portion of this Network Operating Agreement under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

IN WITNESS WHEREOF, the Parties have caused this Network Operating Agreement to be executed by their respective authorized officials as of the date written.

Date: _____

Eversource Energy Service Company

by: _____

its Vice President

Transmission Customer

by: _____

its _____

ATTACHMENT ES-L (PART A)
CREDITWORTHINESS PROCEDURES

1. **General Information**

All customers taking any service under Schedule 21-ES (Part A) and the associated schedules of The Connecticut Light and Power Company, NSTAR Electric Company (West) and Public Service Company of New Hampshire (together, the "Eversource Companies") must meet the terms of this Attachment ES-L (Part A).

2. **Establishing Creditworthiness**

a) Each customer's creditworthiness must be established before receiving transmission services from the Eversource Companies. A customer will be evaluated at the time that its application for transmission service is provided to the Eversource Companies based on the creditworthiness information required under this Attachment ES-L (Part A). The Eversource Service Company shall conduct a credit review of each Transmission Customer not less than annually or upon reasonable request by the Transmission Customer.

b) The Eversource Service Company will review the customer's creditworthiness information for completeness and will notify the customer if additional information is required.

c) Upon completion of a creditworthiness evaluation of a customer, the Eversource Service Company will forward a written evaluation to the customer if they determine that Financial Assurance must be provided.

3. Financial Information

Customers requesting transmission service must submit if available the following:

a) All current rating agency reports of the customer from Standard and Poor's ("S&P"), Moody's Investors Service ("Moody's"), and/or Fitch Ratings ("Fitch").

b) A Management Discussion and Analysis ("MD&A") along with audited financial statements provided by an independent registered public accounting firm or a registered independent auditor for the three (3) most recent fiscal years, or the period of the customer's existence, if shorter than three (3) years.

4. Creditworthiness – Qualification for Unsecured Credit

a) A customer may receive unsecured credit from the Eversource Service Company equivalent to three (3) months of the transmission charges. The customer must meet at least one of the following criteria:

(i) If rated, the customer's lowest rating from the three rating agencies on its senior unsecured long-term debt; or if the customer does not have such a rating, then one rating level below the rating then assigned to the customer's corporate credit rating, as follows:

1. a Standard and Poor's or Fitch rating of at least BBB, or

2. a Moody's rating of least Baa2.

(ii) If un-rated or if rated below BBB/Baa2, as described in 4(a)(i) above, the customer must meet all of the following creditworthiness criteria for the three (3) most recent fiscal years:

1. A Capitalization Ratio (Debt divided by the sum of shareholders' equity and Debt) of no more than 60 percent Debt, where "Debt" is defined as the sum of all long-term and short-term debt, preferred securities and capital leases. Each of which is recorded in accordance with generally accepted accounting principles;

2. Earnings before interest, taxes, depreciation and amortization ("EBITDA") in the most recent fiscal quarter divided by interest expense (ratio of EBITDA-to-interest expense of at least three (3) times); and

3. Audited Financial Statements with an unqualified auditor opinion.

b) If the customer relies on the creditworthiness of a parent company, the parent company must satisfy the ratings criteria in Section 4(a) above, and must provide to the Eversource Service Company a written guarantee that it will be unconditionally responsible for all financial obligations associated with the customer's receipt of transmission service from the Eversource Companies.

c) If the customer or the customer's parent company do not qualify for unsecured credit under Sections 4(a) or (b) above, the customer can still qualify for unsecured credit equivalent to three (3) months of transmission service charges, if:

(i) the customer has, on a rolling basis, 12 consecutive months of payments to the Eversource Service Company with no missed, late or defaults in payment; or

(ii) the customer has an executed long-term contract for the sale of the full output (energy and capacity) of its generating unit and either has executed a corresponding Local Service Agreement for the transmission of that output or the execution of such agreement is pending the customer's demonstration of creditworthiness.

5. Financial Assurance

If the customer does not meet the applicable requirements for unsecured credit set out in Section 4 then the customer must either:

a) pay in advance an amount equal to the lesser of the total charge for transmission service not less than five (5) days in advance of the commencement of service, in which case the Eversource Service Company will pay to the customer interest on the amounts not yet due to the Eversource Service Company, computed in accordance with 18 C.F.R. §35.19a(a)(2)(iii) of the Commission's Regulations; or

b) obtain Financial Assurance in the form of a letter of credit or a parent guarantee equal to the equivalent of three (3) months of transmission service charges prior to receiving service.

(i) The letter of credit must be one or more irrevocable, transferable standby letters of credit issued by a United States commercial bank or a United States branch of a foreign bank provided that such customer is not an affiliate of such bank. The issuing bank must have a credit rating of at least A2 from Moody's or an A rating from S&P or Fitch, or an equivalent credit rating by another nationally recognized rating service reasonably acceptable to the Eversource Service Company, provided that such bank shall have assets totaling not less than ten billion dollars ($10,000,000,000). All costs of the letter of credit shall be borne by the applicant for such letter of credit. In the event of an inconsistency in the ratings by Moody's, S&P, or Fitch, a "split rating", the lowest credit rating shall apply.

(ii) If the credit rating of a bank or other financial institution issuing a letter of credit to a customer falls below the levels specified in Section 5(b)(i) above, the customer shall have three (3) business days to obtain a suitable letter of credit from another bank or other financial institution that meets the specified levels unless the Eversource Service Company agrees in writing to extend such period.

6. Notifications

Each customer must inform the Eversource Service Company in writing within three (3) business days of any material change in its or its letter of credit issuer's financial condition, and if the customer qualifies under Section 4(b), that of its parent company. A material change in financial condition may include, without limitation, the following:

a) change in ownership by way of a merger, acquisition, or substantial sale of assets;
b) downgrade by a recognized major financial rating agency;
c) placement on credit watch with negative implications by a major financial rating agency;
d) a bankruptcy filing by the customer or parent;
e) any action requiring the filing of a SEC Form 8-K;
f) declaration of or acknowledgement of insolvency;
g) report of a significant quarterly loss or decline in earnings;
h) resignation of key officer(s); or

i) issuance of a regulatory order and/or the filing of a lawsuit that could materially adversely impact current or future financial results.

7. Ongoing Financial Review

Each customer is required to submit to the Eversource Service Company annually or when issued, as applicable:

a) current rating agency reports;

b) audited financial statements from an independent registered public accounting firm or a registered independent auditor; and

c) SEC Forms 10-K and 8-K, promptly upon their filing.

8. Change in Creditworthiness Status

A customer who has been extended unsecured credit pursuant to Section 4, must comply with the terms of Financial Assurance in Section 5, if one or more of the following conditions apply:

a) the customer no longer meets the applicable criteria for unsecured credit in Section 4;

b) the customer exceeds the amount of unsecured credit extended by the Eversource Service Company, in which case Financial Assurance equal to the amount of exceeded unsecured credit must be provided within five (5) business days; or

c) the customer has missed two or more payments for any of the transmission services provided by the Eversource Companies in the last twelve (12) months.

9. Procedures for Changes in Credit Levels and Collateral Requirements

a) The Eversource Service Company shall issue notice to a customer of any changes to the approved credit levels and/or collateral requirements within five (5) business days after (1) receiving notification of any material changes in financial condition under Section 6 above; (2) receiving the information required for the customer's ongoing financial review

listed in Section 7 above; or (3) the occurrence of any of the events leading to a change in creditworthiness requirements listed in Section 8 above.

b) A customer may submit a written request that the Eversource Service Company provide an explanation of the reasons for the changes in credit levels and/or collateral requirements within five (5) business days after receiving notification of the changes. The Eversource Service Company will provide a written response within five (5) business days after receiving such a request.

10. Contesting Creditworthiness Determinations

A customer may contest the Eversource Service Company's determination of its creditworthiness by submitting a written request for re-evaluation within 20 calendar days of being notified of the creditworthiness determination. The request should provide information supporting the basis for a re-evaluation of the customer's creditworthiness. The Eversource Service Company will review the request and respond within 20 calendar days of receipt.

11. Process for Changing Credit Requirements

a) In the event the Eversource Companies plans to revise the Schedule 21-ES (Part A) requirements for credit levels or collateral requirements described in this Attachment ES-L (Part A), they will make a filing under Section 205 of the Federal Power Act.

b) The Eversource Companies shall provide written notification to ISO-NE and stakeholders of any filing described above, at least 30 days in advance of such filing.

c) Filing notifications shall include a detailed description of the filing, including a redlined document containing revised changes(s) to this Attachment ES-L (Part A).

d) The Eversource Companies shall consult with interested stakeholders upon request.

e) Following Commission acceptance of such filing and upon the effective date, the Eversource Companies shall revise its Attachment ES-L (Part A) an updated version of Schedule 21-ES (Part A) shall be posed to the ISO-NE web site.

f) When the Eversource Companies change its credit requirements for service under Schedule 21-ES (Part A), the customer is responsible for forwarding updated financial information to the Eversource Companies. The customer must indicate whether the change affects its ability to meet the requirements of Attachment ES-L (Part A). In cases where the customer's credit status has changed, the customer must take the necessary steps to comply with the revised credit requirements of Attachment ES-L (Part A) by the effective date of the change.

12. Suspension of Service

The Eversource Companies may immediately suspend service (with notification to the Commission) to a customer, and may initiate proceedings with the Commission to terminate service, if the customer does not meet the terms described in Sections 4 through 8 at any time during the term of service or if the customer's payment obligations to The Eversource Companies exceed the amount of unsecured or secured credit to which it is entitled under this Attachment ES-L (Part A). A customer is not obligated to pay for transmission service that is not provided as a result of a suspension of service.

SCHEDULE 21- ES

PART B

SCHEDULE 21-ES (PART B)

TABLE OF CONTENTS

I. Common Service Provisions

II. Local Point-To-Point Service

III. Local Network Service

IV. Local Firm Contract Demand Service

V. Local Non-Firm Contract Demand Service

VI. Local Interim Contract Demand Service

~~**IV**~~**VII**. Rates and Charges

SCHEDULE ES-2 (PART B): Supplemental End-Use Reactive Support Service

SCHEDULE ES-3 (PART B): Local Service

Appendix A: Local Service Rates

SCHEDULE ES-4 (PART B): Schedule 12C Costs

Appendix A: Schedule 12C Costs Rates

ATTACHMENT ES-A (PART B): Methodology To Assess Available Transfer Capability

ATTACHMENT ES-B (PART B): Methodology For Completing A System Impact Study

ATTACHMENT ES-C (PART B): Schedule 12C Costs Responsibility Agreement

ATTACHMENT ES-L (PART B): Creditworthiness Policy

I COMMON SERVICE PROVISIONS

1.0 DEFINITIONS

Whenever used in this Local Service Schedule, in either the singular or plural number, the following capitalized terms shall have the meanings specified in this Section 1. Terms used in this Local Service Schedule that are not defined in this Local Service Schedule shall have the meanings set forth in the Tariff or customarily attributed to such terms by the electric utility industry in New England. Where there is a conflict between this Local Service Schedule and the Tariff, the terms here shall apply. References herein to "this Local Service Schedule" refer to Schedule 21-ES (Part B).

1.1 Annual Transmission Revenue Requirements

The total annual cost of the Transmission System shall be the amount specified in Attachment 2 and Attachment 3 of Appendix B to Attachment F under this OATT until amended by NSTAR East or modified by the Commission.

1.2 Annual True-Up

The reconciliation of actual costs to actual revenues received Section 4.0 of this Local Service Schedule for any Service Year.

1.3 Designated Agent

Any entity that performs actions or functions on behalf of NSTAR East, an Eligible Customer, or the Transmission Customer required under the Local Service Schedule.

1.4 Designated Area

The area to which the Commission approves the allocation of Schedule 12C Costs identified in Section 17.1.

1.5 Customer's Monthly Local Service Load

The Transmission Customer's load on the NSTAR East Transmission System coincident with NSTAR East's monthly transmission system peak load. For a Transmission Customer taking Firm Contract Demand Service under the OATT, the Customer's Monthly Local Service Load is the Customer's Firm Contract Demand.

1.6 Customer's Monthly Schedule 12C Costs Load

The monthly load of a Transmission Customer that has signed a Schedule 12C Costs Responsibility Agreement is the Transmission Customer's load coincident with NSTAR East's monthly transmission system peak load. For a Transmission Customer taking Firm Contract Demand Service under the OATT, the Customer's Monthly Schedule 12C Costs Load is the Firm Contract Demand for load located within the Designated State or Area.

1.7 Firm Local Point-To-Point Service

Transmission service under this Local Service Schedule that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to this Local Service Schedule.

1.8 Local Network

All transmission facilities constituting NSTAR East's non-Pool Transmission Facilities (Non-PTF), excluding the Phase I/II HVDC-TF, which is defined in Schedule 20A of this OATT.

1.9 Local Network Service Load

The load that a Network Customer designates for Local Network Service under this Local Service Schedule. The Network Customer's Local Network Service Load shall include all load designated by the Network Customer, (including losses). A Network Customer may elect to designate less than its total load as Local Network Service Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete Points of Delivery as Local Network Service Load, the Eligible Customer is responsible for making separate arrangements under this Local Service Schedule for any Local Point-To-Point Service that may be necessary for such non-designated load. The Local Network Service Loads shall be specified in the Local Service Agreement.

1.10 Local Network Upgrades

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

1.11 Long-Term Firm Local Point-To-Point Service

Firm Local Point-To-Point Service provided under this Local Service Schedule with a term of one year or more.

1.12 Native Load Customers

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

1.13 NERC

North American Electric Reliability Corporation, the Electric Reliability Organization of the United States.

1.14 Non-Firm Local Point-To-Point Service

Local Point-To-Point Service under this Local Service Schedule that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in this Local Service Schedule. Non-Firm Local Point-To-Point Service is available on a stand-alone basis for periods ranging from one hour to one month.

1.15 NPCC

Northeast Power Coordinating Council, Inc., a regional reliability council of NERC.

1.16 NSTAR East

NSTAR Electric Company, a Massachusetts corporation with offices located at 800 Boylston Street, Boston, Massachusetts 02199. NSTAR East owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce. For purposes of this Schedule 21-ES (Part B), all references to NSTAR East shall mean NSTAR Electric Company (East), denoting NSTAR Electric Company's eastern Massachusetts geographic region, and specifically shall exclude NSTAR Electric Company (West), its western Massachusetts geographic region formerly owned by Western Massachusetts Electric Company. NSTAR East provides service pursuant to the rates, terms and conditions of this Local Service Schedule and the applicable terms and conditions of this Local Service Schedule.

1.17 NSTAR East's Transmission System Load

The 12-month average peak loads for NSTAR East's monthly Transmission System , minus the 12-month average usage of all Firm Local Point-To-Point Service customers and Firm Contract Demand Service Customers pursuant to this Local Service Schedule plus the 12-month average Reserved Capacity of all Firm Local Point-To-Point Service customers and the Firm Contract Demand of all Firm Contract Demand Service Customers for the Service Year during which services is rendered (expressed in kilowatts).

1.18 NSTAR East's Monthly Transmission System Peak

The maximum firm usage of NSTAR East's Transmission System in a calendar month (this does not include load of NSTAR East's customers exclusively connected to PTF).

1.19 NSTAR East's Transmission System Schedule 12C Costs Load

The Eversource Companies' 12-month average Designated area load coincident with the monthly transmission system peak load for the Designated Area for the Service Year during which services is rendered (expressed in kilowatts).

1.20 Parties

NSTAR East and the Transmission Customer receiving service under this Local Service Schedule.

1.21 Point(s) of Delivery

Point(s) on NSTAR East's Transmission System where capacity and energy transmitted by NSTAR East will be made available to the Receiving Party under this Local Service Schedule. The Point(s) of Delivery shall be specified in the Local Service Agreement.

1.22 Point(s) of Receipt

Point(s) of interconnection on NSTAR East's Transmission System where capacity and energy will be made available to NSTAR East by the Delivering Party under this Local Service Schedule. The Point(s) of Receipt shall be specified in the Local Service Agreement.

1.23 Schedule 12C Costs

Costs for PTF that ISO determines are not allowed recovery in Regional Network Service Rates.

1.24 Schedule 12C Costs Responsibility Agreement

An executed agreement that contains the terms and conditions under which a customer that is responsible for Schedule 12C Costs shall operate its facilities.

1.25 Service Agreement

Service Agreement is Local Service Agreement as defined in Attachment A to Schedule 21-Common.

1.26 Service Year

The calendar year in which the Transmission Customer is paying for service under this Schedule 21-ES (Part B).

1.27 Short-Term Firm Local Point-To-Point Service

Firm Local Point-To-Point Service under this Local Service Schedule with a term of less than one year.

1.28 Transmission System

The transmission owned, controlled or operated by NSTAR East that are used to provide transmission service under this Schedule 21-ES (Part B).

2.0 ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. NSTAR East is required to provide and the Transmission Customer is required to purchase the following Ancillary Services (i) Scheduling, System Control and Dispatch, and (ii) Supplemental End-Use Reactive Support Service.

In addition, the Transmission Customer is required to purchase additional Ancillary Services under the terms and conditions of the Tariff. 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. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission

Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by the Transmission Provider associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve. NSTAR East shall also assess a penalty for any unauthorized use of Ancillary Services by the Transmission Customer, based on the amount of transmission service it used but did not reserve, using the rate shown for such Ancillary Service.

The prices and/or compensation methods for Local System Control and Dispatch Services and Supplemental End-Use Reactive Support Service are described in Schedule ES-2 (Part B) and Attachment 2 of Appendix B to Attachment F under this OATT. Three principal requirements apply to discounts for Ancillary Services provided by NSTAR East in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by NSTAR East must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on NSTAR East's system.

3.0 CREDITWORTHINESS

NSTAR East's creditworthiness procedures are specified in Attachment ES-L (Part B) to this Local Service Schedule.

4.0 BILLING AND PAYMENT

4.1 Billing Procedure

Within a reasonable time after the first day of each month, NSTAR East shall submit an invoice to the Transmission Customer for the charges for all services furnished under this Local Service Schedule during the preceding month. Billings hereunder shall be based on cost estimates made by NSTAR East subject to Annual True-up when actual costs for the Service Year are known. 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 NSTAR East, or by wire

transfer to a bank named by NSTAR East.

The Local Service and Schedule 12C Costs Annual True-up shall be calculated in accordance with Attachment 2 of Appendix B to Attachment F, Worksheet 4 and Attachment 3 of Appendix B to Attachment F, Worksheet 5 under this OATT, respectively. The Annual True-up will include interest calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

Absent a Commission finding of imprudence, NSTAR East shall be entitled to accrue AFUDC as to any CWIP that is excluded from rate base.

4.2 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. § 35.19a(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 NSTAR East.

4.3 Customer Default

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to NSTAR East on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after NSTAR East 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, NSTAR East 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 NSTAR East and the Transmission Customer, NSTAR East will continue to provide service under the Local 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 NSTAR East may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. If the Transmission Customer is taking Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service, the terms of the applicable Large Load Cost Recovery Agreement shall govern.

5.0 DISPUTE RESOLUTION PROCEDURES

5.1 Internal Dispute Resolution Procedures

Any dispute between a Transmission Customer and NSTAR East involving transmission service under this Local Service Schedule (excluding applications for rate changes or other changes to this Local Service Schedule, or to any Service Agreement entered into under this Local Service Schedule, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of NSTAR East and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

5.2 External Arbitration Procedures

Any arbitration initiated under this Local Service Schedule shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) 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 twenty (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 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 Rules of the American Arbitration Association and any applicable Commission regulations or ISO rules.

5.3 Arbitration Decisions

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (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 this Local Service Schedule and any Service Agreement entered into under this Local Service Schedule 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 Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

5.4 Costs

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

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

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

5.5 Rights Under The Federal Power Act

Nothing in this section shall restrict the rights of any party to file a complaint with the Commission under relevant provisions of the Federal Power Act.

II LOCAL POINT-TO-POINT SERVICE

6.0 NATURE OF FIRM LOCAL POINT-TO-POINT SERVICE

6.1 Curtailment of Firm Local Point-To-Point Service

In the event a Transmission Customer (including Third-Party Sales by NSTAR East) fails to

curtail a transaction when requested to do so by NSTAR East, the Local Control Center and/or ISO, as appropriate and pursuant to this Section, NSTAR East shall assess a penalty charge to the Transmission Customer. Said penalty charge will be determined in accordance with this Local Service Schedule.

In the event NSTAR East, the Local Control Center or ISO exercises their rights to effect a Curtailment, in whole or in part, of Firm Local Point-To-Point Service, no credit or other adjustment shall be provided as a result of the Curtailment with respect to the charge payable by the Transmission Customer.

6.2 Classification of Firm Local Point-To-Point Service

(a) The Transmission Customer taking Firm Local Point-To-Point Service may, (1) change its Points of Receipt and Delivery to obtain service on a non-firm basis consistent with the terms of Part I, Section 10(a) of Schedule 21 of the OATT or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Part I, Section 10(b) of Schedule 21 of the OATT; provided that NSTAR East continues to be compensated for any costs associated with the construction or upgrading of facilities associated with the original firm service.

(b) In the event that a Transmission Customer's use of the Transmission System (including Third-Party Sales by NSTAR East) exceeds that Transmission Customer's Reserved Capacity at any Point of Receipt or Point of Delivery in any hour, NSTAR East will charge the Transmission Customer a penalty charge in accordance with Section 10 and Schedule ES-3 (Part B) of this Local Service Schedule.

(c) Under no circumstance will NSTAR East be obligated to provide Control Area Ancillary Services to the Transmission Customer in support of any excess capacity (i.e., capacity in excess of Transmission Customer's Reserved Capacity).

7.0 NATURE OF NON-FIRM LOCAL POINT-TO-POINT SERVICE

7.1 Classification of Non-Firm Local Point-To-Point Service

In the event that a Transmission Customer's use of the Transmission System (including Third-Party Sales by NSTAR East) exceeds that Transmission Customer's non-firm Reserved Capacity at any Point of Receipt or Point of Delivery, NSTAR East will charge the Transmission Customer a penalty charge in accordance with Section 10 and Schedule ES-3 (Part B) of this Local Service Schedule for such excess. Under no circumstance will NSTAR East be obligated to provide Control Area Ancillary Services to the Transmission Customer in support of any excess capacity (i.e., capacity in excess of Transmission Customer's Reserved Capacity).

7.2 Curtailment or Interruption of Service

In the event a Transmission Customer (including Third-Party Sales by NSTAR East) fails to implement a Curtailment or Interruption when requested to do so by NSTAR East, the Local Control Center and/or ISO, as appropriate and pursuant to this Section, NSTAR East shall assess a penalty charge. Said penalty charge will be determined in accordance with Section 10 and Schedule ES-3 (Part B) of this Local Service Schedule.

In the event NSTAR East, the Local Control Center and/or ISO exercises its rights to effect a Curtailment, in whole or part, of Non-Firm Local Point-To-Point Service, no credit or other adjustment shall be provided as a result of the Curtailment with respect to the charge payable by the Transmission Customer.

In the event NSTAR East, the Local Control Center and/or ISO exercises its rights to effect an Interruption, in whole or part, of Non-Firm Local Point-To-Point Service, the charge payable by the Transmission Customer shall be computed as if the term of service actually rendered were the term of service reserved; provided that an adjustment of the charge shall be made only when the Interruption is initiated by NSTAR East, the Local Control Center and/or ISO, not when the customer fails to deliver energy to NSTAR East.

8.0 SERVICE AVAILABILITY

8.1 Real Power Losses

Real power losses associated with transactions on NSTAR East's Local Network shall be determined based on estimated average system losses for metering points on NSTAR East's

Local Network; the loss factor will be three and one tenth percent (3.1%).

8.2 Load Shedding

To the extent that a system contingency exists on the NSTAR East Transmission System or the New England Transmission System and NSTAR East, the Local Control Center or ISO, as appropriate, determines that it is necessary to shed load, the Parties shall shed load in accordance with the procedures specified by NSTAR East, the Local Control Center and/or ISO.

9.0 METERING

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under the Local Service Schedule and to communicate the information to NSTAR East. However, NSTAR East reserves the right to determine and approve any and all metering equipment and the metering installation design, such approval not to be unreasonably withheld.

All meters, including any recording devices or telemetry equipment must be operated and maintained in accordance with ISO Operating Procedures. Unless otherwise agreed, such equipment shall remain the property of NSTAR East.

If at any time any metering equipment owned by NSTAR East (or the Transmission Customer, if so agreed) is found to be inaccurate in excess of two percent (2%), up or down, the owner of the metering equipment shall cause it to be made accurate or replaced and the meter readings and rate computation for the period of inaccuracy shall be adjusted to correct such inaccuracy so far as the same can be reasonably ascertained, but no adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. In addition to an annual routine test, the owner of the metering equipment shall cause such equipment to be tested at any time upon written request of the other Party. If such equipment proves accurate within two percent (2%), up or down, the expense of the test shall be borne by the Party requesting the test. The determination of percent accuracy shall be in accordance with the weighted average percent registration as described in ANSI C12.1-1988, Section 6.1.8.1. The owner of the metering equipment shall comply with any reasonable request of the other Party concerning the sealing of meters, the presence of a representative when the seals are broken and tests are made, and other matters affecting the accuracy of the measurement of electricity hereunder.

10.0 STRANDED COST RECOVERY

NSTAR East may seek to recover stranded costs from the Transmission Customer pursuant to this Local Service Schedule in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, NSTAR East must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

III LOCAL NETWORK SERVICE

11.0 NATURE OF LOCAL NETWORK SERVICE

11.1 Real Power Losses

Real power losses associated with transactions on Non-PTF shall be determined based on estimated average system losses for metering points on NSTAR East's Local Network; the loss factor will be three and one tenth percent (3.1%).

11.2 Metering

Unless agreed otherwise, all meters, including any recording devices or telemetry equipment shall be owned, operated, maintained and tested by NSTAR East or its Designated Agent in accordance with ISO Operating Procedures at the Transmission Customer's expense. NSTAR East shall provide access to metering data, including telephone line access, which may reasonably be required to facilitate measurement and billing under a Local Service Agreement at the requesting Party's expense.

NSTAR East reserves the sole right to determine appropriate metering installations. When new metering equipment is required, it shall be supplied by NSTAR East, at the Transmission Customer's expense, including applicable taxes, and overhead costs, in conformity with ISO Operating Procedures.

If at any time any metering equipment owned by NSTAR East (or Transmission Customer, if so agreed) is found to be inaccurate in excess of two percent (2%), up or down, the owner of the metering equipment shall cause it to be made accurate or replaced and the meter readings and rate computation for the period of inaccuracy shall be adjusted to correct such inaccuracy so far as the

same can be reasonably ascertained, but no adjustment prior to the beginning of the next preceding month shall be made except by agreement of the Parties. In addition to an annual routine test, the owner of the metering equipment shall cause such equipment to be tested at any time upon written request of the other Party.

If such equipment proves accurate within two percent (2%), up or down, the expense of the test shall be borne by the Party requesting the test. The determination of percent accuracy shall be in accordance with the weighted average percent registration as described in ANSI C12.1-1988, Section 6.1.8.1. The owner of the metering equipment shall comply with any reasonable request of the other Party concerning the sealing of meters, the presence of a representative when the seals are broken and tests are made, and other matters affecting the accuracy of the measurement of electricity hereunder.

12.0 NETWORK RESOURCES

12.1 Operation of Network Resources

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or NSTAR East's Control Area such that the output of those facilities exceeds its designated Local Network Load, plus Non-Firm Sales delivered pursuant to Part II of this Local Service Schedule, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of NSTAR East to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System.

12.2 Transmission Arrangements for Network Resources Not Physically Interconnected With NSTAR East

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

12.3 Use of Interface Capacity by the Network Customer

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

12.4 Network Customer Owned Transmission Facilities

The Network Customer that owns existing transmission facilities that are integrated with NSTAR East'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 NSTAR East to serve its power and Transmission Customers. For facilities constructed by the Network Customer subsequent to the Service Commencement Date under this Local Service Schedule, the Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with NSTAR East. Calculation of the credit shall be addressed in either the Network Customer's Local Service Agreement or any other agreement between the Parties.

13.0 DESIGNATION OF LOCAL NETWORK LOAD

13.1 Local Network Service Load Not Physically Interconnected with NSTAR East

This section applies to both initial designation pursuant to Section 14.1 and the subsequent addition of new Local Network Service Load not physically interconnected with NSTAR East. To the extent that the Local Network Service Customer desires to obtain transmission service for a load outside NSTAR East's Transmission System, the Local Network Customer shall have the option of (1) electing to include the entire load as Local Network Service Load for all purposes under this Local Service Schedule and designating Network Resources in connection with such additional Local Network Service Load, or (2) excluding that entire load from its Local Network Service Load and purchasing Local Point-To-Point Service under this Local Service Schedule.

To the extent that the Network Customer gives notice of its intent to add a new Local Network

Service Load as part of its Local Network Service Load pursuant to this section, the request must be made through a modification of service pursuant to a new Application.

14.0 LOAD SHEDDING AND CURTAILMENTS

14.1 Procedures

Prior to the Service Commencement Date, NSTAR East and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to the OATT with the objective of responding to contingencies on the Transmission System. The Parties will implement such programs during any period when NSTAR East, the Local Control Center or ISO, as appropriate, determines that a system contingency exists and such procedures are necessary to alleviate such contingency. NSTAR East will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

14.2 Allocation of Curtailments

NSTAR East shall, on a non-discriminatory basis, effect a Curtailment of the transaction(s) that effectively relieves the constraint. However, to the extent practicable and consistent with Good Utility Practice, any Curtailment will be shared by NSTAR East and Network Customer based on their respective Load. NSTAR East shall not direct the Network Customer to effect a Curtailment of schedules to an extent greater than NSTAR East would effect a Curtailment of NSTAR East's schedules under similar circumstances.

14.3 Load Shedding

To the extent that a system contingency exists on NSTAR East's Transmission System and ISO, the Local Control Center or NSTAR East, as appropriate, determines that it is necessary for NSTAR East, Local Point-to-Point Customers and Network Customers to shed load, the Parties shall shed load in accordance with the OATT.

14.4 System Reliability

Any Curtailment of Local Network Service will be not unduly discriminatory relative to NSTAR East's use of the Transmission System on behalf of its Native Load Customers. In the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures,

NSTAR East shall assess a penalty charge. Said penalty charge will be determined in accordance with Section 16.2.

15.0 OPERATING ARRANGEMENTS

15.1 Operating Requirements

The terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of this Local Service Schedule 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 NSTAR East's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment),

(ii) transfer data between NSTAR East and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside NSTAR East's Transmission System, interchange schedules, unit outputs for redispatch required under Section 14, 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 this Local Service Schedule, 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 the Electric Reliability

Organization (ERO), as defined in 18 CFR 38.1, and ISO,

(ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with NSTAR East, or

(iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO and ISO. NSTAR East shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services.

15.2 Network Operating Committee

A Network Operating Committee (Committee) shall 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.

IV LOCAL FIRM CONTRACT DEMAND SERVICE

16. Nature of Service

Local Firm Contract Demand Service shall be provided in accordance with Schedule 21 Common and Sections II.58 through II.63 of the OATT, and this Local Service Schedule. Local Firm Contract Demand Service permits a Large Load Transmission Customer to serve a Large Load through the Eversource Companies' Transmission System on a firm basis.

17. Real Power Loss

Real Power Losses are associated with all transmission services. The Eversource Companies are not obligated to provide Real Power Losses. The Large Load Transmission Customer is responsible for replacing losses associated with all transmission services as determined under Market Rule 1. The applicable Real Power Loss factors are as follows:

The amount of transmission losses incurred in transmitting power across the Eversource Companies

Transmission System to the Large Load Transmission Customer's Firm Contract Demand load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth below:

Cumulative Losses in Percent 24 Hr.			
POR/POD	Peak*	Off-Peak	Avg.
Bulk Transmission	1.98	2.42	2.21
Bulk Substation	2.46	2.92	2.70
Pri. Distribution	4.58	4.50	4.54

*Peak hours are defined as 0700-2300, Monday-Friday; Off-Peak hours are all other hours.

18. Load Shedding and Curtailment

To the extent that a system contingency exists on the Eversource Companies' Transmission System or the New England Transmission System and the ISO, Local Control Center, or the Eversource Companies determine that load shedding or curtailment is necessary, Large Load Transmission Customers receiving Local Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

19. Operating Agreement

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 Common, Sections II.61 and II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with the Eversource Companies. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

20. Cost Responsibility

The Local Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Firm Contract Demand Service, including study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21 Common, the OATT, and any applicable Cost Recovery Agreement.

V. LOCAL NON-FIRM CONTRACT DEMAND SERVICE

21. Nature of Service

Local Non-Firm Contract Demand Service shall be provided pursuant to Schedule 21 Common, the OATT, and this Local Service Schedule. Local Non-Firm Contract Demand Service is provided on an as-available basis and is subject to redispatch, interruption, curtailment, and load shedding.

22. Real Power Loss

Real Power Losses are associated with all transmission services. The Eversource Companies are not obligated to provide Real Power Losses. The Large Load Transmission Customer is responsible for replacing losses associated with all transmission services as determined under Market Rule 1. The applicable Real Power Loss factors are as follows:

The amount of transmission losses incurred in transmitting power across the Eversource Companies Transmission System to the Large Load Transmission Customer's Firm Contract Demand load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth below:

Cumulative Losses in Percent 24 Hr.			
POR/POD	Peak*	Off-Peak	Avg.
Bulk Transmission	1.98	2.42	2.21

Bulk Substation	2.46	2.92	2.70
Pri. Distribution	4.58	4.50	4.54

*Peak hours are defined as 0700-2300, Monday-Friday; Off-Peak hours are all other hours.

23. Redispatch, Load Shedding and Curtailment

In addition to any obligations on curtailment and redispatch under Part II.J of the OATT for Non-Firm Contract Demand Service, to the extent that a system contingency exists on the Eversource Companies' Transmission System or the New England Transmission System and the ISO, Local Control Center, or the Eversource Companies determine that load shedding or curtailment is necessary, Large Load Transmission Customers receiving Local Non-Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

24. Operating Agreement

The Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 Common, Sections II.61 and II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with the Eversource Companies. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

25. Cost Responsibility

The Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Firm Contract Demand Service, including study costs, Direct Assignment Facilities, Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21 Common, the OATT, and any applicable Cost Recovery Agreement.

VI. LOCAL INTERIM CONTRACT DEMAND SERVICE

The rates, terms, and conditions for Local Interim Contract Demand Service shall be identical to those for

Local Non-Firm Contract Demand Service.

IV RATES AND CHARGES

~~16~~26.0 LOCAL SERVICE

Rates for Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service shall be determined as set forth in Schedule ES-3 (Part B) on the basis of estimated costs for each Service Year until the actual costs for such Service Year are determined. Thereafter, payments made on such estimated costs shall be recalculated based on actual data for that Service Year, and all appropriate billing adjustments shall be made pursuant to Section 4 of this Local Service Schedule. Each Local Point-to-Point Service customer under this Local Service Schedule will be charged for its total Reserved Capacity s at the rates set forth in this Schedule ES-3 (Part B). NSTAR East shall use Section II of the Tariff to make its Third-Party Sales. NSTAR East shall account for such use at the applicable Tariff rates.

~~16~~26.1 Monthly Local Network Service Charge

A Transmission Customer with load on the NSTAR East Transmission System shall pay monthly charges, which shall be determined by multiplying the Customer's Transmission System Monthly Local Service Load by the annual Local Network Service rate as calculated in accordance with Appendix A of Schedule ES-3 (Part B).

The Local Service Customer shall pay NSTAR East for any Direct Assignment Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

~~16~~26.2 Curtailment Penalty Charge

If the Transmission Customer fails to respond to established emergency load shedding and curtailment procedures to relieve emergencies on the transmission system, NSTAR East may assess a penalty charge to the Transmission Customer. Said penalty charge will be equal to two (2) times the Monthly Demand Charge for Local Service, as calculated in accordance with Section 16.0 of this Local Service Schedule, for the month in which such service was not

curtailed or interrupted.

~~16~~26.3 Taxes and Fees Charge

~~16~~26.3.1 If NSTAR East incurs tax liability currently for which it will in subsequent years receive tax benefits (for example, a taxable contribution in aid of construction) then Transmission Customer shall pay to NSTAR East an amount sufficient to reimburse NSTAR East, on a net present value basis, for the reasonably projected costs resulting from the tax liability incurred in the current year less the reasonably projected tax benefits received by NSTAR East in future years. Sections 16.3.1 and 16.3.2 are intended to apply to those Transmission Customers for whom Direct Assignment Facilities are constructed pursuant to this Local Service Schedule and to any Transmission Customer's appropriate share of the cost of any required Local Network Upgrades and Large Load Network Upgrades to the extent that any such Local Network Upgrade or Large Load Network Upgrade is identified pursuant to the study procedures outlined in Schedule 21-Local Service, Schedule 21-Common, or the OATT ~~Section II.7(d)~~ and permitted or required by Commission ruling to be paid as a contribution in aid of construction.

~~16~~26.3.2 If NSTAR East takes a position that any particular transaction under any section of the Local Service Schedule does not constitute a transaction of the type described immediately above, and that position is subsequently reversed by Treasury ruling or regulation or court action, then the Transmission Customer shall pay to NSTAR East an amount calculated as described above, but additionally taking into account any interest assessment required to be paid by NSTAR East.

~~16~~26.3.3 At its effective date, this Section 16.3 applies only to contributions in aid of construction ("CIAC"). NSTAR East reserves the right to file under Section 205 of the FPA to modify this provision to apply to items other than CIAC and the Network Customer reserves the right to oppose any such filing

~~17~~27.0 SCHEDULE 12C COST CHARGE

Any Eligible Customer taking Regional Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service under the ISO Tariff in a Designated Area shall pay monthly Schedule 12C Costs, which shall be determined by multiplying the Customer's Monthly Load by the annual Schedule 12C Costs rate as calculated in accordance with Appendix A of Schedule ES-4 (Part B). NSTAR East shall execute a CRA under this Local Service Schedule, in the form set forth in Attachment ES-C (Part B), to recover such charges from such customer. NSTAR East shall not bill any such customer any such costs unless (1) such CRA has been executed with the Eligible Customer, or (2) an unexecuted CRA has been permitted to be made effective by the Commission.

~~17~~27.1 Listing of Schedule 12C Costs:

[RESERVED]

SCHEDULE ES-2 (PART B)

SUPPLEMENTAL END-USE REACTIVE SUPPORT SERVICE

In the event that power factor levels and reactive supply requirements set forth in the Service Agreement or other associated operating or interconnect agreement are not maintained by the Delivering Party (or, as appropriate, the Receiving Party), in accordance with applicable ISO standards and practices then NSTAR East shall charge the Transmission Customer to take corrective action. The Transmission Customer shall compensate NSTAR East for installing the necessary equipment, whether in the form of generating units or other non-generating resources, such as demand resources, to correct the incremental difference between the Transmission Customer's lowest (or highest) power factor level and that which is an acceptable level in accordance with ISO standards and practices. The charges will be based upon the necessary level of reactive power supply required to correct the deficiency in the power factor level.

For the KVAR demand supplied to the Transmission Customer, the charge shall be the greater of a) the market price of installing leading reactive power supply expressed in terms of $/KVAR or b) $50/KVAR of installed (leading) reactive power reflecting current NSTAR East cost.

For the KVAR demand absorbed by NSTAR East the charge shall be the greater of a) the market price of installing lagging reactive power supply expressed in terms of $/KVAR or b) $22.5/KVAR of installed (lagging) reactive power reflecting current NSTAR East cost.

SCHEDULE ES-3 (PART B)

LOCAL SERVICE

Each month, NSTAR East shall bill the Transmission Customer for Local Service and the Transmission Customer shall be obligated to pay NSTAR East the charges as set forth in this Schedule ES-3 (Part B), as applicable.

TRANSMISSION CHARGES

1. Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service

The Local Network Service charges will provide for recovery of the costs of the transmission facilities of NSTAR East in accordance with Line 3 of Appendix A of this Schedule ES-3 (Part B). The rate for Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service shall be the rate for Local Network Service.

2. Local Point-to-Point Service

The Local Point-to-Point Service charges will provide for recovery of the costs of the transmission facilities of NSTAR East in accordance with Lines 4-8 of Appendix A of this Schedule ES-3 (Part B).

1) Penalty

When the Transmission Customer exceeds its Reserved Capacity or uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved (Excess Incident), NSTAR East will charge the Transmission Customer 200% of the rate determined as follows for each kilowatt of the Excess Incident:

- The unreserved use penalty for a single hour of unreserved use shall be based on the rate for daily Firm Point-to Point Transmission Service.

- If there is more than one assessment for a given duration (e.g., daily) for the Transmission Customer, the penalty shall be based on the next longest duration (e.g., weekly).

- The unreserved penalty charge for multiple instances of unreserved use (i.e., more than one hour) within a day shall be based on the daily rate for Firm Local Point-To-Point Service.

- The unreserved penalty charge for multiple instances of unreserved use isolated to one calendar week shall be based on the charge for weekly Firm Local Point-To-Point Service.

- The unreserved use penalty charge for multiple instances of unreserved use during more than one week during a calendar month shall be based on the charge for monthly Firm Local Point-To-Point Service.

- The unreserved use penalty charge for multiple instances of unreserved use during more than one month during a calendar year shall be based on the charge for yearly Firm Local Point-To-Point Service.

All Excess Incidents will be recorded by NSTAR East, and if in any calendar year more than ten (10) Excess Incidents occur in connection with service for the Transmission Customer, then NSTAR East may require the Transmission Customer to apply for additional Firm Local Point-To-Point Service under this Local Service Schedule in the amount equal to the highest Excess Incident during that Service Year. Charges for such additional transmission service will relate back to the first day of the month following the month of NSTAR East's notice.

2) Curtailment Penalty Charge

If the Transmission Customer fails to respond to established emergency load shedding and curtailment procedures to relieve emergencies on the Transmission System, NSTAR East may assess a penalty charge to the Transmission Customer. Said penalty charge will be equal to two (2) times the Monthly Rate for Firm Local Point-To-Point Service for the month in which such service was not curtailed or interrupted.

3) Exchanges

With respect to entitlement transactions or energy transactions or other transactions that involve an exchange, each party to such transaction shall be treated as an individual Transmission Customer under this Local Service Schedule. Accordingly, a separate Schedule ES-2 (Part B) or other applicable charge(s) will be calculated for, and a separate bill will be rendered to, each such Transmission Customer.

4) Discounts

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by NSTAR East must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, NSTAR East must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

5) Resales

The rates and rules governing charges and discounts in Sections I.A.2 of this Schedule ES-3 (Part B) stated above shall not apply to resales of transmission service, compensation for which shall be governed by Schedule 21.

SCHEDULE ES-3 (PART B)

APPENDIX A

LOCAL SERVICE RATES

For Costs in 20__

Local Service rates will be calculated in accordance with the formula provided below:

Line No.	Input Cells are Shaded Yellow / Description	(A) Amount	(B) Reference
1	Local Service ATRR	**$ -**	Attachment 2 of Appendix B W/S 1, Line 9(A)
2	NSTAR East's Transmission System Load for the calendar year two years prior to the Service Year	-	Attachment _
3	Annual Local Network Service rate	#DIV/0!	Line 1 / Line 2
	Local Point-to-Point Service		
4	Annual Rate per kW	#DIV/0!	Line 3
5	Monthly Rate per kW	#DIV/0!	Line 4 / 12 months
6	Weekly Rate per kW	#DIV/0!	Line 4 / 52 weeks
7	Daily Rate per kW	#DIV/0!	Line 4 / 365 days
8	Hourly Rate per kW	#DIV/0!	Line 4 / 8760 hours

SCHEDULE ES-4 (PART B)
SCHEDULE 12C COSTS

Each month, NSTAR East shall bill the Transmission Customer for Schedule 12C Costs and the Transmission Customer shall be obligated to pay NSTAR East the charges as set forth in this Schedule ES-4 (Part B), as applicable.

TRANSMISSION CHARGES

The Schedule 12C Costs charges will provide for recovery of the costs of the transmission facilities of NSTAR East in accordance with Line 3 of Appendix A of this Schedule ES-4 (Part B).

SCHEDULE ES-4 (PART B)

APPENDIX A

SCHEDULE 12C COSTS RATES

For Costs in 20__

Schedule 12C Costs rates will be calculated in accordance with the formula provided below. The Schedule 12C Costs rates will be calculated separately for the Designated Area as applicable, utilizing inputs specific to the Designated Area in lines 1 and 2.

	Input Cells are Shaded Yellow	(A)	(B)
Line No.	**Description**	**Amount**	**Reference**
1	Schedule 12C Costs ATRR	$ -	Attachment 3 of Appendix B W/S 1, Line 8(A)
2	NSTAR East's Transmission System Schedule 12C Costs Load for the calendar year two years prior to the Service Year	-	Attachment _
3	Annual Schedule 12C Costs rate	#DIV/0!	Line 1 / Line 2

ATTACHMENT ES-A (PART B)
METHODOLOGY TO ASSESS AVAILABLE TRANSFER CAPABILITY

1. Introduction

ISO is the regional transmission organization ("RTO"), serving the New England Control Area. ISO is responsible for development, oversight, and fair administration of New England's wholesale market and management of 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 Area is interconnected to three neighboring Balancing Authority Areas: New Brunswick System Operator Area ("NBSO Area"), New York Independent System Operator Area ("NYISO Area"), and Hydro-Québec TransÉnergie Area ("HQTÉ Area").

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 for transmission service associated with PTF, the Participating Transmission Owners (PTOs) under the Transmission Operating Agreement, such as NSTAR East, provide local transmission service over Non-Pool Transmission Facilities within the RTO footprint and are responsible for calculating TTC and ATC associated with Local Service provided under Schedule 21. Pursuant to CFR § 37.6(b)[1] of the Commission's regulations, NSTAR East as a Transmission Provider is obligated to calculate and post ATC and TTC for certain local facilities over which Point-to-Point transmission service is provided under Schedule 21-ES (Part B). These are primarily radial paths that provide transmission service to directly interconnected generators.

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[1]§37.6(b) Posting transfer capability. The available transfer capability (ATC) on the Transmission Provider's system and the total transfer capability (TTC) of that system shall be calculated and posted for each Posted Path as set forth in this section.

Posted Path is defined as 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 serviced was denied, curtailed or interrupted. §37.6(b)(1)(i).

NSTAR East does not currently have any Posted Paths based on the above definition. However, to the extent that NSTAR East does in the future have any Posted Path(s), NSTAR East will calculate ATC and TTC using NERC Standard MOD-029-1 Rated System Path Methodology as outlined below.

1.1 Scope of Document

The scope of this document is limited to the following functions which are performed or utilized by NSTAR East in order to provide Local Point-to Point Service under Schedule 21-ES (Part B): Total Transfer Capability (TTC) methodology; Available Transfer Capability (ATC) methodology; Existing Transmission Commitment (ETC); Use of Transmission Reliability Margin (TRM); Use of Capacity Benefit Margin (CBM); and Use of Rollover Rights (ROR) in the calculation of ETC.

TTC and ATC are required to be calculated only for certain non-PTF internal paths over which Local Point-to-Point Service is provided under Schedule 21-ES (Part B). TTC and ATC are not calculated by NSTAR East for Local Network Service because ISO employs a market model for economic, security constrained dispatch of generation, and NSTAR East does not require advance reservation for such network service.

2. Transmission Service in the New England Markets

Since the inception of the open access transmission tariff for New England, the process by which generation located inside New England supplies energy and/or capacity to the bulk electric system has differed from the Commission's pro forma open access transmission tariff. 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 energy transactions that move 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 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.

The process for submitting External Transactions into the 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 the transfer 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 New England Control Area, and non-PTF where utilized for Local Network Service by generation or load. However, NSTAR East owns local transmission facilities over which an advance transmission service reservation for firm or non-firm transmission service may be required. On those facilities, Market Participants may obtain a transmission service reservation from NSTAR East under Schedule 21-ES (Part B) prior to delivery of energy and/or capacity into the New England markets pursuant to Schedule 18, 20A or 20B of the Tariff. This document addresses the calculation of ATC and TTC for these non-PTF internal paths.

3. NSTAR East Total Transfer Capability (TTC)

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-ES (Part B) is calculated using NERC Standard MOD-029-1 Rated System Path Methodology and posted on the NSTAR East OASIS site.

The TTC on NSTAR East's Non-PTF that requires Local Point-to-Point Service reservations are relatively static values. NSTAR East calculates the TTC for Posted Paths as the rating of the particular radial transmission path. NSTAR East will calculate and post TTC on its OASIS site for all non-PTF Posted Paths that are eligible for Local Point-to-Point Service reservations. TTC is calculated as the transfer capability rating of the particular radial transmission path less the most limiting element within the Posted Path.

4. Capacity Benefit Margin (CBM)

CBM is defined as the amount of firm transmission transfer capability set aside by a Transmission Provider for use by the Load Serving Entities. The ISO does not set aside any CBM for use by the Load Serving Entities, because of the New England approach to capacity planning requirements in the ISO New England Operating Documents, and in any event, ISO's determination of CBM does not apply directly to the determination of ATC for Local Service. Load Serving Entities operating with the New England Control Area are required to arrange for their Capacity Requirements prior to the beginning of any given month in accordance with the Tariff, Section III.13.7.3.1 (Calculation of Capacity Requirement and Capacity Load Obligation). Load Serving Entities do not utilize CBM to ensure that their capacity needs are met; therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of NSTAR East's ATC calculation and because CBM for the New England Control Area is set to zero (0), NSTAR East utilizes a zero (0) CBM value.

5. 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. As NSTAR East does not have any external interfaces, TRM for its non-PTF facilities is presently set to zero.

6. Existing Transmission Commitments

6.1 Existing Transmission Commitments, Firm (ETC_F)

ETC_F are confirmed Firm Local Point-To-Point Service reservations (PTP_F) plus any exercised rollover rights for Firm Point-To-Point Service reservations (ROR_F). 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 services, contracts or agreements (OS_F) to be considered in the ETC_F calculation.

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

ETC_{NF} are 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 services, contracts or agreements (OS_{NF}).

7. Calculation of ATC for NSTAR East's Transmission System

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 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 the Non-PTF assets, as ATC is positive and listed as 9999. Transmission Customers are not restricted from reserving Firm or Non-Firm Point-to-Point Service on Non-PTF facilities.

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-PTF assets in the New England market is almost always positive. The ATC is equal to the amount of net energy and/or capacity 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 that serve as a path for NSTAR East's Transmission Customers taking Local Point-to-Point Service, NSTAR East 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.

7.1 Calculation of Schedule 21-ES (Part B) Firm ATC (ATC_F)

7.1.1 Calculation of ATC_F in the Planning Horizon (PH)

For purposes of this Attachment ES-A (Part B), 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. Firm Transmission Service under Schedule 21-ES (Part B) that is available in the PH includes: Yearly, Monthly, Weekly and Daily. $Postbacks_F$ and $counterflows_F$ of Schedule 21-ES (Part B) transmission reservations are not considered in the ATC calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F.

7.1.2 Calculation of ATC_F in the Operating Horizon (OH)

For purposes of this Attachment ES-A (Part B), OH begins 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 decrease 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 are zero. Daily Firm Transmission Service under Schedule 21-ES (Part B) is the only firm service offered in the OH. $Postbacks_F$ and $counterflows_F$ of Schedule 21-ES (Part B) transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F.

7.1.3 Calculation of ATC_F in the Scheduling Horizon (SH)

Because Firm Schedule 21-ES (Part B) transmission service is not offered in the SH, ATC_F in the SH is zero.

7.2 Calculation of Schedule 21-ES (Part B) Non-Firm ATC (ATC_{NF})

7.2.1 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-ES (Part B) are zero. ATC_{NF} available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U,

Postbacks$_{NF}$ and counterflows$_{NF}$ of Schedule 21-ES (Part B) 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}.

7.2.2 Calculation of ATC_{NF} in the OH

ATC_{NF} available in the OH includes: Daily and Hourly. As discussed above, the TRM and CBM for Schedule 21-ES (Part B) are zero. TRM_{U}, counterflows$_{NF}$ and ETC_{NF} of Schedule 21-ES (Part B) transmission reservations are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_{F} plus postbacks of PTP_{F} in the OH as PTP_{NF} (Postbacks$_{NF}$).

7.3 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. As also stated above, NSTAR East's Non-PTF are primarily radial paths that provide transmission service to directly interconnected generators. It is possible that in the future a particular radial path may interconnect more nameplate capacity generation than the path's TTC. For the local facilities modeled by ISO, and consistent with ISO's economic, 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 could become zero, but will never be negative.

8. Posting of Schedule 21-ES (Part B) ATC

8.1 Location of ATC Posting

ATC values are posted on the NSTAR East OASIS site.

8.2 Updates to ATC

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

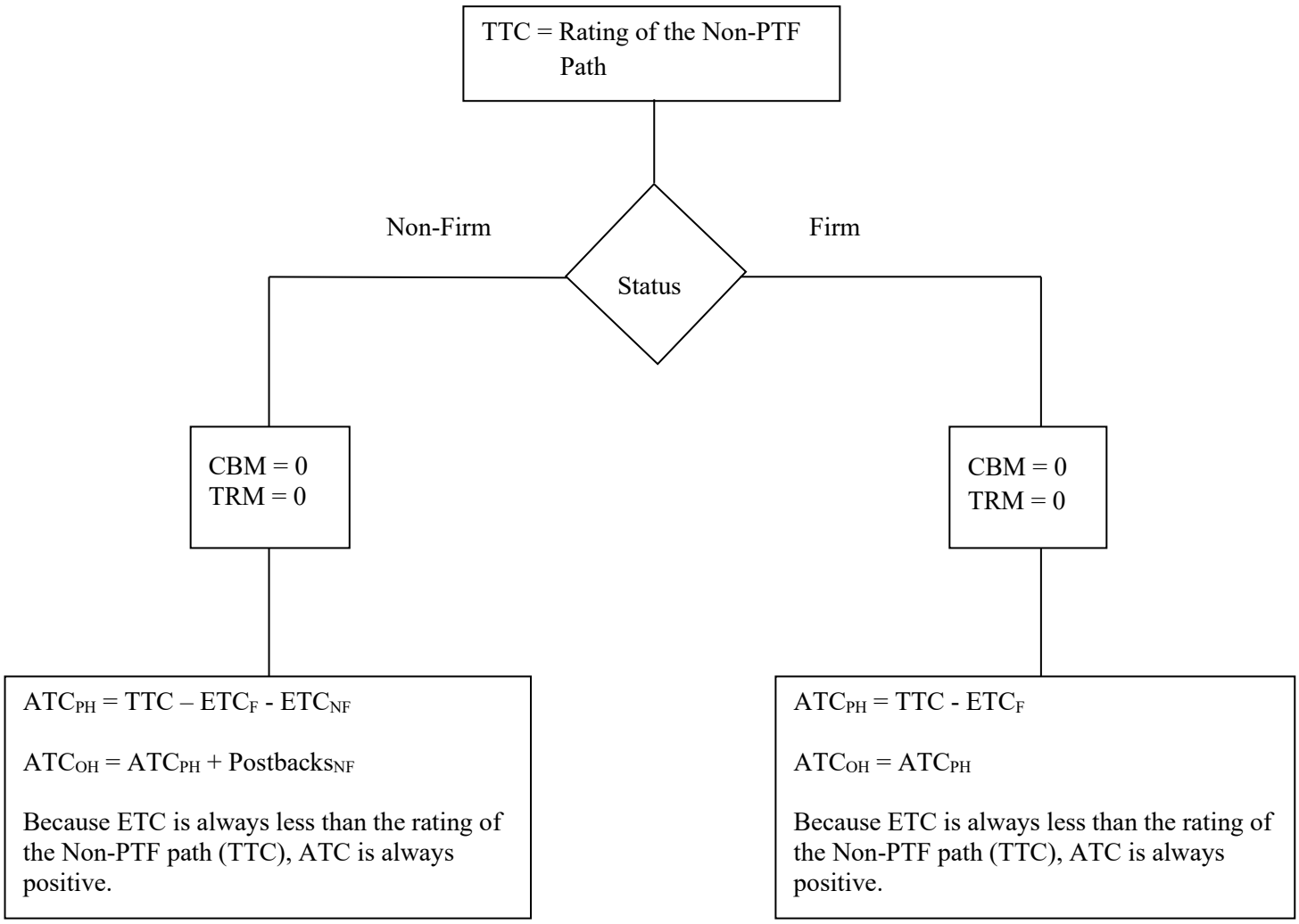
8.3 Coordination of ATC Calculations

NSTAR East's Non-PTF has no external interfaces. Therefore, it is not necessary to coordinate the values.

8.4 Mathematical Algorithms

The mathematical algorithms for the calculation of ATC can be found on NSTAR East's web site at https://www.eversource.com/content/docs/default-source/Tranmission/atc_algorithm-sch_21.pdf

Non-PTF Transmission Path ATC Process Flow Diagram



ATTACHMENT ES-B (PART B)

METHODOLOGY FOR COMPLETING A SYSTEM IMPACT STUDY

When NSTAR East determines on a non-discriminatory basis that a System Impact Study is needed because its Transmission System will be inadequate to accommodate a Completed Application for service, the following outlines the study methodology that NSTAR East will employ to estimate the Transmission System impact of a Completed Application for Firm Local Point-To-Point Service, Network Integration Service and/or any costs associated with Direct Assignment Facilities and/or Local Network Upgrades that would be incurred in order to accommodate the service requested in the Completed Application.

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

- meet obligations under agreements that predate this Local Service Schedule;
- meet obligations of existing and pending Completed Application under this Local Service Schedule;
- maintain thermal, voltage and stability system performance within acceptable regional practices.

2. Guidelines and Principles followed by NSTAR East: When performing the System Impact Study, NSTAR East will apply the following, as amended and/or adopted from time to time.

- Good Utility Practice;
- Criteria, rules and reliability standards applicable to the New England Transmission System;
- NPCC criteria and guidelines; and
- NSTAR East criteria and guidelines.

3. Transmission System Model Representation: The Transmission System model will be based on a library of load flow cases prepared by ISO for studies of the New England area. The models may include representations of other NPCC and neighboring systems. These load flow cases include individual system model representations provided by Transmission Owners and represent forecasted system conditions for up to ten (10) years into the future. This library of load flow cases is maintained and updated as appropriate by ISO, and is consistent with information filed under FERC Form 715. NSTAR East will use system models that it deems appropriate for study of the Completed Application 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 load flow 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 pre-contingency 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 fifteen (15) minutes. Transmission System voltage 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 NSTAR East 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 new load will be evaluated to meet the requirements of design, identified in the guidelines and principles under Item 2 above, 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 Point-To-Point Service when it has been determined that insufficient transfer capability is available and the Eligible Customer requests a System Impact Study be conducted.

7. Loss Evaluation: The impact of losses on the 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 NSTAR East in accordance with ISO, NPCC, and NSTAR East criteria.

9. Approvals: NSTAR East 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 Tariff.

10. Study Scope and Reporting: The study will determine the impacts and identify changes required, if any, to NSTAR East's existing Transmission System. NSTAR East will provide the Eligible Customer with a written report of the physical interconnection alternative(s), required NSTAR East system additions and/or modifications, if any, associated study grade cost estimates (+/- 25%) and the results of the analysis.

ATTACHMENT ES-C (PART B)

SCHEDULE 12C COSTS RESPONSIBILITY AGREEMENT

This Schedule 12C Costs Responsibility Agreement ("CRA" or "Agreement"), dated as of _____, is entered into by and between NSTAR Electric Company (East) ("NSTAR East" or "Company"), and the "Transmission Customer."

The Transmission Customer is _____. The Transmission Customer has been determined to be an Eligible Customer taking Regional Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service under the Tariff whose load is located in the Designated Area for Schedule 12C Costs listed in Section 17.0 of Schedule 21-ES (Part B) of Section II of the OATT.

The Transmission Customer agrees to pay its portion of the Schedule 12C Costs in the Designated Area in which the Transmission Customer's load is located as provided in the Tariff and in accordance with Commission orders. Billing under this Agreement shall commence on the later of: (1) 0001 hours on _____, or (2) such other date as permitted by the Commission.

Charges under this Agreement shall terminate on the earlier of: (1) the date on which the Schedule 12C Costs assets in the Designated Area in which the Transmission Customer's load is located are retired; or (2) the date upon which the Transmission Customer no longer takes Regional Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, and/or Interim Contract Demand Service under the Tariff in the Designated Area in which the Transmission Customer's load is located; provided, that the Transmission Customer shall remain responsible for all final payment obligations. In the event that the Transmission Customer sells or assigns, or transfers its load to another entity ("New Transmission Customer"), the Transmission Customer must provide NSTAR East with at least ninety (90) calendar days advance written notice of the sale, assignment, or transfer.

The Transmission Customer shall remain liable for the performance of all obligations under this Agreement until a new CRA has been executed between the New Transmission Customer and NSTAR East, or in the case of an unexecuted CRA, such other date as it has been permitted to be made effective by the Commission. No sale assignment or transfer shall become effective until the Company or

Transmission Customer have complied with all Applicable Laws and Regulations required for such sale, assignment, or transfer**.**

Other special provisions (if any)

_____.

Any notice or request made to or by any the Company or Transmission Customer regarding this Agreement shall be made in writing and shall be telecommunicated or delivered either in person, or by prepaid mail (return receipt requested) to the representative of the other party as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by one party to the other.

COMPANY:

_____

_____

_____

TRANSMISSION CUSTOMER:

_____

_____

_____

Any exhibits, Schedules, Attachments, Appendices to this Agreement and/or the Tariff are incorporated herein and made a part hereof. This Agreement may be amended from time to time as provided for in Schedule 21-ES (Part B) of Part II of the OATT.

IN WITNESS WHEREOF, the Company or the Transmission Customer have caused this Agreement to be executed by their respective authorized officials as of the date first above written.

NSTAR ELECTRIC COMPANY

By: _____

Its _____

TRANSMISSION CUSTOMER

By: _____

Its _____

ATTACHMENT ES-L (PART B)
CREDITWORTHINESS POLICY

I. General Information:

This Attachment ES-L (Part B) details the specific requirements for the creditworthiness procedures of NSTAR East. All customers taking (i) any service under Schedule 21-ES (Part B) or (ii) any FERC-regulated interconnection service from NSTAR East must meet the terms of this Policy (where all the above, collectively, are referred to as "Services"). The creditworthiness of each customer must be established prior to receiving service from NSTAR East. A customer will be evaluated at the time its application for service is provided to NSTAR East. A credit review shall be conducted for each Transmission Customer not less than annually or upon reasonable request by the Transmission Customer. This Attachment ES-L (Part B), when updated, will be done so in accordance with Section 10 of this Policy and as posted on NSTAR East's OASIS.

All customers must comply with the terms of this Attachment ES-L (Part B). Each customer should refer to NSTAR East's web site at https://www.eversource.com/Content/docs/default-source/Tranmission/credit-security-generator-interconnections.pdf?sfvrsn=2, or NSTAR East's OASIS site, for the NSTAR East representative to whom to forward the information required by this Attachment ES-L (Part B).

Upon receipt of a customer's information, NSTAR East will review it for completeness and will notify the customer if additional information is required. Upon completion of an evaluation of a customer, NSTAR East will notify the customer of its Financial Assurance requirements. NSTAR East will provide a written evaluation, upon request, to customers who are not required to provide Financial Assurance.

II. Financial Information:

Customers receiving transmission service or requesting interconnection service must submit, if available, the following:

- All current rating agency reports from Standard and Poor's ("S&P"), Moody's and/or Fitch of the customer.
- Audited financial statements provided by a registered independent auditor for the two most recent years, or the period of its existence, if shorter, for the customer.

III. Creditworthiness Requirements:

A. The customer must meet at least one of the following quantitative criteria in order to receive unsecured credit equivalent to 3 months of transmission charges or, for interconnections, the credit equivalent of 3 months of the annual facilities charges and other ongoing charges:

i) If rated, the customer must have either for itself or for its outstanding debt the following:

- Standard and Poor's or Fitch rating of at least a BBB, or
- Moody's rating of at least a Baa2.

ii) If un-rated or if rated below BBB/Baa2, as stated in a), the customer must meet all of the following:

- A Current Ratio of at least 1.0 times (current assets divided by all current liabilities);
- A Total Capitalization Ratio of less than 60% debt: total debt (including all short-term borrowing) divided by total shareholders' equity plus total debt;
- "Earnings before interest, taxes, depreciation and amortization" in most recent fiscal quarter divided by expense for interest" (EBITDA-to-Interest Expense Ratio) of at least 2.0 times; and
- Audited Financial Statement with an unqualified audit opinion.

iii) If the customer relies on the creditworthiness of a parent company, the customer's parent company must meet the criteria set out in (a) or (b) above, and must provide to NSTAR East a written guarantee that it will be unconditionally responsible for all financial obligations associated with the customer's receipt of transmission service from NSTAR East.

iv) If the customer is a municipal that is a member of the Massachusetts Municipals Wholesale Electric Cooperative (MMWEC), MMWEC must meet the criteria set out in (a) or (b) above and provide to NSTAR East a written guarantee that MMWEC will be unconditionally responsible for all financial obligations associated with the customer's receipt of transmission service from NSTAR East.

B. If the customer does not qualify for unsecured credit under Section A, the customer will qualify

for unsecured credit equivalent to two months of transmission service charges, or for interconnections, the credit equivalent of two months of the annual facilities charges and other ongoing charges, if one of the following qualitative factors is met:

- § The customer has, on a rolling basis, 12 consecutive months of payments to NSTAR East with no missed, late or defaults in payment; or
- § The customer has an executed long-term contract for the sale of the full output (energy and capacity) of its generating unit and either has executed a corresponding Local Service Agreement under Schedule 21-ES (Part B) for the transmission of that output or the execution of such a Local Service Agreement is pending the customer's demonstration of creditworthiness pursuant to this Attachment ES-L (Part B).

IV. Financial Assurance:

If the customer does not meet the applicable requirements for Creditworthiness set out in Section III above, then the customer must either:

- Pay in advance for service an amount equal to the lesser of the total charge for Transmission Service or the charge for three months of Transmission Service not less than 5 days in advance of the commencement of service; or

- Obtain Financial Assurance in the form of a: letter of credit, performance bond, or corporate guarantee equal to the equivalent of 3 months of Transmission Service charges prior to receiving service.

If the customer pays for service in advance, NSTAR East will pay to the customer interest on the amounts not yet due to NSTAR East, computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

V. Contesting Creditworthiness Determination:

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

VI. Process for Changing Credit Requirements:

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

A. General Notification Process

i) NSTAR East shall provide written notification to ISO-NE and stakeholders of any filing described above, at least 30 days in advance of such filing.

ii) Filing notifications shall include a detailed description of the filing, including a redlined document containing revised change(s).

iii) NSTAR East shall consult with interested stakeholders upon request.

iv) Following Commission acceptance of such filing and upon the effective date, NSTAR East shall revise Attachment ES-L (Part B) and an updated version of Schedule 21-ES (Part B) shall be posted the ISO-NE website.

B. Transmission Customer Responsibility

When there is a change in requirements pursuant to this Attachment ES-L (Part B), it is the responsibility of the customers to forward updated financial information to NSTAR East at the address noted on NSTAR East's OASIS site and indicate whether the change affects their ability to meet the requirements of this Attachment ES-L (Part B). In such cases where the customer's status has changed, the customer must take the necessary steps to comply with the revised requirements of the Attachment ES-L (Part B) by the effective date of the change.

VII. Posting Collateral Requirements:

A. Changes in Customer's Financial Condition

Each customer must inform NSTAR East, in writing, within five (5) business days of any material change in its financial condition, and, if the customer qualifies under Section III.A(c), that of its parent company.

A material change in financial condition may include, but is not limited to, the following:

- Change in ownership by way of a merger, acquisition or substantial sale of assets;
- A downgrade of long- or short-term debt rating by a major rating agency;
- Being placed on a credit watch with negative implications by a major rating agency;
- A bankruptcy filing;
- Any action requiring filing of a Form 8-K;
- A declaration of or acknowledgement of insolvency;
- A report of a significant quarterly loss or decline in earnings;
- The resignation 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.

B. Change in Creditworthiness Status

- A customer who has been extended unsecured credit under this policy must comply with the terms of Financial Assurance in Section IV above if one or more of the following conditions apply:
- The customer no longer meets the applicable criteria for Creditworthiness in Section III above;
- The customer exceeds the amount of unsecured credit extended by NSTAR East, in which case Financial Assurance equal to the amount of excess must be provided within 5 business days; or
- The customer has missed two or more payments for any of the services offered by NSTAR East in the last 12 months.

In the event that NSTAR East determines that there is a change in the credit level or collateral requirements, the customer may request a written explanation of the basis for this change. Such notification should be sent to the NSTAR East contact indicated on the NSTAR East OASIS site. NSTAR East shall respond to such request within 20 days of receipt of such notification.

Unless otherwise noted above, when there is a change in a customer's Creditworthiness Status requiring the customer to provide Financial Assurance, the customer must provide such Financial Assurance within

20 business days from the date the customer either notifies NSTAR East, as required in Section VI.B above, or receives notice from NSTAR East.

VIII. Ongoing Financial Review:

Each customer is required to submit to NSTAR East annually or when issued, as applicable:

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

IX. Suspension of Service:

NSTAR East may immediately suspend service (with notification to Commission) to a customer, and may initiate proceedings with Commission to terminate service, if the customer does not meet the terms described in Sections III through VIII above at any time during the term of service or if the customer's payment obligations to NSTAR East exceed the amount of unsecured or secured credit to which it is entitled under this Attachment ES-L (Part B). A customer is not obligated to pay for transmission service that is not provided as a result of a suspension of service.

SCHEDULE 21 - FG&E

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
LOCAL SERVICE SCHEDULE

SCHEDULE 21-FG&E

Fitchburg Gas and Electric Light Company Local Service Schedule

I. COMMON SERVICE PROVISIONS

Fitchburg Gas and Electric Light Company ("FG&E") is a participant in the New England Control Area and has agreed to provide transmission and ancillary services over PTF pursuant to the Tariff. The services provided under this Schedule 21-FG&E, Local Network Service, Local Point-to-Point Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service, apply only to Non-PTF, except in the case of service to Network Customers that have all or part of their Network Load directly connected to the PTF in the Local Network. These Network Customers shall pay for Local Network Service pursuant to Attachment F of the ISO New England Inc. Transmission, Markets, and Services Tariff (ISO-NE Tariff), Section II, Open Access Transmission Tariff (OATT). Provisions of this Schedule 21-FG&E shall have priority over any conflicting provisions in the Tariff.

I1 Definitions

1.0 Annual Transmission Costs: The total annual cost of the Local Network for purposes of Local Network Service shall be the amount specified in Attachment F of the OATT until amended by FG&E or modified by the Commission.

1.1 Curtailment: A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.

1.2 Load Ratio Share: Ratio of a Transmission Customer's Non-PTF Network Load to FG&E's total load computed in accordance with Sections II.10 and II.10(a) of this Schedule under Sections Supplementing Section 21 of the OATT and calculated on a rolling twelve month basis.

1.3.1 Local Network: The transmission facilities owned, controlled, or operated by FG&E that are used to provide transmission service under Schedule 21 of the OATT.

1.4 Local Network Service: The transmission service provided under Schedule 21 of the OATT and this Schedule.

1.5 **Network Load**: The load directly interconnected to the PTF or Non-PTF facilities of FG&E. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a 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 Schedule 21 of the OATT for any Local Point-to-Point Service that may be necessary for such non-designated load. For purposes of establishing rates and charges under this Tariff, the Network Load will be subdivided into one of two categories:

A. PTF Network Load shall be the load over FG&E's PTF facilities and shall equal the load of Network Customers directly interconnected with FG&E's PTF or indirectly utilizing FG&E's PTF through Non-PTF facilities of FG&E.

B. Non-PTF Network Load shall be the load over FG&E's Non-PTF directly interconnected with FG&E's Non-PTF facilities.

1.6 **Network Upgrades**: Modifications or additions to transmission-related facilities that are integrated with and support FG&E's overall Local Network for the general benefit of all users of such Local Network.

1.7 **Parties**: FG&E and the Transmission Customer receiving service under this Schedule and the OATT.

SECTIONS SUPPLEMENTING THE BODY OF THE TARIFF

Preamble

The following provisions supplement the provisions of the Tariff. Provisions of this Schedule 21-FG&E shall have priority over any conflicting provisions in the Tariff. The section numbers of this Schedule 21-FG&E correspond to or are consecutive to the section numbers in the body of the Tariff that are affected by the additional provisions herein.

Sections Supplementing Section 1: General Terms and Conditions

1.7 **Creditworthiness**: For the purpose of determining the ability of the Transmission

Customer to meet its obligations related to service hereunder, FG&E may require reasonable credit review procedures in accordance with Attachment L to Schedule 21-FG&E.

Sections Supplementing Section II of the Tariff: Open Access Transmission Tariff (OATT)

II.A. COMMON SERVICE PROVISIONS

II.4 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. FG&E is required to provide (or offer to arrange with the ISO as discussed below), and the Transmission Customer is required to purchase Scheduling, System Control and Dispatch Service.

The following Ancillary Services are available pursuant to Section II.4 of the Tariff only to the Transmission Customer serving load within the New England Control Area: (i) Reactive Supply and Voltage Control Service, (ii) Regulation and Frequency Response , (iii) Energy Imbalance, (iv) Ten-Minute Spinning Reserve Service, (v) Ten-Minute Non-Spinning Reserve Service and (vi) Thirty-Minute Operating Reserve Service.

II.8 Billing and Invoicing; Accounting

8.2 Invoicing: Within a reasonable time after the first day of each month, FG&E shall submit an invoice to the Transmission Customer for the charges for all services furnished under the OATT 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 FG&E, or by wire transfer to a bank named by FG&E.

8.4 Customer Default: In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to FG&E on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after FG&E 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, FG&E 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

FG&E and the Transmission Customer, FG&E 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 FG&E may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. If the Transmission Customer is taking Firm Contract Demand Service, non-Firm Contract Demand Service, or Interim Contract Demand Service, the terms of the applicable Cost Recovery Agreement shall govern.

II.10.2 Stranded Cost Recovery

FG&E may seek to recover stranded costs from the Transmission Customer pursuant to this OATT in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, FG&E must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

SECTIONS SUPPLEMENTING SCHEDULE 21 OF THE OATT

I. Local Point-to-Point Service Over the Local Network Owned by FG&E

Preamble

In addition to the provisions set forth in Schedule 21 of the OATT, the provisions of this Schedule 21-FG&E shall govern Local Point-To-Point transactions using the Local Network owned by FG&E. Provisions of this Schedule 21-FG&E shall have priority over any conflicting provisions in the Tariff. The section numbers of this Schedule 21-FG&E correspond to or are consecutive to the sections of Schedule 21 of the OATT that are affected by the additional provisions herein.

To the extent not otherwise covered in the OATT, the then-current ISO New England Operating Documents, or the TOA, or the rules adopted thereunder, whenever FG&E implements least-cost redispatch procedures in response to a transmission constraint, FG&E and the Transmission Customer(s) taking Local Point-To-Point Service will each bear a proportionate share of the total redispatch cost.

3) Service Availability

b) Determination of Available Transfer Capability (ATC): A description of FG&E's

specific methodology for assessing ATC is contained in Attachment C of this Schedule. In the event sufficient transfer capability may not exist to accommodate a service request, FG&E will respond by performing a System Impact Study.

g) Real Power Losses: Real power losses are associated with all transmission service. FG&E is not obligated to provide real power losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by FG&E. The applicable real power loss factors tabulated below will be applied to metered loads and Reserved Capacity amounts to account for losses on FG&E's system. The applicable real power loss factors are as follows:
Firm Local Point-to-Point Service = 0.72% at 69 kV subtransmission.
Non-firm Local Point-to-Point Service = 0.72% at 69 kV subtransmission.

6) Procedures for Arranging Non-Firm Local Point-To-Point Service

f) Determination of Available Transfer Capability: Following receipt of a tendered schedule FG&E will make a determination on a non-discriminatory basis of ATC pursuant to Attachment C of this Schedule. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service (during FG&E's normal business hours of 8:00 a.m. to 4:30 p.m., Monday to Friday).

11) Sale or Assignment of Local Point-to-Point Service

c) Information on Assignment or Transfer of Service: FG&E currently has waiver from the obligations of FERC Order No. 889 to maintain an OASIS. In the future, upon implementation of any FG&E OASIS site, resellers may use FG&E's OASIS site to post transmission capacity available for resale.

II. Local Network Service using Non-PTF Owned by FG&E

Preamble

In addition to the provisions set forth in Schedule 21 of the OATT, the provisions of this Schedule 21-

FG&E shall govern Local Network Service using Non-PTF owned by FG&E. Provisions of this Schedule 21-FG&E shall have priority over any conflicting provision in the Tariff. The section numbers of this Schedule 21-FG&E correspond to the sections of Schedule 21 of the OATT that are affected by the additional provisions herein.

Local Network 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 FG&E utilizes its Non-PTF to serve its Native Load Customers. Local Network 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 Schedule 21 of the OATT.

2) Availability of Local Network Service

f) Real Power Losses: The Network Customer is responsible for replacing losses associated with all transmission service as calculated by FG&E. The applicable real power loss factors tabulated below will be applied to metered loads and Reserved Capacity amounts to account for losses on FG&E's system. The applicable real power loss factors are as follows:

Local NetworkService = 0.72% at 69 kV subtransmission.

8) Load Shedding and Curtailments

a) Procedures: Prior to the Service Commencement Date, FG&E and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to Section II.20 of the Tariff, with the objective of responding to contingencies on the Non-PTF. The Parties will implement such programs during any period when the ISO, the Local Control Center or FG&E determines that a system contingency exists and such procedures are necessary to alleviate such contingency. FG&E will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

b) Transmission Constraints: During any period when FG&E determines that a transmission constraint exists on the Local Network, and such constraint may impair the

reliability of FG&E's system, FG&E will take whatever actions, consistent with then-current ISO New England Operating Documents or the TOA, and the rules adopted thereunder, and with Good Utility Practice, that are reasonably necessary to maintain the reliability of FG&E's system. To the extent ISO determines that the reliability of the ISO New England transmission system can be maintained by redispatching resources, FG&E will initiate procedures pursuant to the OATT, the then-current ISO New England Operating Documents, or the TOA, and the rules adopted thereunder to redispatch all Network Resources and FG&E'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 FG&E's use of the Local Network on behalf of its Native Load Customers and any Network Customer's use of the Local Network to serve its designated Network Load.

c) Cost Responsibility for Relieving Transmission Constraints: To the extent not otherwise covered in the OATT, the then-current ISO New England Operating Documents, or the TOA, or the rules adopted thereunder, whenever FG&E implements least-cost redispatch procedures in response to a transmission constraint, FG&E and the Network Customer(s) will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

d) Curtailments of Scheduled Deliveries: If a transmission constraint on FG&E's Local Network cannot be relieved through the implementation of least-cost redispatch procedures and FG&E determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with Section II.22 of the Tariff.

e) Allocation of Curtailments: The ISO, the Local Control Center or FG&E 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 FG&E and Network Customers in proportion to their respective Load Ratio Shares. Neither the ISO, the Local Control Center, nor FG&E shall direct the Network Customer to Curtail schedules to an extent greater than either would Curtail FG&E's schedules under similar circumstances.

f) Load Shedding: To the extent that a system contingency exists on FG&E's Local Network and the ISO, the Local Control Center or FG&E determines that it is necessary for

FG&E and the Network Customers to shed load, the Parties shall shed load in accordance with previously established procedures in accordance with Section II.22 of the Tariff, the then-current ISO New England Operating Documents, or the TOA, and the rules adopted thereunder.

g) System Reliability: Notwithstanding any other provisions of this Schedule, FG&E reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Local Network Service without liability on the part of FG&E for the purpose of making necessary adjustments to, changes in, or repairs on FG&E's 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 conditions or disturbances on FG&E's Local Network or on any other system(s) directly or indirectly interconnected with FG&E's Local Network, FG&E, 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. FG&E will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Local Network Service will not be unduly discriminatory relative to FG&E's use of its Local Network on behalf of its Native Load Customers. FG&E 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.

9) Rates and Charges

In addition to the above sections that correspond to sections in Schedule 21 of the OATT, the following additional provision shall apply to Local Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service over FG&E's Local Network.

a) Monthly Demand Charge: The Network Customer shall pay a Monthly Demand Charge which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of FG&E's Annual Transmission Revenue Requirement as specified in Attachment F to the OATT.

10) Determination of Network Customer's Local Monthly Network Load: The Network Customer's local monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with FG&E under Section II.5(c) of Schedule 21 of the OATT) coincident with the FG&E's Monthly Local Network Peak. Monthly revenue requirements not otherwise paid for through charges to Eligible Customers for Local Point-to-Point Service will be allocated among FG&E's Network

Customers receiving service under the tariff on the basis of their loads during the hour in the month in which the total connected load to the local network is at its maximum, without any adjustment for credits for generation.

In addition to the above sections that correspond to sections in Schedule 21 of the OATT, the following three provisions shall apply to Local Network Service over FG&E's local network.

10a) Determination of FG&E's Monthly Local Network Load: FG&E's monthly Local Network Load is FG&E's Monthly Local Network Peak minus the coincident peak usage of all firm Local Point-To-Point Service customers pursuant to Schedule 21 of the OATT plus the Reserved Capacity of all firm Local Point-To-Point Service customers.

10b) Recovery of PTF Transmission Revenue Requirements: The portion of FG&E's annual transmission revenue requirements with respect to PTF which is not recovered through the distribution of revenues from Regional Network Service or Local Point-to-Point Service shall be recovered from Eligible Customers taking Regional Network Service or Local Point-to-Point Service pursuant to Section II.12.2(b) of the Tariff.

III. LOCAL FIRM CONTRACT DEMAND SERVICE

1. Nature of Service

Local Firm Contract Demand Service shall be provided in accordance with Schedule 21-Common and this Local Service Schedule. Local Firm Contract Demand Service permits a Large Load Transmission Customer to serve a Large Load through FG&E's Transmission System on a firm basis.

2. Real Power Loss

Real Power Losses are associated with all transmission services. FG&E is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission services as determined under Market Rule 1. The applicable Real Power Loss factors are shown in Section II.2.f.

The amount of transmission losses incurred in transmitting power across FG&E's Transmission System to the Network Customer's Firm Contract Demand load shall be determined from time to

time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth in Section II.2.f.

3. Additional Study Procedures

Large Load System Impact Studies, Large Load Facilities Studies, study agreements, deposits, and other study procedures applicable to Local Firm Contract Demand Service shall be governed by Schedule 21 - Common, the OATT, and this Local Service Schedule.

4.Load Shedding and Curtailment

To the extent that a system contingency exists on FG&E's Transmission System or the New England Transmission System and the ISO, Local Control Center, or FG&E determine that load shedding or curtailment is necessary, Local Large Load Transmission Customers receiving Local Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

5. Operating Agreement

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 - Common, the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with FG&E.
Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

6. Cost Responsibility

The Local Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Firm Contract Demand Service, including study costs, Direct Assignment

Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21- Common, the OATT, and any applicable Cost Recovery Agreement.

IV. LOCAL NON-FIRM CONTRACT DEMAND SERVICE

1. Nature of Service

Local Non-Firm Contract Demand Service shall be provided pursuant to Schedule 21 - Common, the OATT, and this Local Service Schedule. Local Non-Firm Contract Demand Service is provided on an as-available basis and is subject to redispatch, interruption, curtailment, and load shedding.

2. Real Power Loss

Real Power Losses are associated with all transmission services. FG&E is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission services as determined under Market Rule 1. The applicable Real Power Loss factors are shown in Section II.2.f.

The amount of transmission losses incurred in transmitting power across FG&E's Transmission System to the Network Customer's Firm Contract Demand load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth in Section II.2.f.

3. Additional Study Procedures

Large Load System Impact Studies, Large Load Facilities Studies, study agreements, deposits, and other study procedures applicable to Local Non-Firm Contract Demand Service shall be governed by Schedule 21 - Common, the OATT, and this Local Service Schedule.

4. Redispatch, Load Shedding and Curtailment

To the extent that a system contingency exists on FG&E's Transmission System or the New England Transmission System and the ISO, Local Control Center, or FG&E determine that redispatch, load shedding or curtailment is necessary, Local Large Load Transmission Customers receiving Local Non-Firm Contract Demand Service shall comply with applicable redispatch, load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

5. Operating Agreement

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21- Common, ~~,~~the OATT, ~~-~~applicable ISO New England Operating Documents, and any applicable operating agreement with FG&E. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

6. Cost Responsibility

The Local Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Non-Firm Contract Demand Service, including study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21- Common, the OATT, and any applicable Cost Recovery Agreement. ~~Same as above~~

V. LOCAL INTERIM CONTRACT DEMAND SERVICE

1. Nature of Service

Local Interim Contract Demand Service is temporary, non-firm transmission service provided prior to completion of required Local Large Load Network Upgrades and prior to satisfaction of designated capacity requirements applicable to Local Firm Contract Demand Service.

A Local Large Load Transmission Customer receiving Local Interim Contract Demand Service shall comply with all applicable provisions of Schedule 21- Common, the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

2. Real Power Loss

Real Power Losses are associated with all transmission services. FG&E is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission services as determined under Market Rule 1. The applicable Real Power Loss factors are shown in Section II.2.f.

The amount of transmission losses incurred in transmitting power across FG&E's Transmission System to the Network Customer's Firm Contract Demand load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth below:

Local Interim Contract Demand Service = 0.72% at 69 kV subtransmission.

3. Additional Study Procedures

Large Load System Impact Studies, Large Load Facilities Studies, study agreements, deposits, and other study procedures applicable to Local Interim Contract Demand Service shall be governed by Schedule 21-Common, the OATT, and this Local Service Schedule.

4. Redispatch, Load Shedding and Curtailment

To the extent that a system contingency exists on FG&E's Transmission System or the New England Transmission System and the ISO, Local Control Center, or FG&E determine that redispatch, load shedding or curtailment is necessary, Local Large Load Transmission Customers receiving Local Interim Contract Demand Service shall comply with applicable redispatch, load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

5. Operating Agreement

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21- Common, the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with FG&E. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

6. Cost Responsibility

The Local Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Interim Contract Demand Service, including study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21- Common, the OATT, and any applicable Cost Recovery Agreement.

7. Expiration of Interim Services

If a Large Load Transmission Customer receives Local Interim Contract Demand Service under the OATT, it shall receive Local Interim Contract Demand Service until such time as it receives Firm Contract Demand Service under the OATT, at which point the Load Transmission Customer's service shall transfer over to Local Firm Contract Demand Service.

SCHEDULE 1

Local Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into FG&E's Local Network Control Area. Local Scheduling, System Control and Dispatch Service is to be provided directly by FG&E and the ISO. The Transmission Customer must purchase this service from FG&E. The charges for FG&E's Local Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent that the ISO performs this service for FG&E, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to FG&E by the ISO.

Each firm Local Point-To-Point Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service Customer under this Tariff will be charged for Local Scheduling, System Control and Dispatch Services for the total Reserved Capacity specified in each reservation for firm Local Point-To-Point Service made under the Tariff at the rates set forth in Appendix A of this Schedule 1.

Each Network Customer under this Tariff will be charged a monthly Local Scheduling, System Control and Dispatch Service Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Formula Requirements specified in Appendix B of this Schedule 1.

Each Transmission Customer with generation within the ISO's Control Area shall be required also to provide for Scheduling, System Control and Dispatch Service for that generation. It is anticipated that the Transmission Customer will obtain these services by contracting with the ISO for these services on an unbundled basis. FG&E will make available Generation Scheduling, System Control and Dispatch Service at the rates set forth in Appendix C of this Schedule 1.

Each Transmission Customer with generation located outside of the ISO Control Area shall be required to provide for Scheduling, System Control and Dispatching Service for that generation. It is anticipated that the Transmission Customer will obtain these services by contracting for these services from the provider of these services within the Control Area where the generation is located. FG&E shall have the right, at any time, unilaterally to file for a change in any of the provisions of this Schedule 1 in accordance with Section 205 of the Federal Power Act and the Commission's implementing regulations.

SCHEDULE 1

Appendix A

Determination Of

FG&E's Local Network Point-To-Point Formula Rate

For Local Scheduling, System Control And Dispatch Service

FG&E's Formula Rate for Point-To-Point Local Scheduling, System Control and Dispatch Service ("Formula Rate") is an annual rate determined from the following formula.

$$\text{FORMULA RATE}_i = \frac{A_{i-1} - B_{i-1}}{C_{i-1}}$$

WHERE:

- i equals the calendar year during which service is being rendered ("Service Year").

- A_{i-1} is the Annual Control Center Expenses (expressed in dollars) of FG&E for the calendar year prior to the Service Year. The Annual Control Center Expenses are determined pursuant to the formula specified in Exhibit 1 to this Appendix A of Schedule 1.

- B_{i-1} is the actual local scheduling, system control and dispatch revenues (expressed in dollars) provided from the provision of transmission services to others. The actual local scheduling and dispatch revenues shall be those recorded on the books of FG&E in FERC Account No. 456 pertaining to Transmission of Electricity for Others and such other applicable FERC Account for the calendar year prior to the Service Year.

- C_{i-1} is the single annual coincident peak transmission load (expressed in kilowatts) of FG&E for the calendar year prior to the Service Year, as reported in FERC Form No. 1.

Schedule 1

Appendix A

Exhibit 1

Determination of Annual Control Center Expenses

The rate formula for determination of the annual control center expenses revenue requirements for FG&E is determined as follows:

A. ANNUAL CONTROL CENTER EXPENSES = Sum of FG&E's (Account 556 System Control and Load Dispatching Expense) + (Account 557 Other Expense) X .50* for the calendar year prior to the Service Year.

* This factor reflects allocation to the transmission function of a portion (50 percent) of the costs recorded in Accounts 556 and 557 associated with dispatching transmission and generating facilities. This 50 percent allocation of control center costs is based on two functions performed by the control center (i) control of generation and (ii) control of transmission.

SCHEDULE 1

Appendix B

Determination of FG&E's
Network Formula Requirements
For Local Scheduling, System Control
And Dispatch Service

FG&E's formula requirements for Network Local Scheduling, System Control and Dispatch Service is determined from the following formula.

Formula Requirements$_i$ = $A_{i-1} - B_{i-1}$

WHERE:

- i equals the calendar year during which service is being rendered ("Service Year").

- A_{i-1} is the Annual Control Center Expenses (expressed in dollars) of FG&E for the calendar year prior to the Service Year. The Annual Control Center Expenses are determined pursuant to the formula specified in Exhibit 1 to Appendix A of Schedule 1.

- B_{i-1} is the actual local scheduling, system control and dispatch revenues (expressed in dollars) provided from the provision of transmission services to others. The actual local scheduling, system control and dispatch revenues shall be those recorded on the books of FG&E in FERC Account No. 456 pertaining to Transmission of Electricity for Others and such other applicable FERC Account for the calendar year prior to the Service Year.

SCHEDULE 1

Appendix C

Determination Of FG&E's Formula Rate

For Generation Scheduling, System Control And Dispatch Service

FG&E's Formula Rate for Generation Scheduling, System Control and Dispatch Service ("Formula Rate") shall be calculated using the Formula Rate for Point-to-Point Local Scheduling, System Control and Dispatch Service in Appendix A of Schedule 21 - FG&E.

SCHEDULE 7

Long-Term Firm Local and Short-Term Firm Local Point-to-Point Service

The Transmission Customer shall compensate FG&E each month for firm Reserved Capacity at the sum of the applicable charges set forth below:

1) Yearly delivery:

The Yearly Delivery Charge per kW shall be FG&E's Annual Transmission Revenue Requirement with respect to Local Service (determined in accordance with Attachment F of the OATT) divided by FG&E's Total Peak Load for the corresponding calendar year. Total Peak Load, calculated based on the monthly average for the year, shall be FG&E's peak load, minus the coincident peak of all firm local point-to-point customers, plus the contract demand reservation for firm local point-to-point customers.

2) Monthly delivery:

The Monthly Delivery Charge per kW shall be determined by dividing the Yearly Delivery Charge by 12.

3) Weekly delivery:

The Weekly Delivery Charge per kW shall be determined by dividing the Yearly Delivery Charge by 52.

4) Daily delivery:

The Daily Delivery Charge per kW shall be determined by dividing the Yearly Delivery Charge by 365.

The total delivery charge in any week, pursuant to a reservation for daily delivery, shall not exceed the Weekly Delivery Charge specified in section (3) above times the highest amount in kilowatts of firm Reserved Capacity in any day during such week.

5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by FG&E must be announced to all Eligible Customers solely by posting on Unitil.com, (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 Unitil.com, and (3) once a discount is negotiated, details must be immediately posted on Unitil.com. For any discount agreed upon for service on a path from point(s) of receipt to point(s) of delivery, FG&E must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all

unconstrained transmission paths that go to the same point(s) of delivery on FG&E's Local Network.

6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section I.11 (a) of Schedule 21 of the OATT.

SCHEDULE 8

Non-Firm Local Point-to-Point Service

The Transmission Customer shall compensate FG&E for non-firm Local Point-To-Point Service for non-firm Reserved Capacity up to the sum of the applicable charges set forth below:

1) Monthly delivery:

The Monthly Delivery Charge shall be determined by multiplying the Monthly Delivery Charge as described on Schedule 7 by .75.

2) Weekly delivery:

The Weekly Delivery Charge shall be determined by multiplying the Weekly Delivery Charge as described on Schedule 7 by .75.

3) Daily delivery:

The Daily Delivery Charge shall be determined by multiplying the Daily Delivery Charge as described on Schedule 7 by .75.

The total delivery charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the Weekly Delivery Charge specified in section (2) above times the highest amount in kilowatts of non-firm 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 the Daily Delivery Charge specified in section (3) above divided by 24. The total delivery charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily Delivery Charge specified in section (3) above times the highest amount in kilowatts of non-firm Reserved Capacity in any hour during such day. In addition, the total delivery charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the Weekly Delivery Charge specified in section (2) above times the highest amount in kilowatts of non-firm Reserved Capacity in any hour during such week.

5) Discounts: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by FG&E must be announced to all Eligible Customers solely by posting on Unitil.com, (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 Unitil.com, and (3) once a

discount is negotiated, details must be immediately posted on Unitil.com. For any discount agreed upon for service on a path from point(s) of receipt to point(s) of delivery, FG&E must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on FG&E's Local Network.

6) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section I.11 (a) of Schedule 21 of the OATT.

SCHEDULE 9

DISTRIBUTION ADDER UNDER TARIFF

In the case where distribution facilities of FG&E are employed in providing service under Schedule 21 of the OATT, the Transmission Customer shall compensate FG&E for the use of such facilities. In addition to the charges contained in this Tariff, the compensation for such distribution facilities will be determined on a case-by-case basis.

All such charges shall be subject to appropriate regulatory approval.

ATTACHMENT C

Methodology To Assess Available Transfer Capability

1. Introduction

ISO is the regional transmission organization (RTO) for the New England Control Area. The New England Control Area includes the transmission system located in the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, but does not include the transmission system in northern Maine (i.e., Aroostook and parts of Penobscot and Washington Counties) that is radially connected to New Brunswick and administered by the Northern Maine Independent System Administrator. The New England Control Area 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 Service Provider for regional transmission service ("Regional Transmission Service") associated with Pool Transmission Facilities, the Participating Transmission Owners ("PTOs") provide local transmission service over Non-Pool Transmission Facilities within the RTOP footprint and are responsible for calculating TTC and ATC associated with Local Transmission Service provided under Schedule 21 pursuant to the Transmission Operating Agreement ("TOA"). Pursuant to CFR § 37.6(b)[1] of the FERC Regulations, Transmission Provider's are obligated to calculate and post TTC and ATC for each Posted Path. The ISO is not responsible for the calculation of these values.

1 Section §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.

Posted Path is defined as 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.[2]

FG&E does not currently have any Posted Paths based on the above definition. However, to the extent that FG&E does in the future have a Posted Path, FG&E will calculate TTC using the NERC Standard MOD-029 – Rated System Path Methodology ("MOD-029") as outlined below.

1.1 Scope of Document

The scope of this document is limited to those functions performed by FG&E as the Transmission Service Provider of Schedule 21-FG&E Point-to Point transmission service over Local Facilities pursuant to the PTOs' Transmission Operating Agreement and the ISO OATT:

- Methodology for calculating Total Transfer Capability (TTC)
- Methodology for calculating Available Transfer Capability (ATC)
- Existing Transmission Commitment (ETC)
- Use of Transmission Reliability Margin (TRM)
- Use of Capacity Benefit Margin (CBM)
- Use of Rollover Rights (ROR) in the calculation of ETC

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-FG&E. TTC and ATC is not calculated by FG&E for Local NetworkService because ISO employs a market model for economic, security constrained dispatch of generation, and FG&E does not require advance reservation for such network service.

2. Transmission Service in the New England Markets

Since the inception of the OATT for New England, the process by which generation located inside New

2 Section § 37.6(b)(1)(i).

England supplies energy to the 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.

The process for submitting External Transactions into the Real-Time Energy Market does not require an advance physical reservation for use of the PTF. In the event that the net of the economic External Transactions is greater than the transfer 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 or 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 where utilized for Local Network Service by generation or load. However, FG&E owns Local Facilities over which an advance transmission service reservation for firm or non-firm transmission service may be required. On those Local Facilities, the market participant may obtain a transmission service reservation from FG&E under Schedule 21-FG&E prior to delivery of energy into the Real-Time Energy Market.[3] This document addresses the calculation of ATC and TTC for these non-PTF internal paths.

3. Schedule 21-FG&E Total Transfer Capability (TTC)

The TTC on FG&E's non-PTF Local Facilities that require Point-to-Point transmission service reservations are relatively static values and are calculated using the NERC Standard MOD-029 – Rated

3 See n - 2, 3 and 6, supra.

System Path Methodology. 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. FG&E calculates TTC according to this definition applying the process as described below.

3.1 Guidelines and Principles

When estimating TTC, FG&E will apply the following, as amended and/or adopted from time to time

- Good Utility Practice
- NERC criteria and guidelines
- ISO New England criteria, rules and reliability standards
- Northeast Power Coordinating Council (NPCC) criteria and guidelines
- Fitchburg Gas and Electric Light Company guides

3.2 Transmission System Model Representation

FG&E will estimate TTC using transmission system load flow models developed for FG&E's system. The models may include representations of other neighboring systems. FG&E will use system models that it deems appropriate for study of the request for firm transmission 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 load flow cases. The system models may be modified, if necessary, to include additional system information on load, transfers and configuration, as it becomes available.

3.3 Contingency Analysis

FG&E will perform, if necessary, power flow and transient stability analysis to ensure that the interface's physical limits will not be violated for credible system contingencies per NERC, NPCC and ISO reliability criteria. TTC, based on contingency analysis, is the incremental transfer capability of the transmission system following the loss of the most critical element while maintaining thermal, and stability performance of the system within acceptable regional practices and consistent with guidelines of Item 3.1 of this Attachment.

3.4 Posting TTCs

When necessary, FG&E will estimate TTC as outlined above and post on its website.

4. Capacity Benefit Margin (CBM)

CBM is defined as the amount of firm transmission transfer capability set aside by a TSP for use by the Load Serving Entities. The ISO does not set aside any CBM for use by the Load Serving Entities, because of the New England approach to capacity planning requirements in the ISO New England Operating Documents. Load Serving Entities operating within the New England Control Area are required to arrange for their Capacity Requirements prior to the beginning of any given month in accordance with 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 that their capacity needs are met; therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of ATC calculation, CBM for the New England Control Area is set to zero (0).

Existing Transmission Commitments, Firm (ETC_F)

The ETC_F are those confirmed firm transmission reservations (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_{NF})

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}).

5. 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. FG&E, under Schedule 21, does not have any external interfaces, and therefore, TRM for FG&E's non-PTF facilities is zero.

6. Calculation of ATC for FG&E's Local Facilities

General Description

This section defines the ATC calculations performed by FG&E pursuant to MOD-029 for its non-PTF internal interfaces. Consistent with the NERC definition, the equation for Available Transfer Capability is: ATC = (TTC – CBM – TRM – Existing Transmission Commitments + Postbacks + counterflows). As discussed above, the CBM and TRM for the PTF interfaces for which FG&E calculates ATC are zero (0). As consistent with the ISO calculation, the equations for firm and non-firm Available Transfer Capability are:

Firm ATC = (TTC – CBM – TRM – firm ETC)
Non-firm ATC = (TTC – CBM – TRM – firm and non-firm ETC)[4]

As discussed above, the TRM and CBM for FG&E's non-PTF paths are zero. The purpose of the Existing Transmission Commitments ("ETC") component of the ATC equation is for FG&E to reduce the amount of ATC by the amount of existing firm transmission commitments that are not otherwise included in CBM or TRM. There is no requirement to purchase transmission service in advance of flowing energy in Real-Time, and there is no MW amount set aside by FG&E on any interface. One such example is point-to-point service commitments. Point-to-point service commitments sharing common transmission paths would be combined through system modeling to calculate the net existing transmission capacity (ETC) impact. This ETC value is then used in the ATC calculation shown above. Therefore there are no Existing Transmission Commitments to be applied in the ATC equation. For this reason, ETC equals zero (0) for the purposes of ATC calculation. Because Postbacks and counterflows are related to ETC and ETC is zero (0), both Postbacks and counterflows also are equal to zero (0).

As described in Section 2, under Schedule 21-FG&E, FG&E requires the purchase of transmission service in advance of delivery of energy to the New England Wholesale Market over certain non-PTF paths, and those existing transmission commitments would be applied to the ATC equation for the specific posted path. As a practical matter, 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.

4 Existing Transmission Commitments ("ETC")

Entities submit their bids and offers to move energy into, out of and through the Energy Market through External Transactions. As Real-Time approaches, the ISO determines which of the submitted External Transactions will be scheduled in the coming hour in accordance with the rules set forth in the ISO New England Operating Documents. Basically, the ATC of the non-PTF assets in the New England market is almost always positive. The ATC is equal to the amount of External 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 that serve as a path for the FG&E's Schedule 21-FG&E Point-to-Point Transmission Customers, FG&E would post the ATC as 9999, consistent with industry practice. ATC on these paths varies depending on the time of day. However, it would be posted with an ATC of "9999" to reflect the fact that there are no restrictions on these paths for commercial transactions.

6.1 Calculation of Schedule 21-FG&E Firm ATC (ATC_F)

6.1.1 Calculation of ATC_F in the Planning Horizon (PH)

For purposes of this Attachment C, 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. Firm Transmission Service under Schedule 21-FG&E that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_F$ and $counterflows_F$ of Schedule 21-FG&E transmission reservations are not considered in the ATC calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F

6.1.2 Calculation of ATC_F in the Schedule 21-FG&E Operating Horizon (OH)

For purposes of this Attachment C, 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. Daily firm Transmission Service under Schedule 21-FG&E is the only firm service offered in the Operating Horizon (OH). $Postbacks_F$ and $counterflows_F$ of Schedule 21-FG&E transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F.

6.1.3 Because firm Schedule 21-FG&E transmission service is not offered in the Scheduling Horizon (SH): ATC_F in the SH is zero.

6.2 Calculation of Schedule 21-FG&E Non-Firm ATC (ATC_{NF})

6.2.1 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-FG&E are zero. Non-firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U, $Postbacks_{NF}$ and $counterflows_{NF}$ of Schedule 21-FG&E 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}.

6.2.2 Calculation of ATC_{NF} in the OH

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

As discussed above TRM and CBM for Schedule 21-FG&E are zero. TRM_U, counterflows and ETC_{NF} are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F, plus postbacks of PTP_F in OH as PTP_{NF} ($Postbacks_{NF}$).

6.3 Negative ATC

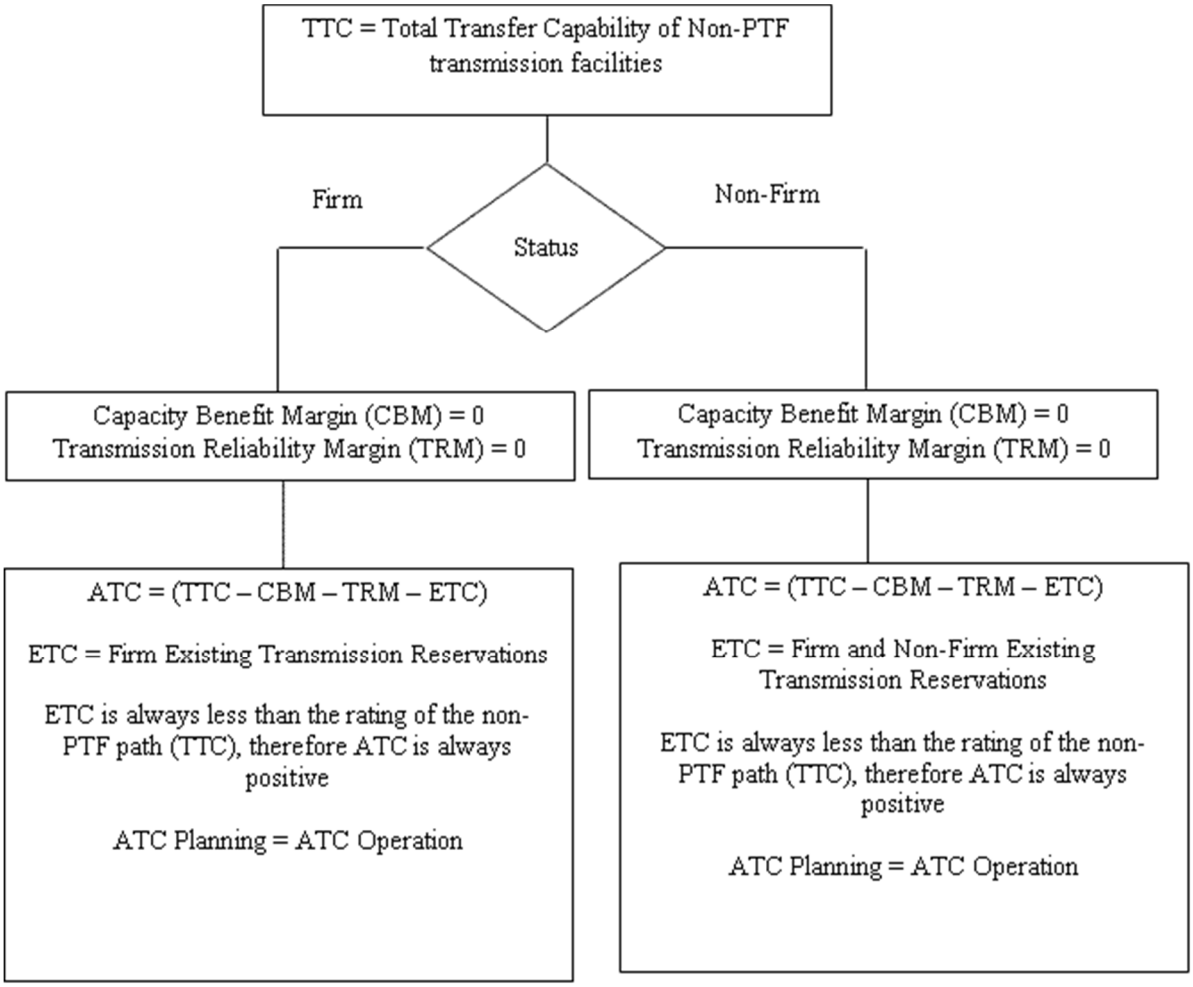
As stated above, the ratings of the radial transmission paths are always higher than the transmission

requirements of the Transmission Customers connected to that path. As such, transmission services over these posted paths are considered to be always available.

As stated above, FG&E's 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, but will not become negative.

ATC Process Flow Diagram for Non-PTF Interfaces

The process flow diagram illustrates the steps through which ATC is calculated both on an operating and planning horizon.



7. Posting of Schedule 21-FG&E ATC

7.1 Location of ATC Posting.

When necessary, FG&E will estimate ATC values for these internal paths as outlined above and post on its website, http://www.unitil.net/nepool/ma/pdf/atc_cbm_ttc_trm_fge.pdf.

7.2 Updates To ATC

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

7.3 Coordination of ATC Calculations

Schedule 21-FG&E non-PTF has no external interfaces. Therefore it is not necessary to coordinate the values.

7.4 Mathematical Algorithms

A link to the actual mathematical algorithm for the calculation of ATC for FG&E's non-PTF internal interfaces is located at http://www.unitil.com/sites/default/files/pdfs/fge_atc_algorithms_3_11.pdf.

ATTACHMENT D

Methodology for Completing a System Impact Study

FG&E will perform System Impact Studies for the purpose of determining the feasibility of integrating Network Load and Network Resources into FG&E's Local Network under Schedule 21 of the OATT, or for the purpose of determining the feasibility of providing Local Point-To-Point Service under this Tariff. All System Impact Studies will be completed using the same method employed by FG&E to integrate into FG&E's Local Network (i) generation resources owned or acquired to serve its Native Load Customers, and (ii) its Native Load Customers' load. Specifically, System Impact Studies will be performed by applying the applicable criteria, rules, standards and operating procedures. In addition to applying the applicable criteria, rules, standards and operating procedures, to determine the feasibility of providing service to Network Load and/or Local Point-To-Point Service, System Impact Studies will also be performed by applying Unitil Service Corp.'s "Electric System Planning Guide".

ATTACHMENT E

Index Of Local Point-To-Point Service Customers

Customer	Date of Service Agreement
Fitchburg Gas and Electric Light Company	September 10, 1996
Stored Solar (Pinetree Power Fitchburg Inc.)	March 9, 1999

ATTACHMENT I

Index Of Local Network Service Customers

Customer	Date of Service Agreement
Fitchburg Gas and Electric Light Company	September 10, 1997
Keolis Commuter Services	July 1, 2014
Stored Solar (Pinetree Power Fitchburg Inc.)	August 11, 2014

Attachment L

Creditworthiness Policy

1. Introduction

This guide establishes creditworthiness standards for transmission service and/or interconnection service customers ("Customers") entering into new or amended service agreements with Fitchburg Gas and Electric Light Company ("FG&E") under the ISO New England Open Access Transmission Tariff ("ISO-NE OATT").[5] In accordance with the Federal Energy Regulatory Commission's Policy Statement on Credit-Related Issues for Electric OATT Transmission Providers, Independent System Operators and Regional Transmission Organizations ("Policy Statement"), this Creditworthiness Policy is intended to make FG&E's credit-related practices more transparent and comprehensive. The following describes FG&E credit review procedures and the types of security that are acceptable to FG&E to protect against the risk of non-payment.

2. Creditworthiness

FG&E will evaluate the creditworthiness of Customers entering into new or amended transmission or interconnection service agreements with FG&E in order to assess a Customer's credit risk relative to the exposure of "Total Outstanding Obligation" as defined in Section 2.1 below, created by the transaction or transactions that FG&E has with the Customer. For purposes of determining the ability of a Customer to meet its obligations, FG&E may require the Customer to submit financial information for the credit review, including credit ratings, credit reports and audited financial statements for the last five years, including audited quarterly reports for the prior two years, if available. Further, the Customer will be expected to provide calculations of the following: Current Total Capitalization Ratio, Including Short-Term Debt; Tangible Net Worth for a period within sixty days of a Customer's request; Earnings Before Interest, Taxes, Depreciation and Amortization for twelve of the last fifteen consecutive months; and additional calculations and other information deemed necessary for the evaluation credit. In completing its evaluation, FG&E may consider other factors including but not limited to past billing history or the characteristics of service being requested.

2.1 Total Outstanding Obligation

5 *See* ISO New England Inc., ISO New England Inc. Transmission, Markets and Services Tariff, Section II. This policy is applicable to transmission or interconnection service agreements established from time-to-time under Schedules 21 - FG&E of the ISO-NE OATT and to individually negotiated agreements for similar transmission or interconnection services.

The Customer's Total Outstanding Obligation to FG&E will be the sum total of the following components:

2.1.1 If the Customer is making payments to FG&E for ongoing expenses (including, but not limited to, O&M expenses related to interconnections or other monthly charges such as monthly transmission charges under Schedule 21 – FG&E) the Customer will be required to provide security pursuant to Section 2.2 below, for four months' worth of the Customer's average payment obligation for such charges.

2.1.2 In accordance with the provisions of the ISO-NE OATT, a Customer will pay a Contribution in Aid of Construction ("CIAC") or transfer ownership of facilities to FG&E for transmission or interconnection facilities that are to be constructed on behalf of a Customer at the Customer's sole expense. If FG&E determines in good faith that the receipt of CIAC payments or property from the Customer are non-taxable, FG&E will require a form of security from the customer pursuant to Section 2.2 below for the amount of the potential tax liability to FG&E that would occur if such facilities were deemed taxable.

2.1.3 In accordance with the provisions of Schedule 21 – FG&E to the ISO-NE OATT, a Customer will pay a formula rate over time for return of and on the cost of capital incurred by FG&E on behalf of a Customer at the Customer's sole expense. The Customer will also be required to provide security pursuant to Section 2.2 below, for the unamortized balance of plant in service reserved for the sole use of the Customer.

2.2 Creditworthiness Requirements

A Customer will be considered creditworthy upon satisfying at least one of the following conditions or a combination of those conditions at the time that the customer enters into a transmission or interconnection service agreement and for so long as the Customer maintains satisfaction of at least one of these conditions for any outstanding obligations thereunder:

2.2.1 The Customer maintains a minimum credit rating from Standard & Poor's Long-term Issuer Credit Rating of BBB- or better or Moody's Investors Service Long-term Issuer Credit Rating of Baa3 or better so long as the Customer's Total Outstanding Obligation plus any other unsecured obligations with FG&E does not exceed the Credit Limits discussed in Section 4 below. When FG&E reviews a Customer's rating from two or more rating agencies and a split

rating is present, the lower debt rating will apply. In the event that the Customer has no rating from either Standard & Poor's or Moody's Investors Service, a rating from Fitch may also be used with acceptable ratings equivalent to those from either Standard and Poor's or Moody's Investors Service. If unrated, the Customer's financial statements will be reviewed to determine an equivalent rating based on the Customer's unsecured credit limits and/or financial statements.

If, at any time, the Customer's rating falls below investment grade (BBB- from Standard and Poor's and/or Baa3 from Moody's or equivalent ratings from Fitch), the Customer will be required to (i) notify FG&E within 10 days and, (ii) within 30 days, provide another form of security reasonably acceptable to FG&E, as described in this Section 2.2.

2.2.2 The Customer provides and maintains in effect during the term of and until full and final payment and performance of the service agreement an unconditional and irrevocable standby letter of credit for the Total Outstanding Obligation in the form and substance and issued by a bank reasonably acceptable to FG&E. A draft, acceptable form letter of credit is attached. Any such bank must satisfy the creditworthiness criteria described in 2.2.1 above.

If, at any time, the bank's rating falls below investment grade (BBB- from Standard and Poor's and/or Baa3 from Moody's or equivalent ratings from Fitch), the Customer will be required to (i) notify FG&E within 10 days and, (ii) within 30 days, provide another form of security reasonably acceptable to FG&E, as described in this Section 2.2.

2.2.3 If the Customer's parent or an affiliate company satisfies the creditworthiness criteria described in 2.2.1 above and, subject to the Credit Limits stated in Section 4 below, such company submits to FG&E and maintains in effect a letter of guaranty reasonably acceptable to FG&E as to amount, form and substance for the term of and until full and final payment and performance of the service agreement.

If, at any time, the credit rating of the Customer's parent or affiliate providing the guaranty falls below investment grade (BBB- from Standard and Poor's and/or Baa3 from Moody's or equivalent ratings from Fitch), the Customer will be required to (i) notify FG&E within 10 days and, (ii) within 30 days, provide another form of security reasonably acceptable to FG&E, as described in this Section 2.

2.2.4 The Customer makes an advance payment to FG&E in immediately available funds for the Total Outstanding Obligation.

3. Customer Costs Requiring Prepayment

In accordance with the provisions of the ISO-NE OATT, a Customer will pay a Contribution in Aid of Construction ("CIAC") for transmission or interconnection facilities to be constructed by FG&E on behalf of a Customer at the Customer's sole expense. The Customer will have the option to (i) prepay the CIAC in immediately available funds to FG&E, or (ii) make periodic CIAC progress payments, as defined in the Customer's service agreement, to prepay in increments capital costs scheduled to be incurred by FG&E. If FG&E determines in good faith that such payments or property transfers made by the Customer should be reported as income subject to taxation, the Customer shall also prepay all costs associated with the cost consequences of the current tax liability imposed on FG&E by those facilities (the "Tax Gross- up").

4. Determination of Credit Limits

FG&E reserves the right to limit the total amount of unsecured credit extended to a Customer under 2.2.1 and 2.2.3 above such that the sum of all unsecured credit that such Customer has with FG&E, including the Total Outstanding Obligation, shall not exceed the Credit Limits defined below. Such limitations are based on an assessment of the Customer's or its Guarantor's credit rating and the net worth of the Customer's or its Guarantor's assets.

Standard and Poor's (or Equivalent) Rating	Unsecured Credit Limit as Percent of Customer's or Guarantor's Tangible Net Worth
A and above	1.0%
A-	0.5%
BBB+	0.3%
BBB	0.2%
BBB-	0.1%

Once FG&E has evaluated or reevaluated and determined the maximum Credit limits for each Customer, it will inform the prospective Customer of the amount of such credit limits. A customer may request in writing a reevaluation of the maximum Credit limits, within 14 days from the date that they were informed by FG&E of such limits. Justification for such a reevaluation should be contained in the

request. All requests for reevaluation must be submitted directly to the FG&E Contract Administrator.

From time to time, principally due to unknown factors such as changing market, economic, banking or other financial conditions, but not solely limited to these factors, FG&E may find it necessary to modify or amend its creditworthiness policies and guidelines after a 15 day notice period and require that present and future Transmission Customers fulfill any additional conditions contained in the modified Creditworthiness Guide. Transmission Customers will have 30 days after the notice period to cure any deficiency.

FORM LETTER OF CREDIT

_____ Bank

_____

(address)

IRREVOCABLE STANDBY LETTER OF CREDIT

DATE: _____

AMOUNT U.S. $_____

_____

FOR INTERNAL IDENTIFICATION PURPOSES ONLY

_____

Our Number:

Beneficiary: Applicant:

_____ _____

_____ _____

_____ _____

_____ _____

Attn: At the request of:

_____

Ref:_____

LADIES AND GENTLEMEN;

WE HEREBY ESTABLISH THIS IRREVOCABLE, AND UNCONDITIONAL, EXCEPT AS STATED HEREIN, LETTER OF CREDIT NUMBER _____ (LETTER OF CREDIT), BY ORDER OF, FOR THE ACCOUNT OF, AND ON BEHALF OF [CUSTOMER NAME] (ACCOUNT PARTY) IN FAVOR OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY (BENEFICIARY) FOR DRAWINGS, IN ONE OF MORE DRAFTS, UP TO AN AGGREGATE AMOUNT NOT EXCEEDING U.S. $_____ EFFECTIVE IMMEDIATELY. THE TERM 'BENEFICIARY' INCLUDES ANY SUCCESSOR OF THE NAMED BENEFICIARY.

THIS LETTER OF CREDIT CANNOT BE AMENDED, MODIFIED OR REVOKED WITHOUT THE PRIOR WRITTEN CONSENT OF BOTH THE BANK AND THE BENEFICIARY. THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS AN OFFICER OF THE BENEFICIARY SHALL HAVE SIGNED A WRITTEN WAIVER EXPRESSLY REFERENCING THE RIGHT TO BE WAIVED. NO SUCH WAIVER SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOT AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.

WE HEREBY UNDERTAKE TO PROMPTLY HONOR YOUR DRAFT(S) DRAWN ON US, INDICATING OUR LETTER OF CREDIT NUMBER _____ IS ISSUED, PRESENTABLE AND PAYABLE AND WE GUARANTY TO THE DRAWERS, ENDORSERS, AND BONA FIDE HOLDERS OF THIS LETTER OF CREDIT, THAT DRAFTS UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED BY US.

SUBJECT TO THE EXPRESS TERMS AND CONDITIONS HEREIN, FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO YOU BY PRESENTATION AT OUR OFFICES LOCATED AT [_____] OF BENEFICIARY'S DRAWING CERTIFICATE ISSUED SUBSTANTIALLY IN THE FORM OF ANNEX 1 ATTACHED HERETO AND WHICH FORMS AN INTEGRAL PART HEREOF, DULY COMPLETED AND PURPORTEDLY BEARING THE ORIGINAL SIGNATURE OF AN OFFICER OF THE BENEFICIARY. PRRESENTATION OF ANY DRAWING CERTIFICATE UNDER THIS LETTER OF CREDIT MAY BE MADE IN PERSON TO

US OR MAY BE SENT TO US BY TELEX TO [_____] OR BY FACSIMILE TRANSMISSION TO FACSIMILE TELEPHONE NUMBER [_____].

ALL COMMISSIONS AND CHARGES WILL BE BORNE BY THE ACCOUNT PARTY. IF DOCUMENTS, IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT, ARE RECEIVED BEFORE 10:00 AM (EASTERN TIME) ON A BUSINESS DAY, PAYMENT WILL BE EFFECTED ON OR BEFORE 5:00 PM (EASTERN TIME) ON THE NEXT BUSINESS DAY. IF DOCUMENTS, IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT ARE RECEIVED AFTER 10:00 AM ON A BUSINESS DAY, PAYMENT WILL BE EFFECTED ON OR BEFORE 5:00 PM ON THE SECOND BUSINESS DAY FOLLOWING SUCH DATE OF RECEIPT.

EXCEPT AS EXPRESSLY STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY AGREEMENT, CONDITION OR QUALIFICATION. THIS LETTER OF CREDIT DOES NOT INCORPORATE, AND SHALL NOT BE DEEMED MODIFIED OR AMENDED BY REFERENCE TO ANY DOCUMENT, INSTRUMENT OR AGREEMENT (A) THAT IS REFERRED TO HEREIN (EXCEPT FOR THE UNIFORM CUSTOMS, AS DEFINED BELOW), OR (B) IN WHICH THIS LETTER OF CREDIT IS REFERRED TO OR TO WHICH THIS LETTER OF CREDIT RELATES.

OUR OBLIGATION UNDER THIS LETTER OF CREDIT SHALL BE OUR INDIVIDUAL OBLIGATION AND IS IN NO WAY CONTINGENT UPON THE REIMBURSEMENT WITH RESPECT THERETO, OR UPON OUR ABILITY TO PERFECT ANY LIEN, SECURITY INTEREST OR ANY OTHER REIMBURSEMENT.

THIS LETTER OF CREDIT EXPIRES WITH OUR CLOSE OF BUSINESS ON [364 days from effective date]; HOWEVER, IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR 364 DAYS FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS AT LEAST SIXTY (60) DAYS BEFORE ANY SUCH EXPIRATION DATE WE NOTIFY YOU BY REGISTERED MAIL ADDRESSED TO: [address of beneficiary, ATTN: _____], THAT WE ELECT NOT TO RENEW THIS LETTER FOR SUCH ADDITIONAL PERIOD.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 500. IF THIS LETTER OF CREDIT EXPIRES DURING THE INTERRUPTION

OF BUSINESS AS DESCRIBED IN ARTICLE 17 THEREOF WE HEREBY SPECIFICALLY AGREE TO EFFECT PAYMENT IF THE LETTER OF CREDIT IS DRAWN AGAINST WITHIN 30 DAYS AFTER THE RESUMPTION OF BUSINESS.

ANNEX 1 TO [BANKNAME]

IRREVOCABLE LETTER OF CREDIT NO. _____

[INSERT DATE]

[BANK NAME]
[ATTENTION]
[BANK ADDRESS 1]
[BANK ADDRESS 2]

LADIES AND GENTLEMEN:

THE UNDERSIGNED _____, A DULY ELECTED AND ACTING OFFICER OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY (THE "BENEFICIARY"), HEREBY CERTIFIES TO [INSERT BANK NAME] (THE "BANK"), WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ DATED _____, ISSUED BY THE BANK IN FAVOR OF THE BENEFICIARY (THE "LETTER OF CREDIT"), AS FOLLOWS AS OF THE DATE THEREOF:

1. THE BENEFICIARY IS A PARTY TO THAT CERTAIN [INTERCONNECTION AGREEMENT], EFFECTIVE _____, BETWEEN THE BENEFICIARY AND [CUSTOMER NAME] (THE "AGREEMENT").

2. BENEFICIARY IS MAKING A DRAWING UNDER THE LETTER OF CREDIT IN THE AMOUNT OF $_____ BECAUSE [CHECK APPLICABLE PROVISION]:

[____] (A) THERE CURRENTLY EXIST ONE OR MORE UNPAID AMOUNTS WHICH [CUSTOMER NAME] IS OBLIGATED TO PAY PURSUANT TO THE TERMS OF THE AGREEMENT.

[____] (B) THE BENEFICIARY HAS RECEIVED NOTICE FROM THE BANK OF ITS INTENTION NOT TO RENEW THE LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE AND [CUSTOMER NAME] HAS FAILED, PRIOR TO THE CLOSE OF BUSINESS ON _____ [INSERT DATE WHICH IS NOT MORE THAN THIRTY (30) DAYS BEFORE

THE PRESENT EXPIRATION DATE], TO DELIVER TO BENEFICIARY A REPLACEMENT LETTER OF CREDIT SATISFYING THE REQUIREMENTS OF THE AGREEMENT.

3. BASED UPON THE FOREGOING, THE BENEFICIARY HEREBY MAKES DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF U.S. DOLLARS _____ AND _____/100THS (U.S. $_____).

4. FUNDS PAID PURSUANT TO THE PROVISIONS OF THE LETTER OF CREDIT SHALL BE WIRE TRANSFERRED TO THE BENEFICIARY IN ACCORDANCE WITH THE FOLLOWING INSTRUCTIONS:

_____

_____

_____

UNLESS OTHERWISE PROVIDED HEREIN, CAPITALIZED TERMS WHICH ARE USED AND NOT DEFINED HEREIN SHALL HAVE THE MEANING GIVEN EACH SUCH TERM IN THE LETTER OF CREDIT.

IN WITNESS WHEREOF, THIS CERTIFICATE HAS BEEN DULY EXECUTED AND DELIVERED ON BEHALF OF THE BENEFICIARY BY ITS DULY ELECTED AND ACTING OFFICER AS OF THIS _____ DAY OF _____, _____.

BENEFICIARY: FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

_____

NAME:

_____

TITLE

SCHEDULE 21 - UES

UNITIL ENERGY SYSTEMS, INC.
LOCAL SERVICE SCHEDULE

SCHEDULE 21-UES

Unitil Energy Systems, Inc. Local Service Schedule

I. COMMON SERVICE PROVISIONS

Unitil Energy Systems, Inc. ("UES") is a participant in the New England Control Area and has agreed to provide transmission and ancillary services over PTF pursuant to the Tariff. The services provided under this Schedule 21-UES, Local Network Service, Local Point-to-Point Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service, apply only to Non-PTF, except in the case of service to Network Customers that have all or part of their Network Load directly connected to the PTF in the Local Network. These Network Customers shall pay for Local Network Service pursuant to Attachment F of ISO New England Inc. Transmission, Markets, and Services Tariff (ISO-NE Tariff), Section II, Open Access Transmission Tariff (OATT). Provisions of this Schedule 21-UES shall have priority over any conflicting provisions in the Tariff.

1 Definitions

1.0 Annual Transmission Costs: The total annual cost of the Local Network for purposes of Local Network Service shall be the amount specified in Attachment F of the OATT until amended by UES or modified by the Commission.

1.1 Curtailment: A reduction in firm or non-firm transmission service in response to a transmission capacity shortage as a result of system reliability conditions.

1.2 Load Ratio Share: Ratio of a Transmission Customer's Network Load to UES's total load computed in accordance with Sections II.10 and II.10(a) of this Schedule under Sections Supplementing Schedule 21 of the OATT and calculated on a rolling twelve month basis.

1.3.1 Local Network: The transmission facilities owned, controlled, or operated by UES that are used to provide transmission service under Schedule 21 of the OATT.

1.4 Local Network Service (LNS): The transmission service provided under Schedule 21 of the OATT and this Schedule.

1.5 Network Load: The load that a Network Customer designates for Local NetworkService under Schedule 21 of the OATT. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a 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 Schedule 21 of the OATT for any Local Point-To-Point Service that may be necessary for such non-designated load.

1.6 Network Upgrades: Modifications or additions to transmission-related facilities that are integrated with and support the UES's overall Local Network for the general benefit of all users of such Local Network.

1.7 Parties: UES and the Transmission Customer receiving service under this Schedule and the OATT.

SECTIONS SUPPLEMENTING THE BODY OF THE TARIFF

Preamble

The following provisions supplement the provisions of the Tariff. Provisions of this Schedule 21-UES shall have priority over any conflicting provisions in the Tariff. The section numbers of this Schedule 21-UES correspond to or are consecutive to the section numbers in the body of the Tariff that are affected by the additional provisions herein.

Sections Supplementing Section I: General Terms and Conditions

1.7 Creditworthiness: For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, UES may require reasonable credit review procedures in accordance with Attachment L of Schedule 21-UES.

Sections Supplementing Section II of the Tariff: Open Access Transmission Tariff (OATT)

II.A. COMMON SERVICE PROVISIONS

II.4 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. UES is required to provide (or offer to arrange with the ISO as discussed below), and the Transmission Customer is required to purchase, Local Scheduling, System Control and Dispatch Service. The following Ancillary Services are available pursuant to Section II.4 of the Tariff only to the Transmission Customer serving load within the New England Control Area (i) Reactive Supply and Voltage Control Service, (iii) Regulation and Frequency Response, (iii) Energy Imbalance, (iv) Ten-Minute Spinning Reserve Service, (v) Ten-Minute Non-Spinning Reserve Service and (vi) Thirty-Minute Operating Reserve Service.

II.8 Billing and Invoicing; Accounting

8.2 Invoicing: Within a reasonable time after the first day of each month, UES shall submit an invoice to the Transmission Customer for the charges for all services furnished under the OATT 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 UES, or by wire transfer to a bank named by the UES.

8.4 Customer Default: In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to UES on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after UES 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, UES 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 UES and the Transmission Customer, UES 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 UES may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. If the Transmission Customer is taking Firm

Contract Demand Service, non-Firm Contract Demand Service, or Interim Contract Demand Service, the terms of the applicable Cost Recovery Agreement shall govern.

II.10.2 Stranded Cost Recovery

UES may seek to recover stranded costs from the Transmission Customer pursuant to this OATT in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, UES must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

SECTIONS SUPPLEMENTING SCHEDULE 21 OF THE OATT

I. Local Point-to-Point Service Over the Local Network Owned by UES

Preamble

In addition to the provisions set forth in Schedule 21 of the OATT, the provisions of this Schedule 21-UES shall govern Local Point-To-Point transactions using the Local Network owned by UES. Provisions of this Schedule 21-UES shall have priority over any conflicting provisions in the Tariff. The section numbers of this Schedule 21-UES correspond to or are consecutive to the sections of Schedule 21 of the OATT that are affected by the additional provisions herein.

To the extent not otherwise covered in the OATT, the then-current ISO New England Operating Documents, or the TOA, or the rules adopted thereunder, whenever UES implements least-cost redispatch procedures in response to a transmission constraint, UES and the Transmission Customer(s) taking Local Point-To-Point Service will each bear a proportionate share of the total redispatch cost.

3 Service Availability

b) Determination of Available Transfer Capability (ATC): A description of UES's specific methodology for assessing ATC is contained in Attachment C of this Schedule. In the event sufficient transfer capability may not exist to accommodate a service request, UES will respond by performing a System Impact Study.

g) Real Power Losses: Real power losses are associated with all transmission service.

UES is not obligated to provide real power losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by UES. The applicable real power loss factors tabulated below will be applied to metered loads and Reserved Capacity amounts to account for losses on UES's system. The applicable real power loss factors are as follows:

Firm Local Point-to-Point Service = 0.53% at 34.5 kV subtransmission.
Non-firm Local Point-to-Point Service = 0.53% at 34.5 kV subtransmission

6) Procedures for Arranging Non-Firm Local Point-To-Point Service

f) Determination of Available Transfer Capability: Following receipt of a tendered schedule UES will make a determination on a non-discriminatory basis of ATC pursuant to Attachment C of this Schedule. Such determination shall be made as soon as reasonably practicable after receipt (during UES's normal business hours of 8:00 a.m. to 4:30 p.m., Monday to Friday), but not later than the following time periods for the following terms of service (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

11 Sale or Assignment of Local Point-to-Point Service

c) Information on Assignment or Transfer of Service: UES currently has waiver from the obligations of FERC Order No. 889 to maintain an OASIS. In the future, upon implementation of any UES OASIS site, resellers may use UES's OASIS site to post transmission capacity available for resale.

II. <u>Local Network Service using Non-PTF Owned by UES</u>

Preamble

In addition to the provisions set forth in Schedule 21 of the OATT, the provisions of this Schedule 21-UES shall govern Local Network Service using Non-PTF owned by UES. Provisions of this Schedule 21-UES shall have priority over any conflicting provision in the Tariff. The section numbers of this Schedule 21-UES correspond to the sections of Schedule 21 of the OATT that are affected by the additional provisions herein.

Local Network 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 UES utilizes its Non-PTF to serve its Native Load Customers. Local Network 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 Schedule 21 of the OATT.

2) Availability of Local Network Service

f) Real Power Losses: The Network Customer is responsible for replacing losses associated with all transmission service as calculated by UES. The applicable real power loss factors tabulated below will be applied to metered loads and Reserved Capacity amounts to account for losses on UES's system. The applicable real power loss factors are as follows:
Local Network Service = 0.53% at 34.5 kV subtransmission.

8) Load Shedding and Curtailments

a) Procedures: Prior to the Service Commencement Date, UES and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to Section II.20 of the Tariff, with the objective of responding to contingencies on the Local Network. The Parties will implement such programs during any period when the ISO, the Local Control Center or UES determines that a system contingency exists and such procedures are necessary to alleviate such contingency. UES will notify all affected Network Customers in a timely manner of any scheduled Curtailment.

b) Transmission Constraints: During any period when UES determines that a transmission constraint exists on the Local Network, and such constraint may impair the reliability of UES's system, UES will take whatever actions, consistent with then-current ISO New England Operating Documents or the TOA, and the rules adopted thereunder, and with Good Utility Practice, that are reasonably necessary to maintain the reliability of UES's system. To the extent ISO determines that the reliability of the ISO New England transmission system can be maintained by redispatching resources, UES will initiate procedures pursuant to the OATT, the then-current ISO New England Operating Documents, or the TOA, and the rules adopted thereunder to redispatch all Network Resources and UES'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 UES's use of the Local Network on behalf of its Native Load Customers and any Network Customer's use of the Local Network to serve its designated Network Load.

c) Cost Responsibility for Relieving Transmission Constraints: To the extent not otherwise covered in the OATT, the then-current ISO New England Operating Documents, or the TOA, or the rules adopted thereunder, whenever UES implements least-cost redispatch procedures in response to a transmission constraint, UES and the Network Customer(s) will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

d) Curtailments of Scheduled Deliveries: If a transmission constraint on UES's Local Network cannot be relieved through the implementation of least-cost redispatch procedures and UES determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with Section II.22 of the Tariff.

e) Allocation of Curtailments: The ISO, the Local Control Center or UES 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 UES and Network Customers in proportion to their respective Load Ratio Shares. Neither the ISO, the Local Control Center nor UES shall direct the Network Customer to Curtail schedules to an extent greater than either would Curtail UES's schedules under similar circumstances.

f) Load Shedding: To the extent that a system contingency exists on UES's Local Network and the ISO, the Local Control Center or UES determines that it is necessary for UES and the Network Customers to shed load, the Parties shall shed load in accordance with previously established procedures in accordance with Section II.22 of the Tariff, the then-current ISO New England Operating Documents, or the TOA, and the rules adopted thereunder.

g) System Reliability: Notwithstanding any other provisions of this Schedule, UES reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Local Network Service without liability on the part of UES for the purpose of making necessary adjustments to, changes in, or repairs on UES's 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 conditions or disturbances on UES's Local Network or on any other system(s) directly or indirectly interconnected with UES's Local Network, UES, 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. UES will give the 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 UES's use of its Local Network on behalf of its Native Load Customers. UES 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.

9) Rates and Charges

In addition to the above sections that correspond to sections in Schedule 21 of the OATT, the following additional provision shall apply to Local Network Service, Firm Contract Demand Service, Non-Firm Contract Demand Service, and Interim Contract Demand Service over UES's Local Network.

a) Monthly Demand Charge: The Network Customer shall pay a Monthly Demand Charge which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of UES's Annual Transmission Revenue Requirement as specified in Attachment F to the OATT.

10) Determination of Network Customer's Local Monthly Network Load: The Network Customer's local monthly Network Load is its hourly load (including its designated Network Load not physically interconnected with UES under Section II.5(c) of Schedule 21 of the OATT) coincident with UES's Monthly Local Network Peak. Monthly revenue requirements not otherwise paid for through charges to Eligible Customers for Local Point-to-Point Service will be allocated among UES's Network Customers receiving service under the tariff on the basis of their loads during the hour in the month in which the total connected load to the local network is at its maximum, without any adjustment for credits for generation.

In addition to the above sections that correspond to sections in Schedule 21 of the OATT, the following three provisions shall apply to Local Network Service over UES's local network.

10a) Determination of UES's Monthly Local Network Load: UES's monthly Local Network Load is UES's Monthly Local Network Peak minus the coincident peak usage of all firm Local Point-To-Point Service customers pursuant to Schedule 21 of the OATT plus the Reserved Capacity of all firm Local Point-To-Point Service customers.

10b) Recovery of PTF Transmission Revenue Requirements: The portion of UES's annual transmission revenue requirements with respect to PTF which is not recovered through the distribution of revenues from Regional Network Service or Local Point-to-Point Service shall be recovered from Eligible Customers taking Regional Network Service or Local Point-to-Point Service pursuant to Section II.12.2(b)~~13~~ of the Tariff.

III. LOCAL FIRM CONTRACT DEMAND SERVICE

1. Nature of Service

Local Firm Contract Demand Service shall be provided in accordance with Schedule 21 Common and this Local Service Schedule. Local Firm Contract Demand Service permits a Large Load Transmission Customer to serve a Large Load through UES's Transmission System on a firm basis.

2. Real Power Loss

Real Power Losses are associated with all transmission services. UES is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission services as determined under Market Rule 1. The applicable Real Power Loss factors are shown in Section II.2.f.

The amount of transmission losses incurred in transmitting power across UES's Transmission System to the Network Customer's Firm Contract Demand load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth in Section II.2.f.

3. Additional Study Procedures

Large Load System Impact Studies, Large Load Facilities Studies, study agreements, deposits, and other study procedures applicable to Local Firm Contract Demand Service shall be governed by Schedule 21-Common, the OATT, and this Local Service Schedule.

4.Load Shedding and Curtailment

To the extent that a system contingency exists on UES's Transmission System or the New England Transmission System and the ISO, Local Control Center, or UES determine that load shedding or curtailment is necessary, Local Large Load Transmission Customers receiving Local Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

5. Operating Agreement

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21- Common, the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with UES. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

6. Cost Responsibility

The Local Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Firm Contract Demand Service, including study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21 Common, the OATT, and any applicable Cost Recovery Agreement.

IV. LOCAL NON-FIRM CONTRACT DEMAND SERVICE

1. Nature of Service

Local Non-Firm Contract Demand Service shall be provided pursuant to Schedule 21 Common, the OATT, and this Local Service Schedule. Local Non-Firm Contract Demand Service is provided on an as-available basis and is subject to redispatch, interruption, curtailment, and load shedding.

2. Real Power Loss

Real Power Losses are associated with all transmission services. UES is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission services as determined under Market Rule 1. The applicable Real Power Loss factors are shown in Section II.2.f.

The amount of transmission losses incurred in transmitting power across UES's Transmission System to the Network Customer's Firm Contract Demand load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth in Section II.2.f.

3. Additional Study Procedures

Large Load System Impact Studies, Large Load Facilities Studies, study agreements, deposits, and other study procedures applicable to Local Non-Firm Contract Demand Service shall be governed by Schedule 21 - Common, the OATT, and this Local Service Schedule.

4. Redispatch, Load Shedding and Curtailment

To the extent that a system contingency exists on UES's Transmission System or the New England Transmission System and the ISO, Local Control Center, or UES determine that redispatch, load shedding or curtailment is necessary, Local Large Load Transmission Customers receiving Local Non-Firm Contract Demand Service shall comply with applicable redispatch, load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

5. Operating Agreement

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21- Common, the OATT, applicable ISO New England Operating Documents, and

any applicable operating agreement with UES. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

6. Cost Responsibility

The Local Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Non-Firm Contract Demand Service, including study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21-Common, the OATT, and any applicable Cost Recovery Agreement.

V. LOCAL INTERIM CONTRACT DEMAND SERVICE

1. Nature of Service

Local Interim Contract Demand Service is temporary, non-firm transmission service provided prior to completion of required Local Large Load Network Upgrades and prior to satisfaction of designated capacity requirements applicable to Local Firm Contract Demand Service.

A Local Large Load Transmission Customer receiving Local Interim Contract Demand Service shall comply with all applicable provisions of Schedule 21- Common, the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

2. Real Power Loss

Real Power Losses are associated with all transmission services. UES is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission services as determined under Market Rule 1. The applicable Real Power Loss factors are shown in Section II.2.f.

The amount of transmission losses incurred in transmitting power across UES's Transmission System to the Network Customer's Firm Contract Demand load shall be determined from time to time by the New England System Operator in accordance with ISO procedures applicable at the time of delivery. The Loss

Amounts, when determined by the New England System Operator, shall be posted on the OASIS. In the event that the New England System Operator, for any reason, does not determine the entire Loss Amount, the losses not determined by the New England System Operator shall be based on average system losses as set forth below:

Local Interim Contract Demand Service = 0.53% at 34.5 kV subtransmission.

3. Additional Study Procedures

Large Load System Impact Studies, Large Load Facilities Studies, study agreements, deposits, and other study procedures applicable to Local Interim Contract Demand Service shall be governed by Schedule 21-Common, the OATT, and this Local Service Schedule.

4. Redispatch, Load Shedding and Curtailment

To the extent that a system contingency exists on UES's Transmission System or the New England Transmission System and the ISO, Local Control Center, or UES determine that redispatch, load shedding or curtailment is necessary, Local Large Load Transmission Customers receiving Local Interim Contract Demand Service shall comply with applicable redispatch, load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

5. Operating Agreement

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21- Common, the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with FG&E. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

6. Cost Responsibility

The Local Large Load Transmission Customer shall be responsible for all costs associated with the

provision of Local Interim Contract Demand Service, including study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21- Common, the OATT, and any applicable Cost Recovery Agreement.

7. Expiration of Interim Services

If a Large Load Transmission Customer receives Local Interim Contract Demand Service under the OATT, it shall receive Local Interim Contract Demand Service until such time as it receives Firm Contract Demand Service under the OATT, at which point the Load Transmission Customer's service shall transfer over to Local Firm Contract Demand Service.

SCHEDULE 1

Local Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into UES's Local Network Control Area. Local Scheduling, System Control and Dispatch Service is to be provided directly by UES and the ISO. The Transmission Customer must purchase this service from UES. The charges for UES's Local Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent that the ISO performs this service for UES, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to UES by the ISO.

Each firm Local Point-To-Point Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service Customer under this Tariff will be charged for Local Scheduling, System Control and Dispatch Services for the total Reserved Capacity specified in each reservation for firm Local Point-To-Point Service made under the Tariff at the rates set forth in Appendix A of this Schedule 1.

Each Network Customer under this Tariff will be charged a monthly Local Scheduling, System Control and Dispatch Service Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of the Formula Requirements specified in Appendix B of this Schedule 1. Each Transmission Customer with generation within the ISO's Control Area shall be required also to provide for Scheduling, System Control and Dispatch Service for that generation. It is anticipated that the Transmission Customer will obtain these services by contracting with the ISO for these services on an unbundled basis. UES will make available Generation Scheduling, System Control and Dispatch Service at the rates set forth in Appendix C of this Schedule 1.

Each Transmission Customer with generation located outside of the ISO Control Area shall be required to provide for Scheduling, System Control and Dispatching Service for that generation. It is anticipated that the Transmission Customer will obtain these services by contracting for these services from the provider of these services within the Control Area where the generation is located. UES shall have the right, at any time, unilaterally to file for a change in any of the provisions of this Schedule 1 in accordance with Section 205 of the Federal Power Act and the Commission's implementing regulations.

SCHEDULE 1

Appendix A

Determination Of UES's Local Network Point-To-Point Formula Rate

For Local Scheduling, System Control and Dispatch Service

UES's Formula Rate for Point-To-Point Local Scheduling, System Control and Dispatch Service ("Formula Rate") is an annual rate determined from the following formula.

$$\text{FORMULA RATE}_i = \frac{A_{i-1} - B_{i-1}}{C_{i-1}}$$

WHERE:

- i equals the calendar year during which service is being rendered ("Service Year").

- A_{i-1} is the Annual Control Center Expenses (expressed in dollars) of UES for the calendar year prior to the Service Year. The Annual Control Center Expenses are determined pursuant to the formula specified in Exhibit 1 to this Appendix A of Schedule 1.

- B_{i-1} is the actual local scheduling, system control and dispatch revenues (expressed in dollars) provided from the provision of transmission services to others. The actual local scheduling and dispatch revenues shall be those recorded on the books of UES in FERC Account No. 456 pertaining to Transmission of Electricity for Others and such other applicable FERC Account for the calendar year prior to the Service Year.

- C_{i-1} is the single annual coincident peak transmission and distribution load (expressed in kilowatts) of UES for the calendar year prior to the Service Year, as reported in FERC Form No. 1.

Schedule 1

Appendix A

Exhibit 1

Determination Of Annual Control Center Expenses

The rate formula for determination of the annual control center expenses revenue requirements for UES is determined as follows:

A. ANNUAL CONTROL CENTER EXPENSES = Sum of UES's (Account 556 System Control and Load Dispatching Expense) + (Account 557 Other Expense) X .50* for the calendar year prior to the Service Year.

*This factor reflects allocation to the transmission function of a portion (50 percent) of the costs recorded in Accounts 556 and 557 associated with dispatching transmission and generating facilities. This 50 percent allocation of control center costs is based on two functions performed by the control center (i) control of generation and (ii) control of transmission.

SCHEDULE 1

Appendix B

Determination Of UES's
Network Formula Requirements
For Local Scheduling, System Control
And Dispatch Service

UES's formula requirements for Network Local Scheduling, System Control and Dispatch Service is determined from the following formula.

Formula Requirements$_i$ = A_{i-1} - B_{i-1}

WHERE:

- i equals the calendar year during which service is being rendered ("Service Year").

- A_{i-1} is the Annual Control Center Expenses (expressed in dollars) of UES for the calendar year prior to the Service Year. The Annual Control Center Expenses are determined pursuant to the formula specified in Exhibit 1 to Appendix A of Schedule 1.

- B_{i-1} is the actual local scheduling, system control and dispatch revenues (expressed in dollars) provided from the provision of transmission services to others. The actual local scheduling, system control and dispatch revenues shall be those recorded on the books of UES in FERC Account No. 456 pertaining to Transmission of Electricity for Others and such other applicable FERC Account for the calendar year prior to the Service Year.

SCHEDULE 1

Appendix C

Determination Of
UES's Formula Rate
For Generation Scheduling, System Control And Dispatch Service

UES's Formula Rate for Generation Scheduling, System Control and Dispatch Service ("Formula Rate") shall be calculated using the Formula Rate for Point-to-Point Local Scheduling, System Control and Dispatch Service in Appendix A of Schedule 21 - UES.

SCHEDULE 7

Long-Term Firm Local and Short-Term Firm
Local Point-to-Point Service

The Transmission Customer shall compensate UES each month for firm Reserved Capacity at the sum of the applicable charges set forth below:

1) **Yearly delivery**: one-twelfth of the demand charge of
$ N/A /KW of firm Reserved Capacity per year.

2) **Monthly delivery**: $ N/A /KW of firm Reserved Capacity per month.

3) **Weekly delivery**: $ N/A /KW of firm Reserved Capacity per week.

4) **Daily delivery**: $ N/A /KW of firm Reserved Capacity per day.
The total demand charge in any week, pursuant to a reservation for Daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of firm Reserved Capacity in any day during such week.

5) **Discounts**: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by UES must be announced to all Eligible Customers solely by posting on Unitil.com, (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 Unitil.com, and (3) once a discount is negotiated, details must be immediately posted on Unitil.com. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, UES must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on UES's Local Network.

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

SCHEDULE 8

Non-Firm Local Point-To-Point Service*

The Transmission Customer shall compensate UES for non-firm Local Point-To-Point Service up to the sum of the applicable charges set forth below:

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

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

3) **Daily delivery**: $ N/A /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 $ N/A /MWH. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in 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) **Discounts**: Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by UES must be announced to all Eligible Customers solely by posting on Unitil.com, (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 Unitil.com, and (3) once a discount is negotiated, details must be immediately posted on Unitil.com. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, UES must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on UES's Local Network.

6) **Resales**: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section I.11 (a) of

Schedule 21 of the OATT.

* Rates reflect a 25% discount off the firm Point-To-Point rates

SCHEDULE 9

DISTRIBUTION ADDER UNDER TARIFF

In the case where distribution facilities of UES are employed in providing service under Schedule 21 of the OATT, the Transmission Customer shall compensate UES for the use of such facilities. In addition to the charges contained in this Tariff, the compensation for such distribution facilities will be determined on a case-by-case basis.

All such charges shall be subject to appropriate regulatory approval.

ATTACHMENT C

Methodology To Assess Available Transfer Capability

1. Introduction

ISO is the regional transmission organization (RTO) for the New England Control Area. The New England Control Area includes the transmission system located in the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont, but does not include the transmission system in northern Maine (i.e., Aroostook and parts of Penobscot and Washington Counties) that is radially connected to New Brunswick and administered by the Northern Maine Independent System Administrator. The New England Control Area 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 NERS 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 Service Provider for regional transmission service ("Regional Transmission Service") associated with Pool Transmission Facilities, the Participating Transmission Owners ("PTOs") provide local transmission service over Non-Pool Transmission Facilities within the RTOP footprint and are responsible for calculating TTC and ATC associated with Local Transmission Service provided under Schedule 21 pursuant to the Transmission Operating Agreement ("TOA"). Pursuant to CFR § 37.6(b)[1] of the FERC Regulations, Transmission Provider's are obligated to calculate and post TTC and ATC for each Posted Path. The ISO is not responsible for the calculation of these values.

Posted Path is defined as any control area to control area interconnection; any path for which service is

1 Section §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 1 2 Path as set out in this section.

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.[2]

UES does not currently have any Posted Paths based on the above definition. However, to the extent that UES does in the future have a Posted Path, UES will calculate TTC using the NERC Standard MOD-029 – Rated System Path Methodology ("MOD-029") as outlined below.

1.1 Scope of Document

The scope of this document is limited to those functions performed by UES as the Transmission Service Provider of Schedule 21-UES Point-to Point transmission service over Local Facilities pursuant to the PTOs' Transmission Operating Agreement and the ISO OATT:

- Methodology for calculating Total Transfer Capability (TTC)
- Methodology for calculating Available Transfer Capability (ATC)
- Existing Transmission Commitment (ETC)
- Use of Transmission Reliability Margin (TRM)
- Use of Capacity Benefit Margin (CBM)
- Use of Rollover Rights (ROR) in the calculation of ETC

TTC and ATC are required to be calculated only for certain non-PTF internal Posted Paths over which Point-to-Point transmission service is provided under Schedule 21-UES. TTC and ATC is not calculated by UES for Local Network Service because ISO employs a market model for economic, security constrained dispatch of generation, and UES does not require advance reservation for such network service.

2. Transmission Service in the New England Markets

Section § 37.6(b)(1)(i).

Since the inception of the OATT for New England, the process by which generation located inside New England supplies energy to the 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 New England 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.

The process for submitting External Transactions into the Real-Time Energy Market does not require an advance physical reservation for use of the PTF. In the event that the net of the economic External Transactions is greater than the transfer 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 or 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 where utilized for Local Network Service by generation or load. However, UES owns Local Facilities over which an advance transmission service reservation for firm or non-firm transmission service may be required. On those Local Facilities, the market participant may obtain a transmission service reservation from UES under Schedule 21-UES prior to delivery of energy into the Real-Time Energy Market.[3] This document addresses the calculation of ATC and TTC for these non-PTF internal paths.

3. Schedule 21-UES Total Transfer Capability (TTC)

3 See n - 2, 3 and 6, supra.

The TTC on UES' non-PTF Local Facilities that require Point-to-Point transmission service reservations are relatively static values and are calculated using the NERC Standard MOD-029 – Rated System Path Methodology. 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. UES calculates TTC according to this definition applying the process as described below.

3.1 Guidelines and Principles

When estimating TTC, UES will apply the following, as amended and/or adopted from time to time

- Good Utility Practice
- NERC criteria and guidelines
- ISO New England criteria, rules and reliability standards
- Northeast Power Coordinating Council (NPCC) criteria and guidelines
- Unitil Energy Systems, Inc. guides

3.2 Transmission System Model Representation

UES will estimate TTC using transmission system load flow models developed for UES' system. The models may include representations of other neighboring systems. UES will use system models that it deems appropriate for study of the request for firm transmission 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 load flow cases. The system models may be modified, if necessary, to include additional system information on load, transfers and configuration, as it becomes available.

3.3 Contingency Analysis

UES will perform, if necessary, power flow and transient stability analysis to ensure that the interface's physical limits will not be violated for credible system contingencies per NERC, NPCC and ISO reliability criteria. TTC, based on contingency analysis, is the incremental transfer capability of the transmission system following the loss of the most critical element while maintaining thermal, and stability performance of the system within acceptable regional practices and consistent with guidelines of Item 3.1 of this Attachment.

3.4 Posting TTCs

When necessary, UES will estimate TTC as outlined above and post on its website.

4. Capacity Benefit Margin (CBM)

CBM is defined as the amount of firm transmission transfer capability set aside by a TSP for use by the Load Serving Entities. The ISO does not set aside any CBM for use by the Load Serving Entities, because of the New England approach to capacity planning requirements in the ISO New England Operating Documents. Load Serving Entities operating within the New England Control Area are required to arrange for their Capacity Requirements prior to the beginning of any given month in accordance with 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 that their capacity needs are met; therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of ATC calculation, CBM for the New England Control Area is set to zero (0).

Existing Transmission Commitments, Firm (ETC_F)

The ETC_F are those confirmed firm transmission reservations (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_{NF})

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}).

5. 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. UES, under Schedule 21, does not have any external interfaces, and therefore, TRM for UES' non-PTF facilities is zero.

6. Calculation of ATC for UES' Local Facilities

General Description

This section defines the ATC calculations performed by UES for its non-PTF internal interfaces. Consistent with the NERC definition, the equation for Available Transfer Capability is: ATC = (TTC – CBM – TRM – Existing Transmission Commitments + Postbacks + counterflows). As discussed above, the CBM and TRM for the PTF interfaces for which UES calculates ATC are zero (0). As consistent with the ISO calculation, the equations for firm and non-firm Available Transfer Capability are:

Firm ATC = (TTC – CBM – TRM – firm ETC)
Non-firm ATC = (TTC – CBM – TRM – firm and non-firm ETC).[4]

As discussed above, the TRM and CBM for UES's non-PTF paths are zero. The purpose of the Existing Transmission Commitments ("ETC") component of the ATC equation is for FG&E to reduce the amount of ATC by the amount of existing firm transmission commitments that are not otherwise included in CBM or TRM. There is no requirement to purchase transmission service in advance of flowing energy in Real-Time, and there is no MW amount set aside by FG&E on any interface. One such example is point-to-point service commitments. Point-to-point service commitments sharing common transmission paths would be combined through system modeling to calculate the net existing transmission capacity (ETC) impact. This ETC value is then used in the ATC calculation shown above. Therefore there are no Existing Transmission Commitments to be applied in the ATC equation. For this reason, ETC equals zero (0) for the purposes of ATC calculation. Because Postbacks and counterflows are related to ETC and ETC is zero (0), both Postbacks and counterflows also are equal to zero (0).

As described in Section 2, under Schedule 21-UES, UES requires the purchase of transmission service in advance of delivery of energy to the New England Wholesale Market over certain non-PTF paths, and those existing transmission commitments would be applied to the ATC equation for the specific posted path. As a practical matter, 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.

4 Existing Transmission Commitments ("ETC")

Entities submit their bids and offers to move energy into, out of and through the Energy Market through External Transactions. As Real-Time approaches, the ISO determines which of the submitted External Transactions will be scheduled in the coming hour in accordance with the rules set forth in the ISO New England Operating Documents. Basically, the ATC of the non-PTF assets in the New England market is almost always positive. The ATC is equal to the amount of External 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 that serve as a path for the UES' Schedule 21-UES Point-to-Point Transmission Customers, UES would post the ATC as 9999, consistent with industry practice. ATC on these paths varies depending on the time of day. However, it would be posted with an ATC of "9999" to reflect the fact that there are no restrictions on these paths for commercial transactions.

6.1 Calculation of Schedule 21-UES Firm ATC (ATC_F)

6.1.1 Calculation of ATC_F in the Planning Horizon (PH)

For purposes of this Attachment C, 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. Firm Transmission Service under Schedule 21-UES that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_F$ and $counterflows_F$ of Schedule 21-UES transmission reservations are not considered in the ATC calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F

6.1.2 Calculation of ATC_F in the Schedule 21-UES Operating Horizon (OH)

For purposes of this Attachment C, 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. Daily firm Transmission Service under Schedule 21-UES is the only firm service offered in the Operating Horizon (OH). $Postbacks_F$ and $counterflows_F$ of Schedule 21-UES transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F.

6.1.3 Because firm Schedule 21-UES transmission service is not offered in the Scheduling Horizon (SH): ATC_F in the SH is zero.

6.2 Calculation of Schedule 21-UES Non-Firm ATC (ATC_{NF})

6.2.1 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-UES are zero. Non-firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U, $Postbacks_{NF}$ and $counterflows_{NF}$ of Schedule 21-UES 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}.

6.2.2 Calculation of ATC_{NF} in the OH

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

As discussed above TRM and CBM for Schedule 21-UES are zero. TRM_U, counterflows and ETC_{NF} are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F, plus postbacks of PTP_F in OH as PTP_{NF} ($Postbacks_{NF}$).

6.3 Negative ATC

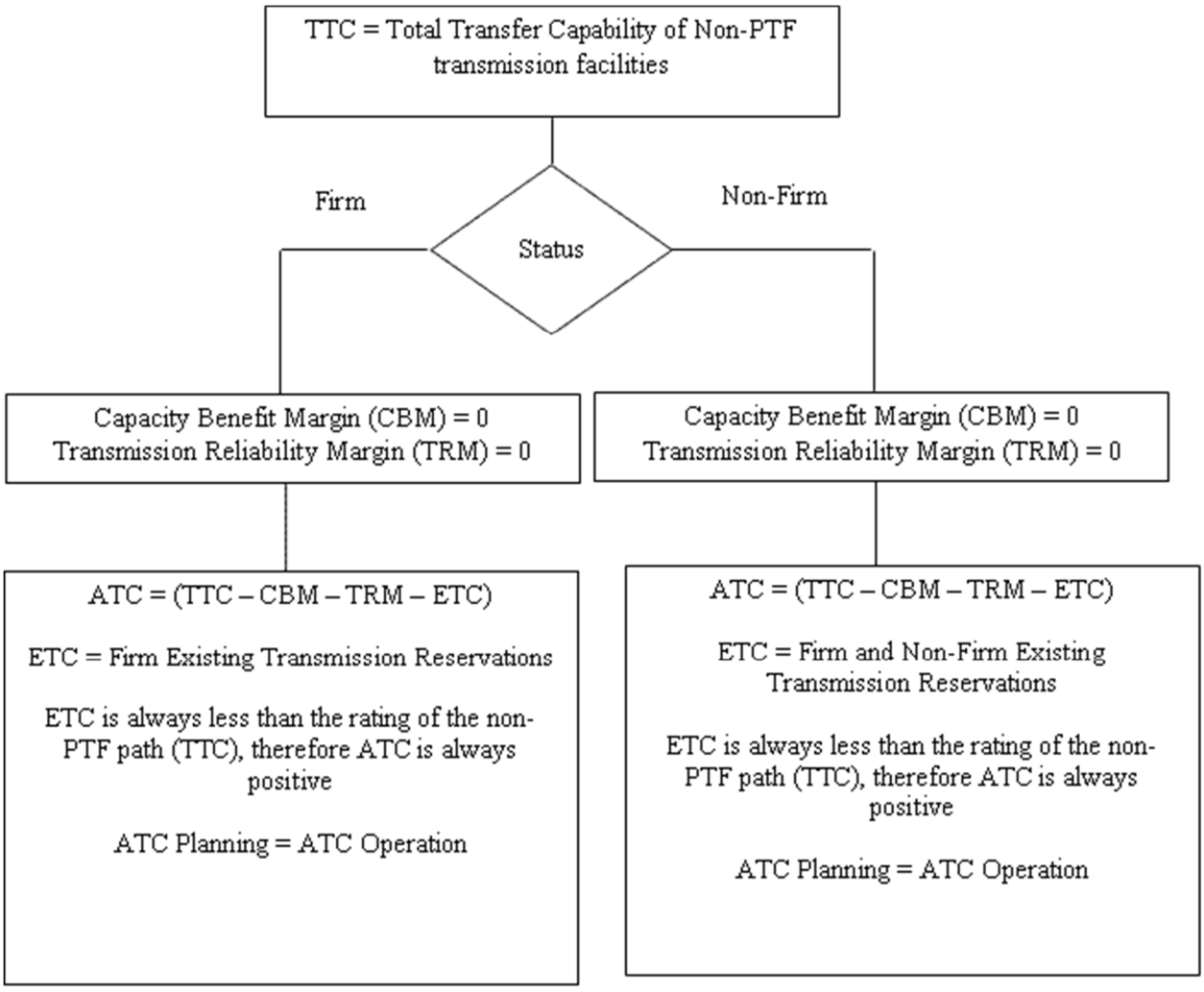
As stated above, the ratings of the radial transmission paths are always higher than the transmission

requirements of the Transmission Customers connected to that path. As such, transmission services over these posted paths are considered to be always available.

As stated above, UES' 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, but will not become negative.

ATC Process Flow Diagram for Non-PTF Interfaces

The process flow diagram illustrates the steps through which ATC is calculated both on an operating and planning horizon.



7. Posting of Schedule 21-UES ATC

7.1 Location of ATC Posting.

When necessary, UES will estimate ATC values for these internal paths as outlined above and post on its website, http://www.unitil.net/nepool/nh/pdf/atc_cbm_ttc_trm_ues.pdf.

7.2 Updates To ATC

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

7.3 Coordination of ATC Calculations

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

7.4 Mathematical Algorithms

A link to the actual mathematical algorithm for the calculation of ATC for UES' non-PTF internal interfaces is located at http://www.unitil.com/sites/default/files/pdfs/ues_atc_algorithms_3_11.pdf.

ATTACHMENT D

Methodology for Completing a System Impact Study

UES will perform System Impact Studies for the purpose of determining the feasibility of integrating Network Load and Network Resources into UES's Local Network under Schedule 21 of the OATT, or for the purpose of determining the feasibility of providing Local Point-To-Point Service under this Tariff. All System Impact Studies will be completed using the same method employed by UES to integrate into UES's Local Network (i) generation resources owned or acquired to serve its Native Load Customers, and (ii) its Native Load Customers' load. Specifically, System Impact Studies will be performed by applying the applicable criteria, rules, standards and operating procedures. In addition to applying the aforementioned applicable criteria, rules, standards and operating procedures , to determine the feasibility of providing service to Network Load and/or Local Point-To-Point Service, System Impact Studies will also be performed by applying Unitil Service Corp.'s "Electric System Planning Guide."

ATTACHMENT E

Index Of Local Point-To-Point Service Customers

Customer	Date of Service Agreement

ATTACHMENT I

Index Of Local Network Service Customers

Customer	Date of Service Agreement
Unitil Energy Systems, Inc.	December 1, 2002

Attachment L

Creditworthiness Policy

1. Introduction

This guide establishes creditworthiness standards for transmission service and/or interconnection service customers ("Customers") entering into new or amended service agreements with Unitil Energy Systems, Inc. ("UES") under the ISO New England Open Access Transmission Tariff ("ISO-NE OATT").[5] In accordance with the Federal Energy Regulatory Commission's Policy Statement on Credit-Related Issues for Electric OATT Transmission Providers, Independent System Operators and Regional Transmission Organizations ("Policy Statement"), this Creditworthiness Policy is intended to make UES's credit-related practices more transparent and comprehensive. The following describes UES credit review procedures and the types of security that are acceptable to UES to protect against the risk of non-payment.

2. Creditworthiness

UES will evaluate the creditworthiness of Customers entering into new or amended transmission or interconnection service agreements with UES in order to assess a Customer's credit risk relative to the exposure of "Total Outstanding Obligation" as defined in Section 2.1 below, created by the transaction or transactions that UES has with the Customer. For purposes of determining the ability of a Customer to meet its obligations, UES may require the Customer to submit financial information for the credit review, including credit ratings, credit reports and audited financial statements for the last five years, including audited quarterly reports for the prior two years, if available. Further, the Customer will be expected to provide calculations of the following: Current Total Capitalization Ratio, Including Short-Term Debt; Tangible Net Worth for a period within sixty days of a Customer's request; Earnings Before Interest, Taxes, Depreciation and Amortization for twelve of the last fifteen consecutive months; and additional calculations and other information deemed necessary for the evaluation credit. In completing its evaluation, UES may consider other factors including but not limited to past billing history or the characteristics of service being requested.

2.1 Total Outstanding Obligation

5 *See* ISO New England Inc., ISO New England Inc. Transmission, Markets and Services Tariff, Section II. This policy is applicable to transmission or interconnection service agreements established from time-to-time under Schedules 21 - UES of the ISO-NE OATT and to individually negotiated agreements for similar transmission or interconnection services .

The Customer's Total Outstanding Obligation to UES will be the sum total of the following components:

2.1.1 If the Customer is making payments to UES for ongoing expenses (including, but not limited to, O&M expenses related to interconnections or other monthly charges such as monthly transmission charges under Schedule 21 – UES) the Customer will be required to provide security pursuant to Section 2.2 below, for four months' worth of the Customer's average payment obligation for such charges.

2.1.2 In accordance with the provisions of the ISO-NE OATT, a Customer will pay a Contribution in Aid of Construction ("CIAC") or transfer ownership of facilities to UES for transmission or interconnection facilities that are to be constructed on behalf of a Customer at the Customer's sole expense. If UES determines in good faith that the receipt of CIAC payments or property from the Customer are non-taxable, UES will require a form of security from the customer pursuant to Section 2.2 below for the amount of the potential tax liability to UES that would occur if such facilities were deemed taxable.

2.1.3 In accordance with the provisions of Schedule 21 – UES to the ISO-NE OATT, a Customer will pay a formula rate over time for return of and on the cost of capital incurred by UES on behalf of a Customer at the Customer's sole expense. The Customer will also be required to provide security pursuant to Section 2.2 below, for the unamortized balance of plant in service reserved for the sole use of the Customer.

2.2 Creditworthiness Requirements

A Customer will be considered creditworthy upon satisfying at least one of the following conditions or a combination of those conditions at the time that the customer enters into a transmission or interconnection service agreement and for so long as the Customer maintains satisfaction of at least one of these conditions for any outstanding obligations thereunder:

2.2.1 The Customer maintains a minimum credit rating from Standard & Poor's Long-term Issuer Credit Rating of BBB- or better or Moody's Investors Service Long-term Issuer Credit Rating of Baa3 or better so long as the Customer's Total Outstanding Obligation plus any other unsecured obligations with UES does not exceed the Credit Limits discussed in Section 4 below. When UES reviews a Customer's rating from two or more rating agencies and a split rating is present, the lower debt rating will apply. In the event that the Customer has no rating from either

Standard & Poor's or Moody's Investors Service, a rating from Fitch may also be used with acceptable ratings equivalent to those from either Standard and Poor's or Moody's Investors Service. If unrated, the Customer's financial statements will be reviewed to determine an equivalent rating based on the Customer's unsecured credit limits and/or financial statements.

If, at any time, the Customer's rating falls below investment grade (BBB- from Standard and Poor's and/or Baa3 from Moody's or equivalent ratings from Fitch), the Customer will be required to (i) notify UES within 10 days and, (ii) within 30 days, provide another form of security reasonably acceptable to UES, as described in this Section 2.2.

2.2.2 The Customer provides and maintains in effect during the term of and until full and final payment and performance of the service agreement an unconditional and irrevocable standby letter of credit for the Total Outstanding Obligation in the form and substance and issued by a bank reasonably acceptable to UES. A draft, acceptable form letter of credit is attached. Any such bank must satisfy the creditworthiness criteria described in 2.2.1 above.

If, at any time, the bank's rating falls below investment grade (BBB- from Standard and Poor's and/or Baa3 from Moody's or equivalent ratings from Fitch), the Customer will be required to (i) notify UES within 10 days and, (ii) within 30 days, provide another form of security reasonably acceptable to UES, as described in this Section 2.2.

2.2.3 If the Customer's parent or an affiliate company satisfies the creditworthiness criteria described in 2.2.1 above and, subject to the Credit Limits stated in Section 4 below, such company submits to UES and maintains in effect a letter of guaranty reasonably acceptable to UES as to amount, form and substance for the term of and until full and final payment and performance of the service agreement.

If, at any time, the credit rating of the Customer's parent or affiliate providing the guaranty falls below investment grade (BBB- from Standard and Poor's and/or Baa3 from Moody's or equivalent ratings from Fitch), the Customer will be required to (i) notify UES within 10 days and, (ii) within 30 days, provide another form of security reasonably acceptable to UES, as described in this Section 2.

2.2.4 The Customer makes an advance payment to UES in immediately available funds for the

Total Outstanding Obligation.

3. Customer Costs Requiring Prepayment

In accordance with the provisions of the ISO-NE OATT, a Customer will pay a Contribution in Aid of Construction ("CIAC") for transmission or interconnection facilities to be constructed by UES on behalf of a Customer at the Customer's sole expense. The Customer will have the option to (i) prepay the CIAC in immediately available funds to UES, or (ii) make periodic CIAC progress payments, as defined in the Customer's service agreement, to prepay in increments capital costs scheduled to be incurred by UES. If UES determines in good faith that such payments or property transfers made by the Customer should be reported as income subject to taxation, the Customer shall also prepay all costs associated with the cost consequences of the current tax liability imposed on UES by those facilities (the "Tax Gross- up").

4. Determination of Credit Limits

UES reserves the right to limit the total amount of unsecured credit extended to a Customer under 2.2.1 and 2.2.3 above such that the sum of all unsecured credit that such Customer has with UES, including the Total Outstanding Obligation, shall not exceed the Credit Limits defined below. Such limitations are based on an assessment of the Customer's or its Guarantor's credit rating and the net worth of the Customer's or its Guarantor's assets.

Standard and Poor's (or Equivalent) Rating	Unsecured Credit Limit as Percent of Customer's or Guarantor's Tangible Net Worth
A and above	1.00%
A-	0.50%
BBB+	0.30%
BBB	0.20%
BBB-	0.10%

Once UES has evaluated or reevaluated and determined the maximum Credit limits for each Customer, it will inform the prospective Customer of the amount of such credit limits. A customer may request in writing a reevaluation of the maximum Credit limits, within 14 days from the date that they were informed by UES of such limits. Justification for such a reevaluation should be contained in the request.

All requests for reevaluation must be submitted directly to the UES Contract Administrator.

From time to time, principally due to unknown factors such as changing market, economic, banking or other financial conditions, but not solely limited to these factors, UES may find it necessary to modify or amend its creditworthiness policies and guidelines after a 15 day notice period and require that present and future Transmission Customers fulfill any additional conditions contained in the modified Creditworthiness Guide. Transmission Customers will have 30 days after the notice period to cure any deficiency.

FORM LETTER OF CREDIT

_____ Bank

_____

(address)

IRREVOCABLE STANDBY LETTER OF CREDIT

DATE: _____

AMOUNT U.S. $_____

_____

FOR INTERNAL IDENTIFICATION PURPOSES ONLY

Our Number:

Beneficiary: Applicant:

_____ _____

_____ _____

_____ _____

_____ _____

Attn: At the request of:

Ref:_____

LADIES AND GENTLEMEN:

WE HEREBY ESTABLISH THIS IRREVOCABLE, AND UNCONDITIONAL, EXCEPT AS STATED HEREIN, LETTER OF CREDIT NUMBER _____ (LETTER OF CREDIT), BY ORDER OF, FOR THE ACCOUNT OF, AND ON BEHALF OF [CUSTOMER NAME] (ACCOUNT PARTY) IN FAVOR OF UNITIL ENERGY SYSTEMS, INC. (BENEFICIARY) FOR DRAWINGS, IN ONE OF MORE DRAFTS, UP TO AN AGGREGATE AMOUNT NOT EXCEEDING U.S. $_____ EFFECTIVE IMMEDIATELY. THE TERM 'BENEFICIARY' INCLUDES ANY SUCCESSOR OF THE NAMED BENEFICIARY.

THIS LETTER OF CREDIT CANNOT BE AMENDED, MODIFIED OR REVOKED WITHOUT THE PRIOR WRITTEN CONSENT OF BOTH THE BANK AND THE BENEFICIARY. THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS AN OFFICER OF THE BENEFICIARY SHALL HAVE SIGNED A WRITTEN WAIVER EXPRESSLY REFERENCING THE RIGHT TO BE WAIVED. NO SUCH WAIVER SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOT AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.

WE HEREBY UNDERTAKE TO PROMPTLY HONOR YOUR DRAFT(S) DRAWN ON US, INDICATING OUR LETTER OF CREDIT NUMBER _____ IS ISSUED, PRESENTABLE AND PAYABLE AND WE GUARANTY TO THE DRAWERS, ENDORSERS, AND BONA FIDE HOLDERS OF THIS LETTER OF CREDIT, THAT DRAFTS UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED BY US.

SUBJECT TO THE EXPRESS TERMS AND CONDITIONS HEREIN, FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE TO YOU BY PRESENTATION AT OUR OFFICES LOCATED AT [_____] OF BENEFICIARY'S DRAWING CERTIFICATE ISSUED SUBSTANTIALLY IN THE FORM OF ANNEX 1 ATTACHED HERETO AND WHICH FORMS AN INTEGRAL PART HEREOF, DULY COMPLETED AND PURPORTEDLY BEARING THE ORIGINAL SIGNATURE OF AN OFFICER OF THE BENEFICIARY. PRRESENTATION OF ANY DRAWING CERTIFICATE UNDER THIS LETTER OF CREDIT MAY BE MADE IN PERSON TO US OR MAY BE SENT TO US BY TELEX TO [_____] OR BY FACSIMILE

TRANSMISSION TO FACSIMILE TELEPHONE NUMBER [_____].

ALL COMMISSIONS AND CHARGES WILL BE BORNE BY THE ACCOUNT PARTY. IF DOCUMENTS, IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT, ARE RECEIVED BEFORE 10:00 AM (EASTERN TIME) ON A BUSINESS DAY, PAYMENT WILL BE EFFECTED ON OR BEFORE 5:00 PM (EASTERN TIME) ON THE NEXT BUSINESS DAY. IF DOCUMENTS, IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT ARE RECEIVED AFTER 10:00 AM ON A BUSINESS DAY, PAYMENT WILL BE EFFECTED ON OR BEFORE 5:00 PM ON THE SECOND BUSINESS DAY FOLLOWING SUCH DATE OF RECEIPT.

EXCEPT AS EXPRESSLY STATED HEREIN, THIS UNDERTAKING IS NOT SUBJECT TO ANY AGREEMENT, CONDITION OR QUALIFICATION. THIS LETTER OF CREDIT DOES NOT INCORPORATE, AND SHALL NOT BE DEEMED MODIFIED OR AMENDED BY REFERENCE TO ANY DOCUMENT, INSTRUMENT OR AGREEMENT (A) THAT IS REFERRED TO HEREIN (EXCEPT FOR THE UNIFORM CUSTOMS, AS DEFINED BELOW), OR (B) IN WHICH THIS LETTER OF CREDIT IS REFERRED TO OR TO WHICH THIS LETTER OF CREDIT RELATES.

OUR OBLIGATION UNDER THIS LETTER OF CREDIT SHALL BE OUR INDIVIDUAL OBLIGATION AND IS IN NO WAY CONTINGENT UPON THE REIMBURSEMENT WITH RESPECT THERETO, OR UPON OUR ABILITY TO PERFECT ANY LIEN, SECURITY INTEREST OR ANY OTHER REIMBURSEMENT.

THIS LETTER OF CREDIT EXPIRES WITH OUR CLOSE OF BUSINESS ON [364 days from effective date]; HOWEVER, IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR 364 DAYS FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE HEREOF, UNLESS AT LEAST SIXTY (60) DAYS BEFORE ANY SUCH EXPIRATION DATE WE NOTIFY YOU BY REGISTERED MAIL ADDRESSED TO: [address of beneficiary, ATTN: _____], THAT WE ELECT NOT TO RENEW THIS LETTER FOR SUCH ADDITIONAL PERIOD.

THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION) INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 500. IF THIS LETTER OF CREDIT EXPIRES DURING THE INTERRUPTION OF BUSINESS AS DESCRIBED IN ARTICLE 17 THEREOF WE HEREBY SPECIFICALLY AGREE

TO EFFECT PAYMENT IF THE LETTER OF CREDIT IS DRAWN AGAINST WITHIN 30 DAYS AFTER THE RESUMPTION OF BUSINESS.

ANNEX 1 TO [BANKNAME]

IRREVOCABLE LETTER OF CREDIT NO. _____

[INSERT DATE]
[BANK NAME]
[ATTENTION]
[BANK ADDRESS 1]
[BANK ADDRESS 2]

LADIES AND GENTLEMEN:

THE UNDERSIGNED _____, A DULY ELECTED AND ACTING OFFICER OF UNITIL ENERGY SYSTEMS, INC. (THE "BENEFICIARY"), HEREBY CERTIFIES TO [INSERT BANK NAME] (THE "BANK"), WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ DATED _____, ISSUED BY THE BANK IN FAVOR OF THE BENEFICIARY (THE "LETTER OF CREDIT"), AS FOLLOWS AS OF THE DATE THEREOF:

1. THE BENEFICIARY IS A PARTY TO THAT CERTAIN [INTERCONNECTION AGREEMENT], EFFECTIVE _____, BETWEEN THE BENEFICIARY AND [CUSTOMER NAME] (THE "AGREEMENT").
2. BENEFICIARY IS MAKING A DRAWING UNDER THE LETTER OF CREDIT IN THE AMOUNT OF $_____ BECAUSE [CHECK APPLICABLE PROVISION]:

[____] (A) THERE CURRENTLY EXIST ONE OR MORE UNPAID AMOUNTS WHICH [CUSTOMER NAME] IS OBLIGATED TO PAY PURSUANT TO THE TERMS OF THE AGREEMENT.

[____] (B) THE BENEFICIARY HAS RECEIVED NOTICE FROM THE BANK OF ITS INTENTION NOT TO RENEW THE LETTER OF CREDIT BEYOND THE CURRENT EXPIRATION DATE AND [CUSTOMER NAME] HAS FAILED, PRIOR TO THE CLOSE OF BUSINESS ON _____ [INSERT DATE WHICH IS NOT MORE THAN THIRTY (30) DAYS BEFORE THE PRESENT EXPIRATION DATE], TO DELIVER TO BENEFICIARY A REPLACEMENT LETTER OF CREDIT SATISFYING THE REQUIREMENTS OF THE AGREEMENT.

3. BASED UPON THE FOREGOING, THE BENEFICIARY HEREBY MAKES DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF U.S. DOLLARS _____ AND _____/100THS (U.S. $_____).

4. FUNDS PAID PURSUANT TO THE PROVISIONS OF THE LETTER OF CREDIT SHALL BE WIRE TRANSFERRED TO THE BENEFICIARY IN ACCORDANCE WITH THE FOLLOWING INSTRUCTIONS:

_____

_____

_____

UNLESS OTHERWISE PROVIDED HEREIN, CAPITALIZED TERMS WHICH ARE USED AND NOT DEFINED HEREIN SHALL HAVE THE MEANING GIVEN EACH SUCH TERM IN THE LETTER OF CREDIT.

IN WITNESS WHEREOF, THIS CERTIFICATE HAS BEEN DULY EXECUTED AND DELIVERED ON BEHALF OF THE BENEFICIARY BY ITS DULY ELECTED AND ACTING OFFICER AS OF THIS _____ DAY OF _____, _____.

BENEFICIARY: UNITIL ENERGY SYSTEMS, INC.

_____

NAME:

_____

TITLE:

SCHEDULE 21-GMP

LOCAL SERVICE SCHEDULE

I. COMMON SERVICE PROVISIONS

This Local Service Schedule, designated as Schedule 21-GMP, governs the terms and conditions of service taken by Transmission Customers over Green Mountain Power Corporation's Transmission System. Transmission Customers are not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with GMP as PTO and as the distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs. In the event of any conflict between the terms of this Schedule 21-GMP and the other provisions of the Tariff, the provisions of this Schedule 21-GMP shall control.

1. DEFINITIONS

The following definitions apply to capitalized terms in this Schedule 21-GMP. Any capitalized terms not defined herein shall have the meaning ascribed to such term in Schedule 21-Common or the Tariff.

1.1 2012 Effective Period:

The period beginning October 1, 2012, and continuing through December 31, 2012.

1.2 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.3 Annual Transmission Revenue Requirement:

The total annual cost of Green Mountain's Transmission System shall be determined pursuant to Attachment F of the ISO-NE OATT until amended by Green Mountain or modified by the Commission.

1.4 Annual True-Up:

The reconciliation to actual costs of the estimated costs used for billing purposes under Section 4.0 of this Local Service Schedule for any Service Year.

1.5 Green Mountain or GMP:

Green Mountain Power Corporation

1.6 Green Mountain's Annual Transmission System Peak:

The maximum firm usage of Green Mountain's Transmission System in any hour during the twelve months ending with the billing month as determined pursuant to Section 13.2 of this Schedule 21-GMP.

1.7 Green Mountain's Transmission System:

The Non-PTF owned, controlled or operated by Green Mountain (other than Green Mountain's share of transmission capacity from Hydro-Quebec under the Block Loading Transmission Facilities Agreement dated February 15, 1989) that are used to provide transmission service under this Schedule 21-GMP.

1.8 Highgate Converter:

The 225 MW AC/DC Converter at Highgate, Vermont, which connects the Vermont and Quebec grids, and associated AC facilities.

1.9 Load Ratio Share:

The ratio of a rolling 12 month average of Network Customer's Local Network Load or a Large Load Transmission Customer's Contract Demand to a rolling 12 month average of Green Mountain's Transmission System Peak for each month as computed pursuant to Sections 13.1 and 13.2 of this Schedule 21-GMP.

1.10 Local 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 Local Network Service under Schedule 21 and this Schedule 21-GMP.

1.11 Local Network Operating Committee:

A group made up of representatives from the Network Customer(s) and Green Mountain established to coordinate operating criteria and other technical considerations required for implementation of Local Network Service under Schedule 21 and this Schedule 21-GMP.

1.12 NPCC:

The Northeast Power Coordinating Council.

1.13 Parties:

Green Mountain and the Transmission Customer receiving Local Service under this Schedule 21-GMP.

1.14 Service Year

The period of January 1 through December 31 of each year in which service is provided under this Schedule 21-GMP.

1.15 System Condition:

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority to Section 1.7.f of Schedule 21. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.16 Tariff:

ISO New England Inc.'s Transmission, Markets and Services Tariff or its successor.

1.17 Transmission Customer:

A customer receiving Local Service under this Schedule 21-GMP, including a Network Customer receiving Local Network Service, a Local Point-to-Point Customer, and a Large Load Transmission Customer.

2. INITIAL ALLOCATION AND RENEWAL PROCEDURES

2.1 Reservation Priority For Existing Firm Service Customers:

See Schedule 21 Part I § 1.b.

3. ANCILLARY SERVICES

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. Green Mountain is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer taking Local Service from Green Mountain is required to purchase, the following Ancillary Services: (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation or Other Sources.

In addition, the Transmission Customer is required to purchase additional Ancillary Services under the terms and conditions of the Tariff. The Transmission Customer may not decline the Green Mountain's offer of Ancillary Services unless it demonstrates that it has acquired the Ancillary Services from another source. A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for all of the Ancillary Services identified in this section that were provided by Green Mountain associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for Ancillary Services based on the amount of transmission service it used but did not reserve. Green Mountain shall also assess a penalty for any unauthorized use of any Ancillary Services by the Transmission Customer, in accordance with the provisions in Section 8.3 of this Schedule 21-GMP.

3.1 Scheduling, System Control and Dispatch Service:

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

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

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

4. BILLING AND PAYMENT

4.1.1 Estimated Billing, Annual True-Up, Review and Challenge Procedures:

The provisions of this Section 4 apply to Local Service, except that Sections 4.1.1.2 through 4.1.1.4 shall apply only to the GMP's Annual Distribution Substation Facilities Costs, Annual Lines and Line-Related Costs, and Meter and Meter-Related Costs (together "Distribution and Meter Costs") as determined pursuant to Attachment D-2, Attachment D-3, and Attachment D-4, respectively, under this Schedule 21-GMP. Annual forecast, annual true-up, review and challenge procedures for Local Service shall be pursuant to Attachment F of the ISO-NE OATT, including applicable Appendices and Protocols.

4.1.1.1 Billing:

Within ten days after the first day of each month, Green Mountain shall submit an invoice to the ~~Network~~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 ~~Network~~Transmission

Customer within twenty-five (25) days from the date of mailing of the invoice. All payments shall be made in immediately available funds payable to Green Mountain, or by wire transfer to a bank named by Green Mountain. Monthly billings for Distribution and Meter Costs shall be based on estimates as provided in Section 4.1.1.2 and shall be subject to the Annual True-Up as provided in Section 4.1.1.3.

4.1.1.2 Annual Forecast:

(i) Estimates:

Billings for Distribution and Meter Costs hereunder shall be based on cost estimates made by Green Mountain subject to Annual True-Up when actual costs for the Service Year are known. No later than October 15 of each year, Green Mountain will provide to its customers paying Distribution and Meter Costs and cause to be posted on its website and the OASIS, non-binding cost estimates for the next Service Year (the "Annual Forecast"). These cost estimates will be prepared by taking into account any available budget information for the Service Year.

Green Mountain will provide cost component details to support the estimates, as well as documentation and information necessary to understand and evaluate the implementation of the formulas provided in Attachment D-2, Attachment D-3 and Attachment D-4 of this Schedule (each a "Formula Rate," together, "Formula Rates") for either the correctness of inputs and calculations, or the reasonableness of the costs to be recovered in the Formula Rates, and sufficient to enable Interested Parties to replicate the Formula Rates as implemented by Green Mountain, in order to support its estimated charges. As part of its Annual Forecast, Green Mountain will also disclose in writing and explain any change in accounting that would affect inputs to the Formula Rates or the resulting charges billed under the Formula Rates ("Material Accounting Change"). Such Material Accounting Changes include, but are not limited to, (1) the initial implementation of an accounting standard or policy; (2) the initial implementation of accounting practices for unusual or unconventional items where the Commission has not provided specific accounting direction; (3) corrections of errors and prior period adjustments; (4) the implementation of new estimation methods or policies that change prior estimates; and (5) changes to income tax elections.

Green Mountain will make available to any Interested Party a fully functional Excel file containing that year's Annual Forecast data, including the populated Formula Rate templates and associated workpapers, with all links intact. Green Mountain will also provide to each Interested Party (1) a link to Green Mountain's FERC Form No. 1, which shall be posted on Green Mountain's website and the OASIS, with references to specific pages within the FERC Form No. 1 that support its Annual Forecasts; and (2) any other documentation and worksheets necessary to understand and evaluate the implementation of the Formula Rates in the Annual Forecasts in sufficient detail and with sufficient explanation to demonstrate that each input to the Formula Rates are consistent with the requirements of the Formula Rates, as well as to support Green Mountain's asset values, relevant costs, billing determinant loads, and other charge components related to GMP's Distribution and Meter Costs. Green Mountain will meet with each Interested Party, as reasonably requested, to review this material and resolve any concerns.

For purposes of this Section 4.1.1.2 and 4.1.1.3, "Interested Parties" includes customers paying Distribution and Meter Costs, the Vermont Department of Public Service, the New Hampshire Public Utilities Commission, and the Vermont and New Hampshire attorney generals. With respect to any Service Year, Interested Parties also includes any person seeking to obtain information and/or to participate in the review processes for that Service Year pursuant to Sections 4.1.1.2 and 4.1.1.3.

(ii) Discovery and Annual Forecast Revisions:

During the period between October 15 and November 15, Interested Parties shall be entitled to serve reasonable information and document requests on Green Mountain, provided that such requests are relevant to the development of the Annual Forecast. Green Mountain will make a good faith effort to respond to such requests within ten business days. Green Mountain shall modify the Annual Forecast to reflect any changes that it and the Interested Parties agree upon by no later than December 10 of each year. No later than December 15, Green Mountain will provide to Interested Parties, and cause to be posted on its website and the OASIS, final cost estimates for the next Service Year, which cost estimates will be used for billing purposes in the next Service Year.

(iii) Annual Forecast Informational Filing:

No later than January 15, or on the first business day thereafter of each year, Green Mountain shall file with FERC for informational purposes an Annual Forecast Informational Filing containing Green Mountain's Annual Forecast for the current Service Year, as amended to reflect any changes that it and the Interested Parties have agreed upon by December 10 of the previous year, and to include the information furnished pursuant to Section 4.1.1.2 (ii).

The Annual Informational Filing shall make note of any aspects of the Formula Rates or their inputs that are the subject of an ongoing dispute under the challenge procedures described in Section 4.1.1.3 (iii), below. This Annual Forecast Informational Filing shall not require Commission action.

(iv) Annual Forecast Challenges:

(1) Interested Parties may challenge any element of Green Mountain's Annual Forecast for a Service Year that represents a "Material Accounting Change" as defined in Subsection 4.1.1.2(i), or an error in applying or a deviation from Green Mountain's Formula Rate set forth in Attachment D-2 provided that such Material Accounting Change, error or deviation has an impact of $60,000 or more on the portion of the annual revenue requirement that is allocable to the Schedule 21 customers paying Distribution and Meter Costs in the Annual Forecast for a Service Year. A challenge may be raised through an Informal Challenge, and, as described in Section 4.1.1.3 (iii)(A), if Green Mountain and the Challenging Party are unable to resolve the Informal Challenge to any such element, by filing a Formal Challenge, as described in Section 4.1.1.3 (iii)(C). Unless mutually extended by the challenging Interested Party, any Informal Challenge must be submitted within 30 days following the filing of the Annual Forecast Informational, and any Formal Challenge must be filed within 60 days of the of the submission of the Informal Challenge.

(2) The failure to raise challenges to any such elements, as described in Paragraph 1, of an Annual Forecast shall not preclude raising such challenges to such items in the Annual True-Up for that Service Year. Nothing in this Subsection (iv) precludes the filing of a complaint pursuant to the provisions of Section 206 of the FPA to any element of the Annual Forecast.

4.1.1.3 Annual True-Up:

(i) Annual True-Up Procedures:

(1) The Annual True-Up shall occur no later than the sixth month of the calendar year following the close of the Service Year to which the Annual True-Up relates. To the extent bill adjustments, either increases or decreases, are required pursuant to the Annual True-Up, such adjustments shall bear interest calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii).

(2) The Annual True-Up shall be performed by recalculation of the costs for the Service Year based on Green Mountain's actual Annual Revenue Requirements for Distribution and Meter Costs and load information as reported in the FERC Form No. 1 for that Service Year, which cost and load information shall be used to develop a charge, to be used in the Annual True-Up. Any difference between the estimated charge and the actual charge shall be collected from or refunded to the customer paying Distribution and Meter Costs in the month of June of the calendar year following the Service Year.

(3) As part of its Annual True-Up process, Green Mountain will disclose in writing and explain any Material Accounting Change that would affect inputs to the Formula Rate or the resulting charges billed under the Formula Rate. Green Mountain shall also identify any items included in the Formula Rate at an amount other than on a historical cost basis, and shall provide for the identification of any reorganization or merger transactions occurring in 2013 or thereafter and explain the effect of the accounting for such transactions on inputs to the Formula Rate. To the extent these Material Accounting Changes and other matters affect Green Mountain's inputs to the Formula Rate, Green Mountain will provide a narrative explanation of the individual impact of those items on charges billed under the Formula Rate. The Annual True-Up shall also be accompanied by supplementary information which shall (i) detail any data used in the Annual True-Up not directly taken from Green Mountain's FERC Form No. 1 Report and (ii) identify any FERC Form No. 1 Account used to record expenses during the Service Year that was not used in the preceding Service Year. The supplementary information shall be certified by an officer of Green Mountain.

(4) The Annual True-Up shall include an attestation by a Company officer that "to the best of the affiant's knowledge, information and belief the data employed in the Annual True-Up reflect Green Mountain's per book costs for the Service Year, conform to Green Mountain's FERC

Form No. 1 Report for the Service Year, conform in all material respects to the FERC Uniform System of Accounts, and have been developed in accordance with the provisions of this rate schedule."

(ii) Annual True-Up Review Process:

(1) No later than June 15 of the year following the Service Year, Green Mountain shall provide to each Interested Party, and shall post on Green Mountain's website and the OASIS, the Annual True-Up. The Annual True-Up shall include the information that is reasonably necessary to determine: (1) that input data under the Formula Rate are properly recorded in any underlying workpapers; (2) that Green Mountain has properly applied the Formula Rate and the procedures in this Section 4.1.1; (3) the accuracy of data and the consistency with the Formula Rate of the actual revenue requirement and rates (including any true-up adjustment) under review; (4) accounting changes that affect Formula Rate inputs; and (5) the reasonableness of projected costs included in the projected capital addition expenditures. The Annual True-Up shall also include a fully functional Excel file containing that year's Annual True-Up data, including the populated Formula Rate template and associated workpapers, with all links intact, as well as a link to Green Mountain's FERC Form No. 1, which shall be posted on Green Mountain's website and the OASIS, with references to specific pages within the FERC Form No. 1 that support its Annual True-Up. The information to be provided by Green Mountain shall be sufficient, and in sufficient detail, to allow Interested Parties to understand and evaluate the implementation of the Formula Rate for either the correctness of inputs and calculations, or the reasonableness of the costs to be recovered in the Formula Rate, and to enable Interested Parties to replicate Green Mountain's Annual True-Up of its Formula Rate. If the date for making the Annual True-Up posting should fall on a weekend or a holiday recognized by the FERC, then the posting shall be due on the next business day.

(2) No later than June 30, Green Mountain shall hold an annual meeting open to all Interested Parties, at which Green Mountain will explain and Interested Parties can review and discuss Green Mountain's calculations.

(v) There shall be an "Audit Period" that will extend from July 1 through September 30 of the year following the Service Year; provided that Green Mountain and the Interested Parties may agree to extend the Audit Period beyond September 30 by their mutual written agreement. During the Audit Period, the Interested Parties shall have the right to conduct an audit or other

inspection of the actual data used in the Annual True-Up and/or to serve reasonable information and document requests on Green Mountain, provided that such requests are relevant to the development of the Annual True-Up. Green Mountain shall not withhold information on grounds of confidentiality, but is entitled to make such information available pursuant to a confidentiality agreement and to restrict access to non-competitive duty personnel and to other personnel whose receipt of the information would not be in violation of the Standards and/or Code of Conduct as prescribed by FERC. Green Mountain shall exercise all reasonable efforts to provide the Interested Party, within 10 business days, such additional information as the Interested Party may request in order to understand the Annual True-Up. At any time during the Annual True-Up process, to the extent requested, Green Mountain shall meet with any Interested Party to provide additional information, explanation, and/or clarification regarding the Annual True-Up as the Interested Party may request, including but not limited to information concerning Green Mountain's accounting practices, procurement methods and cost control methodologies, in an effort to resolve any concerns expressed by any Interested Party.

(4) Any Interested Party that has not resolved its Informal Challenge or Formal Challenge to an Annual True-Up may file with FERC a Complaint pursuant to Section 206 of the Federal Power Act and 18 C.F.R. § 385.206. In the event such a Complaint is filed, the disputed component or components of the Annual True-Up shall be subject to refund as of the first day of the Service Year the disputed component affected the customer's charges pending the results of the Commission investigation instituted as a result of such Complaint.

(5) Neither the Company, the customer nor any other Interested Party may use the Annual True-up process to challenge or modify any provision of Schedule 21-GMP. Any such challenge or modification must be made pursuant to Section 205 of the Federal Power Act if by the Company or Section 206 of the Federal Power Act if by the Customer.

(iii) <u>Challenge Procedures to the Annual True-Up:</u>

Interested Parties may raise challenges to Green Mountain's Annual True-Up or any aspect thereof in three ways: (i) by Informal Challenge, as described in Section 4.1.1.3 (iii)(A); (ii) by Formal Challenge, as described in Section 4.1.1.3 (iii)(C), or (iii) by filing a complaint with the FERC pursuant to Section 206 of the Federal Power Act.

(A) **Informal Challenges:**

No later than September 30 of each year, any Interested Party may notify Green Mountain in writing of any specific challenges to any component of the Annual True-Up for the preceding Service Year, including any Material Accounting Change that affects the Annual True-Up ("Informal Challenge"). Informal Challenges shall be presented in writing (including by electronic mail) addressed to the Green Mountain representative identified for the purpose of receiving such challenges in Green Mountain's Annual True-Up, and shall be designated by the challenging Interested Party as an Informal Challenge. In response to an Informal Challenge, Green Mountain shall appoint a senior representative to work with the Interested Party (or its representatives) toward a resolution of the dispute. The representative of the Interested Party and Green Mountain's representative shall meet at least once during the 30 days following the Interested Party's submission of its challenge, and shall engage in good faith efforts (which shall include the sharing of information upon reasonable request) to resolve the dispute. Any modification to the Annual True-Up or any Material Accounting Change that results from an Informal Challenge and that is agreed upon no later than December 10 shall be promptly posted on Green Mountain's website and the OASIS and incorporated into the Annual Informational Filing. Either the challenging party or Green Mountain may terminate the Informal Challenge process at any time, by written notice to that effect to the other party. In the event the process is terminated without reaching a mutually-agreed resolution of the Informal Challenge, the challenging Interested Party is free to initiate a Formal Challenge proceeding as described in Section 4.1.1.3(iii)(C), below, or to file a complaint with FERC.

(B) Informational Filing of Annual True-Up:

On October 30 of each year, Green Mountain shall file with FERC its Annual True-Up, as amended to reflect any changes that it and the Interested Parties have agreed upon following the Informal Challenge procedures described in Section 4.1.1.3(iii)(A), for the penultimate Service Year. This filing shall include the information that is reasonably necessary to determine: (1) that input data under the Formula Rate are properly recorded in any underlying workpapers; (2) that Green Mountain has properly applied the Formula Rate and the procedures in this Section 4.1.1.3; (3) the accuracy of data and the consistency with the Formula Rate of the actual revenue requirement and rates (including any Annual True-Up adjustment) under review; (4) the extent to which accounting changes affect Formula Rate inputs; and (5) the reasonableness of projected

costs included in the projected capital addition expenditures. The information shall also identify any Formal Challenges pertinent to the Annual True-Up. This filing is made only for informational purposes. The Commission is not expected to take (but is not precluded from taking) any action on this filing since any disputes regarding an Annual True-Up are to be made pursuant to the Informal and Formal Challenge procedures described in Section 4.1.1.3 (iii).

(C) **Formal Challenges:**

(1) A Formal Challenge is a filing made by an Interested Party to the FERC in accordance with the terms of this Section 4.1.1.3 (iii)(C) of Schedule 21-GMP, and which shall include the information required under 18 C.F.R. § 385.206 (b)(1), (2), (3), (4) and (7).

(2) If an Interested Party who has raised an Informal Challenge and Green Mountain have not resolved the Informal Challenge within thirty (30) days after its submission to Green Mountain, that Interested Party shall have an additional thirty (30) days to file a Formal Challenge with the FERC, which shall be served on Green Mountain by electronic service on the date of such filing provided, however, if the FERC initiates a proceeding to consider the Annual True-Up, Interested Parties may raise any Formal Challenges in that proceeding.

(3) An Interested Party's Formal Challenge may not raise any issue that was not the subject of that party's Informal Challenge during the Audit Period.

(4) Within twenty-one days of the date of the filing of a Formal Challenge, Green Mountain shall submit its response to the Commission and certify therein that it has served by electronic service that response on any party that has filed a Formal Challenge and on each person upon whom Green Mountain served the Annual True-Up.

(5) In any proceeding initiated by the FERC concerning the Annual True-Up or in response to a Formal Challenge, Green Mountain shall bear the burden of proving that it has correctly applied the terms of the Formula Rate. Nothing herein is intended to alter the burdens customarily applied by the FERC with respect to prudence challenges.

(6) The processes provided in this Section are additional to, and do not in any way limit, the rights or remedies of Green Mountain or Interested Parties under the Federal Power Act. Without

limiting the foregoing, nothing stated in this Section shall be deemed to limit in any way the right of Green Mountain to file unilaterally, pursuant to Section 205 of the Federal Power Act and the regulations thereunder, changes to the Formula Rate or any of its stated values, or the right of any other party to request such changes pursuant to Section 206 of the Federal Power Act and the regulations thereunder. The party filing pursuant to Section 205 or 206 bears the standard burdens associated with such a filing.

4.1.1.4

On occasion, the Commission may make changes to FERC Form No. 1 or the Uniform System of Accounts. These changes could make GMP's Formula Rate, as set forth in Attachments D-1 and D-2, inoperable or inaccurate as to those items. Therefore, on the occasion of such a change, Green Mountain will make a single-issue Section 205 filing to update the references in the Formula Rate to reflect any changes to the format and/or content of the FERC Form No. 1 or the Uniform System of Accounts. Green Mountain shall submit this filing no later than the date of submission of the Annual True-Up of the Service Year to which such change relates, and shall be effective on the date the revisions to the FERC Form No. 1 or Uniform System of Accounts, as applicable, becomes effective. Any proceedings commenced in response to this filing shall not include or allow for consideration or examination of any other aspects of the Formula Rate or other issues associated with the Formula Rate, except to the extent that the proposed changes directly impact other Formula Rate components that are not the subject of the single-issue filing. All parties will have all applicable rights under the Federal Power Act and the Commission's regulations with respect to such single-issue Section 205 filings, except as limited by this paragraph.

4.1.2 Reserved:

4.2 Interest on Unpaid Balances:

Interest on any unpaid amounts owed by the Transmission Customer or refunds by Green Mountain (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. § 35.19a(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 Green Mountain.

4.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to Green Mountain on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after Green Mountain 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, Green Mountain 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 Green Mountain and the Transmission Customer, Green Mountain 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 Green Mountain may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. If the Transmission Customer is taking Local Contract Demand Service, the terms and conditions of the applicable Large Load Cost Recovery Agreement shall govern.

4.4 Billing and Payments Following Merger of Central Vermont Public Service Company and Green Mountain

Any amounts owed to or by Central Vermont Public Service Corporation under that company's Schedule 21 with respect to service provided pursuant to that schedule prior to its termination and prior to the merger of Central Vermont Public Service Corporation into Green Mountain shall be owed to or by Green Mountain and shall be paid to Green Mountain in the case of amounts owed to Central Vermont Public Service Corporation and shall be paid by Green Mountain in the case of amounts owed by Central Vermont Public Service Corporation.

5. ACCOUNTING FOR GREEN MOUNTAIN'S USE OF THE TARIFF

Green Mountain shall record the following amounts, as outlined below.

5.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Local Point-To-Point Service when making Third-Party Sales.

5.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies that Green Mountain conducts to determine if it must construct Local Network Upgrades necessary for its own uses, including making Third-Party Sales; 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 this Schedule 21-GMP.

6. REGULATORY FILINGS

Nothing contained in the Tariff or any Service Agreement shall be construed as affecting in any way the right of Green Mountain to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Schedule 21-GMP, pursuant to Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

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 Schedule 21-GMP to exercise its rights under Section 206 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

7. CREDITWORTHINESS

The creditworthiness procedures are specified in Attachment L of Schedule 21-GMP. If the Transmission Customer is taking Local Contract Demand Service, the terms and conditions of the applicable Large Load Cost Recovery Agreement shall govern.

II. LOCAL POINT-TO-POINT SERVICE

PREAMBLE

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

8. TERMS AND CONDITIONS APPLICABLE TO ALL LOCAL POINT-TO-POINT SERVICE

8.1 Determination of Available Transfer Capability:

A description of Green Mountain's specific methodology for assessing available transfer capability posted on Green Mountain's OASIS under "ATC Information" and is contained in Attachment A to this Schedule 21-GMP.

8.2 Real Power Losses:

Real power losses are associated with all transmission service. Green Mountain is not obligated to provide real power losses. The Transmission Customer is responsible for replacing losses associated with all Local Point-To-Point Service as calculated by Green Mountain. The applicable Real Power Loss factors are as follows:

Service over Green Mountain's Transmission System: 3.0 percent

Service over Green Mountain's Combined Transmission System and Distribution Facilities: 5.2 percent.

8.3 Charges for Unauthorized Use:

Consistent with Schedule 21-Common, Sections I.1.g and I.2.e, in the event that a Transmission Customer (including Third Party Sales by Green Mountain) exceeds its firm Reserved Capacity at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay, in addition to the otherwise applicable charges, a penalty charge as follows: (1) For unauthorized use within a single day, the penalty charge shall be twice the daily rate as specified in Schedule 4 to Schedule 21-GMP. (2) For unauthorized use in two or more days in a calendar week, the penalty charge shall be twice the weekly rate as specified in Schedule 4 to Schedule 21-GMP. (3) For multiple instances of unauthorized use in more than one calendar week in a calendar month, the penalty charge shall be twice the monthly rate as specified in Schedule 4 to Schedule 21-GMP.

8.4 Stranded Cost Recovery:

Green Mountain may seek to recover stranded costs from the Transmission Customer pursuant to this Schedule in accordance with the terms, conditions and procedures set forth in FERC Order

No. 888 or as otherwise justified. However, Green Mountain must separately file any specific proposed stranded cost charge under Section 205 of the Federal Power Act.

9. TERMS AND CONDITIONS APPLICABLE TO FIRM LOCAL POINT-TO-POINT SERVICE

9.1 Response to a Completed Application:

Following receipt of a Completed Application for Firm Local Point-To-Point Service, Green Mountain shall make a determination of available transfer capability pursuant to Attachment A of this Schedule 21-GMP.

9.2 Procedures for Conducting System Impact Study:

After receiving a request for service, Green Mountain shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of Green Mountain's methodology for conducting a System Impact Study is provided in Attachment B to this Schedule 21-GMP. A description of Green Mountain's methodology for conducting a System Impact Study on a clustered basis is provided in Attachment B-1.

9.3 Charge for Failure to Curtail Firm Local Point-To-Point Service:

Consistent with Schedule 21, Section I.1.f, in the event a Transmission Customer fails to implement a Curtailment within ten minutes as required by Green Mountain, the Transmission Customer shall pay, in addition to any other charges for service, a charge equal to two times the amount of transmission service which the Transmission Customer fails to curtail multiplied by the applicable charge for Firm Local Point-To-Point Service for the lesser of the term of the transaction or one month.

10. TERMS AND CONDITIONS APPLICABLE TO NON-FIRM LOCAL POINT-TO-POINT SERVICE

10.1 Reservation of Non-Firm Local Point-To-Point Service:

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly service shall be submitted no earlier than fourteen (14) days before service is to commence; requests for daily service shall be submitted no earlier than two (2) business days before service is to commence; and requests for hourly service shall be

submitted no earlier than noon the last business day before service is to commence. Requests for service received later than 2:00 p.m. of the last business day before service is scheduled to commence will be accommodated if practicable. Notwithstanding the above, generators do not need to make reservations for non-firm service and will be charged based upon their hourly usage per Schedule 4 below.

10.2 Determination of Available Transfer Capability:

Following receipt of a tendered schedule Green Mountain will make a determination on a non-discriminatory basis of available transfer capability pursuant to the procedures set out in Attachment A.

10.3 Charges for Failure to Curtail or Interrupt Service:

Consistent with Schedule 21, Section I.2.g, in the event a Transmission Customer fails to implement a Curtailment within ten minutes or an Interruption within twenty minutes as required by Green Mountain, the Transmission Customer shall pay, in addition to any other charges for service, a charge equal to two times the amount of transmission service which the Transmission Customer fails to curtail or interrupt multiplied by the applicable charge for Firm Local Point-to-Point Service for the lesser of the term of the transaction or one month.

11. COMPENSATION FOR TRANSMISSION SERVICE

Rates for Firm and Non-Firm Local Point-To-Point Service are provided in Schedules 3 and 4 appended to this Schedule 21-GMP: Firm Local Point-To-Point Service (Schedule 3); Non-Firm Local Point-To-Point Service (Schedule 4). Green Mountain shall use the Point-To-Point Service provisions of Schedule 21 and this Schedule 21-GMP to make its Third-Party Sales over Green Mountain's Transmission System. Green Mountain shall account for such use at the applicable Schedule rates.

III. LOCAL NETWORK SERVICE

PREAMBLE

Green Mountain will provide Local Network Service over Green Mountain's Transmission System pursuant to the applicable terms and conditions contained in the Tariff, Schedule 21, this Schedule 21-GMP and the Service Agreement.

11. TERMS AND CONDITIONS APPLICABLE TO LOCAL NETWORK SERVICE

11.1 System Impact Study Procedures:

After receiving a request for service, Green Mountain shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of Green Mountain's methodology for conducting a System Impact Study of the impact of a request for Local Network Service on Green Mountain's Transmission System is contained in Attachment B to this Schedule 21-GMP.

11.2 Real Power Losses:

Real power losses are associated with all transmission service. Green Mountain is not obligated to provide real power losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by Green Mountain. The applicable real power loss factors are as follows:

Service over Green Mountain's Transmission System: 3.0 percent

Service over Green Mountain's Transmission System and Distribution Facilities: 5.2 percent.

12. LOAD SHEDDING AND CURTAILMENTS

12.1 Procedures:

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

12.2 Transmission Constraints:

During any period when Green Mountain determines that a transmission constraint exists on Green Mountain's Transmission System, and such constraint may impair the reliability of Green Mountain's system, Green Mountain will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of Green Mountain's system. To the extent Green Mountain determines that the reliability of Green Mountain's Transmission

System can be maintained by redispatching resources, Green Mountain will initiate procedures pursuant to the Local Network Operating Agreement to redispatch all Network Resources and Green Mountain'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 Green Mountain's use of Green Mountain's Transmission System on behalf of its Local Native Load Customers and any Network Customer's use of Green Mountain's Transmission System to serve its designated Local Network Load.

12.3 Cost Responsibility for Relieving Transmission Constraints:

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

12.4 Curtailments of Scheduled Deliveries:

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

12.5 Allocation of Curtailments:

Green Mountain 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 Green Mountain and Network Customers in proportion to their respective Load Ratio Shares. Green Mountain shall not direct the Network Customer to Curtail schedules to an extent greater than Green Mountain would Curtail Green Mountain's schedules under similar circumstances.

12.6 Load Shedding:

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

12.7 System Reliability:

Notwithstanding any other provisions of this Schedule, Green Mountain reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Local Network Service without liability on Green Mountain'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 Green Mountain's Transmission System, Green Mountain, 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. Green Mountain will give the 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 Green Mountain's use of Green Mountain's Transmission System on behalf of its Native Load Customers. In the event that the Network Customer fails to respond to established Load Shedding and Curtailment procedures within ten minutes, as required by Green Mountain, the Network Customer shall pay, in addition to any other charges for service, a charge equal to two times the amount of transmission service which the Network Customer fails to curtail multiplied by the monthly charge for Firm Local Point-to-Point Service.

13. CHARGES FOR LOCAL NETWORK SERVICE

13.1 Determination of Network Customer's Local Network Load:

The Network Customer's Local Network Load is its hourly load (including its designated Local Network Load served over Green Mountain's Transmission System that is not physically interconnected with Green Mountain's Transmission System) that is coincident with Green Mountain's Monthly Transmission System Peak, as determined in Section 13.2. Except for qualifying Sustainably Priced Energy Enterprise Development ("SPEED") generation which will be treated in accordance with Section 13.5, below, the Network Customer's Monthly Local Network Load shall exclude (i) load offset by any resource that is not a Generator Asset, and (ii) load offset by the portion of the output of a Generator Asset that serves load located behind the same retail customer meter as the Generator Asset.

13.2 Determination of Green Mountain's Transmission System Peaks:

Green Mountain's Transmission System Peak is the highest firm usage for the month. The transmission peak is computed each month by subtracting from the highest hourly load on Green

Mountain's Transmission System in the month the coincident peak loads of all Firm and Non-Firm Local Point-To-Point Service customers and all Firm Large Load Transmission Customers pursuant to this Schedule 21-GMP and adding the Reserved Capacity of all Long-Term Firm Point-To-Point Service customers and the Firm Contract Demand of all Large Load Transmission Customers taking service pursuant to this Schedule 21-GMP at a fully-allocated embedded cost basis, measured at the time of each such peak.

13.3 Monthly Demand Charge:

The Network Customer shall pay each month one twelfth of the Load Ratio Share of Green Mountain's Annual Transmission Revenue Requirement, as determined pursuant to Attachment F of the ISO-NE OATT. The Network Customer also shall pay a monthly charge for Substation and Line Distribution Facilities used to obtain service equal to one twelfth of the Annual Distribution Substation and Line Facilities Cost as determined pursuant to the formulas set out in Attachment D-2 and Attachment D-3, respectively; and a monthly charge for metering facilities equal to the monthly Delivery Point cost as determined pursuant to the formulas set out in Attachment D-4 multiplied by the number of Points of Delivery at which the Customer takes service under this Tariff.

13.4 Stranded Cost Recovery:

Green Mountain may seek to recover stranded costs from the Network Customer pursuant to this Schedule in accordance with the terms, conditions and procedures set forth in FERC Order No. 888 or as otherwise justified. However, Green Mountain must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

13.5 SPEED Generation:

Pursuant to the State of Vermont Public Service Board's September 30, 2009 *Order Establishing a Standard-Offer Program for Qualifying SPEED Resources*, qualifying SPEED generators on Green Mountain's transmission system are treated as network resources serving Green Mountain's native load, up to Green Mountain's *pro rata* share of the total SPEED generation for all utilities in Vermont. Accordingly, Green Mountain will not assess charges for Local Network Service to SPEED generators to the extent the total SPEED generation on Green Mountain's system is within Green Mountain's *pro rata* share. In the event an incremental SPEED generator on Green Mountain's system exceeds Green Mountain's *pro rata* share of the total Vermont SPEED generation, the incremental SPEED generator shall be assessed charges for Local

Network Service in accordance with Section 13 of this Schedule 21-GMP.

14. OPERATING ARRANGEMENTS

14.1 Operation under The Local 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 Local Network Operating Agreement.

14.2 Local 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 II of 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 Network Customer within Green Mountain's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between Green Mountain and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside Green Mountain'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 Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization as defined in 18 C.F.R. § 39.1 and NPCC, (ii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with Green Mountain for Scheduling, System Control and Dispatch Service and with ISO for all other Ancillary Services, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies Electric Reliability Organization and NPCC requirements. Green Mountain shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. A form of Local Network Operating Agreement is included in Attachment C.

14.3 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 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.

15. PHASE-IN PERIOD FOR LOCAL NETWORK SERVICE CHARGES

Green Mountain will apply a credit to the Local Network Service Charges for certain Local Network Service Customers, as specified in Attachment F-2 or Attachment F-3 to this Schedule 21-GMP, and an adder to the Local Network Service Charges for other Local Network Service Customers, as specified in Attachment F-1 to this Schedule 21-GMP.

IV. LOCAL CONTRACT DEMAND SERVICE

PREAMBLE

Green Mountain will provide Local Firm, Non-Firm, and Interim Contract Demand Service over Green Mountain's Transmission System pursuant to the applicable terms and conditions contained in the Tariff, Schedule 21, this Schedule 21-GMP and the Service Agreement. The Large Load Transmission Customer is not excused from any requirements of state law, or any order or regulation issued pursuant to state law, to arrange for Local Delivery Service with GMP as PTO and as the distribution company providing such service and to pay all applicable charges associated with such service, including charges for stranded costs.

16. TERMS AND CONDITIONS APPLICABLE TO ALL LOCAL CONTRACT DEMAND SERVICE

16.1. Real Power Losses:

Real power losses are associated with all transmission service. Green Mountain is not obligated to provide real power losses. The Large Load Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by Green Mountain. The applicable real power loss factors are as follows:

Service over Green Mountain's Transmission System: 3.0 percent
Service over Green Mountain's Transmission System and Distribution Facilities: 5.2 percent.

16.2 Load Shedding and Curtailment:

To the extent that a system contingency exists on Green Mountain's Transmission System and the ISO, Local Control Center, or Green Mountain determine that load shedding or curtailment is necessary, the Large Load Transmission Customer receiving Local Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to Schedule 21, the Tariff, applicable ISO New England Operating Documents, and this Schedule 21-GMP.

16.3 Operating Agreement:

The Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21, Tariff Sections II.61 and II.63, applicable ISO New England Operating Documents, any requirement of state law applicable to such customer, and any applicable operating agreement with Green Mountain.

16.4 Cost Responsibility:

The Large Load Transmission Customer shall be responsible for all costs incurred by GMP associated with the provision of Local Contract Demand Service, including study costs, Direct Assignment Facilities, Large Load Network Upgrades, communications, metering, telemetry, protection systems, operating requirements, costs assigned pursuant to Schedule 21-Common, the Tariff, the applicable Large Load Cost Recovery Agreement and any requirement of state law applicable to such customer.

17. CHARGES FOR LOCAL CONTRACT DEMAND SERVICE

17.1 Determination of Large Load Transmission Customer's Contract Demand:

The Firm Contract Demand of a Large Load Transmission Customer taking Firm Contract Demand Service shall be the MW value specified in the Large Load Transmission Service Agreement. The Non-Firm or Interim Contract Demand of a Large Load Transmission Customer taking Non-Firm or Interim Contract Demand Service shall be its hourly load coincident with Green Mountain's Transmission System Peak as determined in Section 13.2. Load Ratio Share shall reflect the Large Load Transmission Customers' Contract Demand averaged over the number of months service has been provided, until such service has been provided for twelve months at which point a rolling 12 month average can be determined.

17.2 Monthly Contract Demand Service Charge:

The Large Load Transmission Customer shall pay each month one twelfth of the Load Ratio Share of Green Mountain's Annual Transmission Revenue Requirement determined pursuant to Attachment F of the ISO-NE OATT.

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 is to be provided indirectly by Green Mountain making arrangements with ISO operator to perform this service for Green Mountain's Transmission System. The Transmission Customer must purchase this service from Green Mountain. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent ISO performs this service for Green Mountain, charges to the Transmission Customer are to reflect a pass-through of the costs charged to Green Mountain by that ISO.

The annual rate for Scheduling, System Control and Dispatch Service shall equal the balance in FERC Account Nos. 561.1-561.4, Load Dispatching, divided by the 12 month average of GMP's Transmission System Peaks computed pursuant to Section 13.2 of this Schedule 21-GMP. The annual rate shall be derived based on actual data from Green Mountain's prior year FERC Form 1. This annual rate is divided by 12 to determine the monthly rate. For Network Customers, this monthly rate shall be multiplied by the Network Customer's Local Network Load computed pursuant to Section 13.1 of this Schedule 21-GMP to determine the Schedule 1 charge each month. For Firm Local Point-to-Point Service Customers, this monthly rate shall be multiplied by the monthly Local Point-to-Point reservation. For Local Large Load Transmission Customers, this monthly rate shall be multiplied by the Large Load Transmission Customer's Contract Demand pursuant to Section 17.1 of this Schedule 21-GMP.

SCHEDULE 2

Reactive Supply and Voltage Control from

Generation or Other Sources Service

In order to maintain transmission voltages on Green Mountain's transmission facilities within acceptable limits, generation facilities under the control of the control area operator are operated to produce (or absorb) reactive power. Thus, Reactive Supply and Voltage Control from Generation or Other Sources Service must be provided for each transaction on Green Mountain's Transmission System. The amount of Reactive Supply and Voltage Control from Generation or Other 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 Green Mountain.

Reactive Supply and Voltage Control from Generation or Other Sources Service is to be provided by ISO. The Transmission Customer must purchase this service from ISO. To the extent a Transmission Customer is a Customer under this Schedule 21-GMP but does not take Reactive Supply and Voltage Control from Generation or Other Sources Service directly from ISO, and Green Mountain obtains this service on behalf of a Transmission Customer, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to Green Mountain by ISO.

SCHEDULE 3

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

The Transmission Customer shall compensate Green Mountain each month for Reserved Capacity at the sum of the applicable charges set forth below:

A. Embedded Cost Charge:

1) **Yearly delivery**: Yearly Delivery Charge as set forth in Section 6 below, divided by 12, applied monthly.

2) **Monthly delivery**: Yearly Delivery Charge divided by 12.

3) **Weekly delivery**: Yearly Delivery Charge divided by 52.

4) **Daily delivery**: The charge for daily delivery on Monday through Friday shall be derived by dividing the Yearly Delivery Charge by 260; the charge for daily delivery on Saturday and Sunday shall be derived by dividing the Yearly Delivery Charge by 365.
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) **Discounts**: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by Green Mountain must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Green Mountain must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

6) **Yearly Delivery Charge**:
Annual Transmission Revenue Requirement, as determined pursuant to Attachment F, Appendix B, Attachment 2 of the ISO-NE OATT, Worksheet 1, line 5.

Divided by Green Mountain's Annual Transmission System Peak for the calendar year, as determined pursuant to Section 13.2

Equals Yearly Delivery Charge for Firm Point-to-Point Transmission Service.

Charges shall be revised each January 1 to reflect the costs and loads recorded in Green Mountain's most recently-filed FERC Form No. 1. Billing determinants are the Transmission Customer's Reserved Capacity.

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-Common.

B. **Distribution Facilities Charge**: The Transmission Customer shall pay each month, in addition to any other charges, one-twelfth of the annual charges for any Distribution Facilities and meters which provide service to the Transmission Customer based on application of the formulas set out in Attachments D-2 (expressed on a per-kW basis) and D-3.

SCHEDULE 4

Non-Firm Local Point-To-Point Service

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

A. Embedded Cost Charge:

1) **Monthly delivery**: Monthly Delivery Charge as set forth in Schedule 3, Section A.2.

2) **Weekly delivery**: Yearly Delivery Charge as set out in Schedule 3, Section A.6, divided by 52.

3) **Daily delivery**: The maximum charge for daily delivery on Monday through Friday shall be derived by dividing the Yearly Delivery Charge as set out in Schedule 3, Section A.6 by 260 and the maximum charge for daily delivery on Saturday and Sunday shall be derived by dividing the Yearly Delivery Charge by 365.

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 charge for hourly service during On-Peak hours (between the hours of 7:00 AM and 11:00 PM) shall be derived by dividing the Yearly Delivery Charge as set out in Schedule 3, Section A.6 by 4,160, and the charge for hourly service during Off-Peak hours (all hours that are not On-Peak hours) shall be derived by dividing the Yearly Delivery Charge by 8,760.

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.

Notwithstanding the rates described above, each generator that takes Non-Firm Local Point-To-Point Service for the transmission of capacity and/or energy on Green Mountain's Transmission System shall

for each transaction pay a rate equal to the charge for off-peak hours for all hourly delivery.

5) **Discounts**: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by Green Mountain must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Green Mountain must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the Transmission System.

6) **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.

B. **Distribution Facilities Charge**: The Customer shall pay each month, in addition to any other charges, one-twelfth of the annual charges for any Distribution Facilities and meters which provide service to the Customer based on application of the formulas set out in Attachments D-2 (expressed on a per-kW basis) and D-3.

SCHEDULE 21 - RIE

THE NARRAGANSETT ELECTRIC COMPANY D/B/A RHODE ISLAND ENERGY LOCAL SERVICE SCHEDULE

Table of Contents

I. Common Service Provisions

II. Local Network Service

III. Attachment B Form of System Impact Study Agreement

Exhibit 1 Information to be Provided to RIE by the Transmission Customer for System Impact Study

IV. Attachment C Form of Facilities Study Agreement

V. Attachment D Local Service Agreement Policy and Practices for Protection Requirements For New or Modified Load Interconnections

VI. Attachment E Local Service Agreement Insurance Requirements

VII. Attachment F Methodology for Completing System Impact Study

VIII. Attachment G Real Power Losses Factors

IX. Attachment DAF Direct Assignment Facilities

Exhibit 1 Direct Assignment Facilities – Transmission

Exhibit 2 Direct Assignment Facilities – Distribution

X. Attachment DS Rolled-In Distribution Surcharge

XI. Attachment OCC Other Charges & Credits

Exhibit 1 Transformer Surcharge

Exhibit 2 Monthly Local Network Service Charge

Exhibit 3 Meter Surcharge

Exhibit 4 Local Network Load Dispatch Surcharge

Exhibit 5 Network EPRI Credit

XII. Attachment RR Transmission Revenue Requirements

Exhibit 1 Distribution Cost of Service

Exhibit 2 RIE ADIT Worksheets

XIII. Attachment L Creditworthiness Policy

XIV. Attachment S-1 Local Scheduling, System Control and Dispatch Service

I. COMMON SERVICE PROVISIONS

1 Definitions

Whenever used in this Schedule, in either the singular or plural number, the following capitalized terms shall have the meanings specified in this Section 1. Terms used in this Schedule that are not defined in this Schedule shall have the meanings set forth in the Tariff or customarily attributed to such terms by the electric utility industry in New England.

1.0 Annual Peak Load: The highest Network Load of the Network Customer during a calendar year.

1.1 Contribution in Aid of Construction (CIAC): A contribution in aid of construction pursuant to Section 118(b) of the Internal Revenue Code of 1986.

1.2 Distribution System: Distribution System means the facilities owned or supported by RIE that do not constitute PTF or Non-PTF and are used for Transmission Service under the Tariff for Transmission Customers other than end-use customers.

1.3 IRS Notice 87-82: Internal Revenue Service Notice 87-82, Providing guidance with Respect to the Treatment of CIACs (received by regulated public utilities) After Enactment of New Section 118(b) of the Internal Revenue Code.

1.4 IRS Notice 90-60: Internal Revenue Service Notice 90-60, Contribution in Aid of Construction, issued September 10, 1990.

1.5 Load Interconnections: Any load facility desiring to interconnect with RIE's electrical system or modify an existing interconnection, as further set forth in the Local Service Agreement in Schedule 21-Attachment A. In addition, Attachment B, C, D, E, and G of Schedule 21-RIE shall apply, except that the process for the interconnection of Large Loads is set forth in Part II.J of the ISO-NE OATT.

1.6 Load Power Factor: The ratio of the load measured in kW to the same load measured in kVA during a one-hour period.

1.7 Load Ratio Share: Ratio of a Transmission Customer's monthly PTF Network Load occurring coincident with RIE's Total Monthly Peak Load, to RIE's Total Monthly Peak Load, calculated on a monthly basis.

1.8 Local Service Annual Transmission Revenue Requirement: The total actual cost of RIE's Transmission System for purposes of Local Network Service, Local Firm Contract Demand Service, Local Non-

Firm Contract Demand Service, and Local Interim Contract Demand Service shall be the amount determined each year pursuant to Attachment F to the ISO-NE OATT until amended by RIE or modified by the Commission.

1.9 NERC: North American Electric Reliability ~~Council~~Corporation.

1.10 Network Load: The load interconnected ~~(not reduced for any generation behind the meter)~~ to the PTF, Non-PTF or Distribution Facilities of RIE ~~or its New England Affiliates~~ either directly or through Distribution Facilities or Non-PTF Facilities of other entities that a Network Customer designates to receive Local Network Service under Schedule 21 and this Schedule. Network Load shall not include any Large Load (or portion thereof) served under Firm Contract Demand Service, Local Firm Contract Demand Service, Interim Contract Demand Service, Local Interim Contract Demand Service, Non-Firm Contract Demand Service, or Local Non-Firm Contract Demand Service pursuant to Part II.J of or Schedule 21 of the ISO-NE OATT. For purposes of establishing rates and charges under this Schedule, the Network Load will be subdivided into one of three categories:

1.10A PTF Network Load shall be the load over RIE's Local Network and shall equal the load of Network Customers directly interconnected with RIE's PTF or indirectly utilizing RIE's PTF through Non-PTF or Distribution Facilities of RIE.

1.10B Local ~~Network~~ Service Load shall be the load over RIE's Non-PTF either directly interconnected with RIE's Non-PTF or indirectly utilizing RIE's Non-PTF through Distribution Facilities of RIE.

1.10C Distribution Facilities Network Load shall be the load interconnected to the Distribution Facilities of RIE, or other entities.

1.11 Network Upgrades: Modifications or additions to transmission-related facilities that are integrated with and support RIE's overall Transmission System for the general benefit of all users of such Transmission System or to reliably integrate a generating unit with the Transmission System or to interconnect to outside control areas.

1.12 New England Local Control Center: The Rhode Island~~, Eastern Massachusetts, Vermont~~ Energy Local Control Center, which operates as a Local Control Center to the ISO. Formerly known as REMVEC.

1.13 Local ~~Network~~ Service Load Ratio Share: Ratio of a Transmission Customer's monthly Local Network Service Load occurring coincident with RIE's Total Monthly Local Network Service Peak Load, to RIE's Total Monthly Local Network Service Peak Load.

1.14 NPCC: Northeast Power Coordinating Council, Inc., a regional reliability governing body.

1.15 Own Use Energy: Energy consumed by RIE's transmission facilities for purposes including but not limited to station service and sleet thawing, but excluding losses incurred on the Transmission System.

1.16 Parties: RIE and the Transmission Customer receiving service under this Schedule and the Tariff.

1.17 Payment Schedule: The payment schedule attached to a Local Service Agreement containing estimated milestones and estimated costs.

1.18 Policy and Practices for Protection Requirements for New or Modified Load Interconnections: RIE's policy concerning protection requirements for new or modified interconnections to loads, are included in the associated attachments of the Transmission Customer's Local Service Agreement.

1.19 Project: The substation and all facilities ancillary and appurtenant thereto, which the Transmission Customer requests to interconnect to the Transmission System, as more fully described in associated attachments to this Schedule 21-RIE and Attachment A to Schedule 21, Local Transmission Service.

1.20 Qualified Bidders List: A list of contractors and vendors qualified by RIE to work on interconnection facilities.

1.21 RIE: RIE means The Narragansett Electric Company d/b/a Rhode Island Energy, a Transmission Owner under the Tariff.

1.22 Taxable Event: An event taxable to RIE resulting from transfers made by the Transmission Customer to RIE for services provided under this Schedule and Schedule 21 with respect to construction and installation of new Direct Assignment Facilities or improvements.

1.23 Total Monthly Peak Load: For each month, the highest hourly sum of the coincident peaks of deliveries to all PTF Network Loads under this Schedule, ~~including losses and~~plus the loads of customers served under The Narragansett Electric Company FERC Electric Tariff No. 2 ("Tariff No. 2"), connected directly to RIE's PTF or indirectly utilizing RIE's PTF through Non-PTF or Distribution Facilities of RIE or other entities, including losses and RIE's Own Use Energy.

1.24 Total Monthly Local ~~Network~~ Service Peak Load: For each month, the highest hourly sum of the coincident peaks of deliveries to all Local ~~Network~~ Service Loads under this Schedule plus the loads of customers served under Tariff No. 2, that would otherwise qualify as Local Service Load, including losses and

RIE's Own Use Energy. A Network Customer's or other Transmission Customer's Monthly Local Service Peak Load shall exclude (i) load offset by any resource that is not a Generator Asset, and (ii) load offset by the portion of the output of a Generator Asset that serves load located behind the same retail customer meter as the Generator Asset.

~~21, including losses and RIE's Own Use Energy.~~

1.25 Transformation Facilities: One or more transformers in a substation that step the voltage from the transmission voltage level to the distribution voltage level.

1.26 Transmission Service: Service provided under the OATT.

1.27 Transmission System: Transmission System means the facilities owned, controlled or operated by RIE that are used to provide Transmission Service.

2 Purpose of This Schedule

The OATT provides for a two-tier transmission arrangement integrating regional transmission service over PTF and Local Service over Non-PTF. For purposes of this Schedule, Local Service includes Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service. The arrangement is designed and shall be operated in such a manner as to encourage and promote competition in the electric market to the benefit of ultimate users of electric energy. The OATT is intended to provide for comparable, non-discriminatory treatment of all similarly situated Transmission Owners and all Eligible Customers that are transmission users, and it shall be construed in the manner which best achieves this objective. This Schedule functions in conjunction with the OATT to offer Transmission Services and Ancillary Services not provided pursuant to the other sections of the OATT, and to provide for the recognition of payments by and credits to RIE under the OATT. The rates, terms and conditions of this Schedule supplement and, where applicable, replace the rates, terms and conditions of the OATT and Schedule 21 with respect to Local Service.; however Local PTP Service is not offered by RIE. In the event of a conflict between the terms of this Schedule and the terms of Schedule 21 with respect to Local Service, the terms of this Schedule shall govern.

Pursuant to this Schedule and to Schedules 22 and 23, RIE: (a) offers access to its Transmission Facilities for Excepted Transactions; (b) offers access to its Non-PTF in conjunction with the purchase of Transmission Service under the OATT; (c) provides rates, terms and conditions for the interconnection of new ~~network load~~Network Load to the Transmission System and Distribution System for wholesale transactions, except that the process for the interconnection of Large Load is set forth in Part II.J of the OATT; (d) reflects in the charges for Transmission Service and Ancillary Services amounts paid by RIE or credited to RIE in accordance with the OATT; and (e) provides for the recovery of costs associated with the Transmission Facilities and Ancillary Services that are not recovered pursuant to the OATT.

Nothing in this Schedule governing service for Large Loads shall be construed to preempt, supersede, limit, or otherwise affect applicable state law or regulation of retail electric service. Nothing in this Schedule shall expand the jurisdiction of the Commission beyond that authorized by the Federal Power Act.

3 Ancillary Services

Ancillary Services are needed with Transmission Service to maintain reliability within and among the Control Areas affected by the Transmission Service. RIE is required to provide and the Network Customer or the Transmission Customer taking service in accordance with this Schedule and the OATT is required to purchase Local Scheduling, System Control and Dispatch Service in accordance with the rates and/or methodology described in Attachment S-1 and Attachment OCC to this Schedule.

4 Billing and Payment

4.1 Billing Procedure: Within 25 days after the first day of each month, RIE or its designee shall submit an invoice to the Transmission Customer for the charges for all services furnished by RIE under this Schedule and Schedule 21 during the preceding month. The invoice shall be paid by the Transmission Customer within twenty-five (25) days of issuance. All payments shall be made in immediately available funds payable to RIE, or by wire transfer to a bank named by RIE.

4.2 Customer Default: In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to RIE on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after RIE 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, RIE 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 RIE and the Transmission Customer, RIE will continue to provide service under the Local 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 RIE may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. If the Transmission Customer is taking Firm Contract Demand Service, Local Firm Contract Demand Service, Non-Firm Contract Demand Service, Local Non-Firm Contract Demand Service, Interim Contract Demand Service, or Local Interim Contract Demand Service, the terms of the applicable Cost Recovery Agreement will govern.

4.3 After Termination or Cancellation: The applicable provisions of the OATT, Schedule 21, this Schedule and any Local Service Agreement shall continue in effect after termination or cancellation thereof to the extent necessary to provide for final billings, billing adjustments and payments and with respect to liability and indemnification from acts or events that occurred while the Local Service Agreement was in effect. Notwithstanding the above, if the OATT, Schedule 21, this Schedule or any Local Service Agreement is terminated prior to the end of its initially contemplated term, for reasons other than breach by RIE, the Transmission Customer shall reimburse RIE for all unrecovered costs applicable to facilities installed pursuant to the provisions of the OATT, Schedule 21, this Schedule or any Local Service Agreement.

4.4 Audits of Accounts and Records: Within two (2) years following a calendar year, RIE and the Transmission Customer shall have the right to audit each other's accounts and records at the offices where such accounts and records are maintained during normal business hours; provided that appropriate notice shall have been given prior to any audit and provided that the audit shall be limited to those portions of such accounts and records that relate to service specified in this schedule, with the exception of the Monthly Local Network Service Charge, and for said calendar year. The party being audited will be entitled to review the audit report and any supporting materials. The independent auditor performing such audit shall be subject to a confidentiality agreement between the auditor and the party being audited. To the extent that audited information includes confidential information, the auditing party shall designate an independent auditor to perform such audit. For the purpose of this provision, confidential information is proprietary information supplied by a Transmission Customer or a provider of Ancillary Services to RIE, which the Transmission Customer or a provider of Ancillary Services requests RIE not to disclose. RIE will treat such information as confidential except to the extent that disclosure of this information is required by the OATT, by regulatory or judicial order for reliability purposes pursuant to Good Utility Practice, pursuant to the Commission's Final Order 889 in Docket No. RM95-9-000, or as required under the ISO New England Information Policy. RIE will not disclose such information to its power marketing Affiliate or others.

5 Creditworthiness

For the purpose of determining the ability of a Transmission Customer to meet its obligations related to service hereunder, RIE may require reasonable credit review procedures. Applicable creditworthiness procedures are specified in Attachment L of this Schedule.

6 Dispute Resolution Procedures

6.1 Interpretation: The interpretation of and performance under this Schedule shall be according to and controlled by the laws of the State of Rhode Island when not in conflict with or pre-empted by the Federal Power Act.

6.2 Indemnification: In cases where the Transmission Customer enjoys limitation of its liability for tort claims, RIE will have a similar limitation on its liability under the OATT, Schedule 21 and this Schedule.

II. LOCAL NETWORK SERVICE, LOCAL FIRM CONTRACT DEMAND SERVICE, AND LOCAL NON-FIRM CONTRACT DEMAND SERVICE

The rates, terms and conditions set forth below supplement and, where applicable, replace the rates, terms and conditions of Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service set forth in Schedule 21. In the event of a conflict between the terms of this Schedule and the terms of Schedule 21, the terms of this Schedule shall govern.

7 Real Power Losses

Real Power Losses are associated with all Transmission Service. RIE is not obligated to provide Real Power Losses. The Network Customer or other applicable Transmission Customer is responsible for replacing losses associated with all Transmission Service as calculated by RIE. The applicable Real Power Loss factors tabulated in Attachment ~~H~~G to this Schedule will be applied to metered loads to account for losses on the Non-PTF System and/or Distribution System that are not otherwise accounted for and allocated. Determination of losses across RIE's PTF system will be according to the procedure set by the ISO. In cases where the ISO or the Tariff does not allocate PTF losses, PTF losses will be assigned at 3%. When a load interconnects to the Transmission System at a Non-PTF point, the Real Power Loss factors in Attachment

~~I~~ G to this Schedule will be applied to metered load amounts to reflect the losses incurred between the metering point and the PTF. Application of appropriate loss compensation to the meter would negate the need to apply the Real Power Loss factors. The Real Power Loss factors vary, depending upon the system voltage level at the interconnection point. If multiple voltage levels intervene between the PTF and the interconnection point/metering point, the Real Power Loss factors for each of the intervening voltage levels are additive. Any Non-PTF losses not allocated under Attachment ~~I~~G to this Schedule will be allocated to Local Network Service Load on the basis of Local Network Service Load Ratio Share.

8 Metering and Power Factor Correction at Point(s) of Delivery

8.1 Power Factor: The Network Customer's or other Transmission Customer's cumulative Load Power Factor for all Point(s) of Delivery in an area as defined by the ISO shall be maintained within a range, as required by RIE, the ISO, and/or New England Local Control Center, in accordance with Good Utility Practice. This range will be reviewed periodically and is subject to change. The Network Customer or other Transmission Customer shall be notified of such changes. If the Network Customer's or other Transmission Customer's cumulative Load Power Factor does not fall within the required range, and RIE has existing means of providing the deficient reactive power RIE will charge the Network Customer or other Transmission Customer a Power Factor Penalty in accordance with Attachment OCC to this Schedule. The Power Factor Penalty charge will be suspended if the customer corrects the Load Power Factor or, if during periods when the range may be changed, the customer's Load Power Factor is within the prescribed range. If RIE cannot provide the deficient reactive power from existing facilities, RIE will install, at the Customer's sole expense, the appropriate equipment to bring the customer's power factor within the required range. RIE will file with the Commission the cost support for such installations.

9 Network Resources

9.1 Designation of New Network Resources: Each designation of a Network Resource shall be effective as of the beginning of a month, shall remain in effect for at least one full month, and shall only be terminated at the end of a month.

10 Construction of Facilities Associated with Interconnection of New Network Load

10.1 Basic Understandings: The process for the interconnection of Large Loads is set forth in Part II.J of the ISO-NE OATT. In cases in which the Transmission Customer intends to interconnect new ~~network load~~Network Load to the Transmission System or Distribution System, the interconnection: (i) shall require the construction of interconnection facilities and associated equipment and (ii) may require the construction or installation of facilities and/or associated equipment in addition to the interconnection facilities on the Transmission System or Distribution System or the transmission system of another utility. These interconnection facilities and additional facilities shall be the financial responsibility of the Transmission Customer, to the extent consistent with Commission policy.

Subject to the following terms and conditions, RIE shall, at the Transmission Customer's expense, build the facilities or make preparations so that this construction can be submitted for written bids to parties on the Qualified Bidders List. RIE shall have the right to supervise any construction undertaken by qualified outside contractors at the Transmission Customer's expense and to reject any construction work which fails to meet its requirements.

10.2 General Considerations: RIE or another party selected pursuant to this Section shall construct the facilities at the Transmission Customer's expense. RIE shall design, own, and maintain the facilities. RIE and the Transmission Customer shall mutually agree upon a schedule for construction and final interconnection. RIE shall use due diligence to fulfill its obligations under this Schedule in order to permit the interconnection of the Project in a timely manner. RIE reserves the exclusive right to make the final interconnection between the Project and RIE's Transmission System. RIE shall use, or specify that the Transmission Customer's selected contractor use, standard equipment customarily employed by RIE for its own system in accordance with Good Utility Practice in making the final interconnection. The Transmission Customer shall pay RIE for all reasonable costs and fees required to enable RIE to fulfill its obligations, including any tax liability, the costs and fees of all permits, licenses, franchises or regulatory or other approvals necessary for the construction and operation of the facilities. RIE shall consult with Transmission Customer on decisions involving substantial additional costs to be incurred by RIE in fulfillment of its obligations.

10.3 Tax Security Arrangements: The Transmission Customer shall acknowledge that under IRS Notice 87-82, transfers made by the Transmission Customer to RIE for services provided hereunder with respect to the construction and installation of new facilities or improvements may,

under certain circumstances cause a Taxable Event to RIE. The Transmission Customer agrees to assure RIE recovery of all potential tax costs, both state and federal, including all interest and penalty claims, if a Taxable Event occurs. The Transmission Customer shall expressly agree to indemnify and save RIE harmless from and against any and all federal and/or state income tax, interest or penalty claims, or liability related to any tax gross-up incurred as a result of the work performed for and the services rendered to the Transmission Customer.

10.4 Security: In addition to the security provided for in Section 5 of this Schedule, the Transmission Customer shall agree to provide RIE with security for the potential tax liability for a term and in a form acceptable to RIE. Such security shall cover an amount calculated in accordance with the terms of Section ~~22~~10.5 of this Schedule. If the Transmission Customer fails to provide RIE with satisfactory security within thirty (30) days of notice by RIE, RIE may cease all work related to the Transmission Customer's request until such security is in place. RIE reserves the right to require the Transmission Customer to increase the value of the security to reflect changed circumstances including, but not limited to, an increase in the taxable value of the Direct Assignment Facilities or changes in tax law which affect RIE's tax position vis-à-vis the construction and installation of new or modified facilities. The Transmission Customer shall provide RIE with the security as well as any periodic renewals that may be required by RIE. Such security shall have a minimum term of one (1) year and, in the case of a letter of credit, shall designate RIE as beneficiary with authority to draw drafts on the issuer for the secured amount in accordance with this Schedule. Such security shall also provide that RIE may draw the full amount of the security in the event it has not been renewed, extended or replaced on or before thirty (30) days prior to the expiration date of such security.

If at any time during the term of the Transmission Customer's Service Agreement with RIE there is a change in federal law tax law which, in RIE's view, mitigates or eliminates its tax liability under applicable law or regulation, RIE shall agree, to the extent it deems appropriate, to release to the Transmission Customer any security determined to be in excess of RIE's potential tax liability.

10.5 Determination of Secured Amount: The Transmission Customer agrees that if a Taxable Event occurs, RIE's tax liability will be based upon the fair market value of the facilities constructed, installed or modified hereunder. The Transmission Customer agrees that the fair market value of the facilities is deemed to be the depreciated replacement cost of such facilities at

the time of the transfer, as prescribed by IRS Notice 90-60. The Transmission Customer shall secure an amount equal to the product of the depreciated replacement cost of the facilities times RIE's gross-up tax factor (net federal and state tax rate). RIE shall provide an initial estimate of the amount to be secured, based upon its facilities construction, installation or modification estimate.

These projected figures, however, are subject to adjustment for actual construction costs when they become known. The Transmission Customer shall agree to increase the secured amount to reflect any other adjustments as required by RIE to ensure that the existing security is sufficient to cover RIE's potential tax liability. The Transmission Customer shall agree to increase the secured amount within thirty (30) days of receipt of notice from RIE of any such adjustment to these costs. In the event that the Transmission Customer fails to do so, RIE shall have the right to seek termination of its service to the Transmission Customer until it increases the secured amount to the level specified by RIE.

10.6 Payment of Tax and Reconciliation: In the event that a Taxable Event occurs, RIE may exercise its rights under the security arrangement and draw upon all amounts necessary to pay the applicable taxes. If, in RIE's judgment, there are insufficient funds from such security to pay the applicable taxes, the Transmission Customer agrees to provide RIE with the balance of the funds needed within fifteen (15) days notice from RIE of such insufficiency. Any excess funds covered by security shall remain at RIE's disposal until RIE has received a final determination from the taxing authorities on the amounts payable as a result of the Taxable Event.

Upon such final determination, there shall be a reconciliation of the taxes payable by RIE, including any interest or penalties, and amounts provided by the Transmission Customer, in the form of security or otherwise. If the funds provided by the Transmission Customer prove insufficient to cover RIE's tax liability, the Transmission Customer shall pay RIE the amount of the underpayment within fifteen (15) days notice from RIE of the additional amount owed. If RIE receives a refund from the taxing authorities of any amounts paid due to the Taxable Event, RIE shall refund to the Transmission Customer such amount refunded to RIE. If taxes had not as yet been paid by RIE, in the form of estimated tax payments or otherwise, RIE shall refund the amount paid by the Transmission Customer in excess of RIE's actual tax liability. Interest on such amounts shall accrue, from the applicable following date: (a) the date the refund is received by RIE; (b) the date of recovery of estimated taxes previously paid by RIE (i.e., the due date of the tax payment following the determination); or (c) the date of final payment by the Transmission

Customer under this Schedule, to the date RIE refunds such amount to the Transmission Customer. Once the Transmission Customer has fulfilled all of its obligations with respect to the final determination of the tax amounts payable, RIE shall release the Transmission Customer from all obligations under this Section. Interest, however, will not apply when a Letter of Credit is used as security.

10.7 IRS Private Letter Ruling. In the case of a Contribution in Aid of Construction ("CIAC") amounting to at least $100,000 and upon written request by a Transmission Customer, RIE will request a Private Letter Ruling from the Internal Revenue Service on the taxable nature of the Transmission Customer's CIAC. The Transmission Customer must submit such written request to RIE, with payment for the estimated costs of obtaining such ruling, within 30 days of the Commission's acceptance of the transmission Customer's Service Agreement (or its amendment) covering construction under this Schedule. Payment shall be sufficient to cover RIE's estimated expenses in retaining outside tax counsel with expertise in such matters, all regulatory, filing and application fees and any other reasonable expenses, including salary and overhead costs, deemed appropriate and necessary for preparing, managing and obtaining the ruling.

The Transmission Customer shall be responsible for all costs that RIE incurs in pursuing the Private Letter Ruling. If RIE's costs in pursuing the Private Letter Ruling exceed the estimated costs shown, it shall so notify the Transmission Customer and the Transmission Customer shall reimburse or pay the estimated additional cost, as the case may be, within thirty (30) days of notification. RIE shall not be responsible for pursuing or continuing to pursue the Private Letter Ruling if the Transmission Customer has not complied with these payment provisions.

The Transmission Customer agrees that the selection and retention of outside tax counsel in this regard shall be exclusively determined by RIE. Furthermore, the Transmission Customer understands that RIE cannot predict or guarantee the outcome of the Private Letter Ruling and, should the Internal Revenue Service deem the CIAC taxable to RIE, the Transmission Customer must meet its financial obligations to RIE to cover federal and state taxes. The Transmission Customer shall cooperate in the preparation and provision of information, documents and other materials needed by RIE and its outside counsel for the Private Letter Ruling application and its supporting description and analysis. As soon as practicable after RIE's receipt of the Private Letter Ruling from the IRS, it shall provide the Transmission Customer with a copy of the

document. The parties agree that the decision of the IRS as to the taxable status of the CIAC shall be binding upon the parties, their successors and/or assigns.

10.8 Land Interests: The Transmission Customer recognizes that acquisition of the land interests necessary for the interconnection facilities may require individual agreements between RIE and the landowners. The Transmission Customer agrees to pay RIE all its reasonable costs associated with these acquisition agreements in advance of their execution. In the event the Transmission Customer acquires the land, permits, licenses, franchises or regulatory or other approvals necessary for the construction and operation of the interconnection facilities, RIE has the right, at the Transmission Customer's expense, to approve or reject any terms and conditions related thereto prior to the acceptance of the interconnection facilities.

10.9 Construction: If the Transmission Customer does not request that the construction of the interconnection facilities be submitted for written bids as described below, RIE shall construct the interconnection facilities and the Transmission Customer shall pay RIE the total costs associated with the construction of the interconnection facilities. The estimated costs (exclusive of any regulatory approval costs and/or fees) and the schedule for the Transmission Customer's payments to RIE will be shown in the Service Agreement.

The Transmission Customer shall pay RIE following the close of the Transmission Customer's construction financing (if any) in accordance with the Payment Schedule shown in the Service Agreement. The Payment Schedule contains estimated milestones and estimated costs. RIE shall invoice the Transmission Customer for costs, on an estimated basis.

Within a reasonable period of time following completion of the interconnection facilities, RIE shall provide the Transmission Customer with a report of actual construction costs sufficient to allow identification of all major cost components. Upon completion of the interconnection facilities, the Transmission Customer and RIE agree to make a final adjustment to correct for any overpayment or underpayment of the construction costs.

10.10 Construction by Third-Party: The Transmission Customer may request that the construction of the interconnection facilities be submitted for written bids by RIE-approved contractors having the capability and skill to perform the work in accordance with the terms and conditions contained herein. The Transmission Customer shall assume all risks and consequences associated with the decision to use such bidding process.

The Transmission Customer understands that if a contractor other than RIE constructs the interconnection facilities, the RFP process and interconnection facilities construction may require more time than if RIE constructed the interconnection facilities. Notwithstanding the foregoing, the Transmission Customer understands and agrees that all construction work on existing facilities shall be done by RIE. Such work shall not be included in the work submitted for bid by the Transmission Customer to outside contractors.

If the Transmission Customer requests that the construction of the interconnection facilities be submitted for written bids in accordance with the preceding paragraph, RIE shall prepare RFPs for construction of the interconnection facilities which, at a minimum, shall include construction drawings, steel structure specifications, bid drawings and specifications, materials specifications, and construction specifications. RIE shall also prepare the Qualified Bidders List. Materials, including steel structures, shall be obtained from suppliers listed in the Qualified Bidders List. The Transmission Customer shall seek RIE's prior approval with respect to any additions to the Qualified Bidders List or substitution of equal items of material from approved suppliers. The Transmission Customer shall reimburse RIE for its reasonable costs of preparing the RFPs and the Qualified Bidders List.

Upon the Transmission Customer's acceptance of the RFPs and the Qualified Bidders List, the Transmission Customer shall issue the RFPs to the contractors on the Qualified Bidders List. RIE shall have the right to respond to the RFPs. The Transmission Customer shall review the responses to the RFPs and select a contractor to construct the interconnection facilities. Selection of the contractor shall be at the Transmission Customer's sole discretion, but subject to the limitations and criteria contained herein. The contractor selected by this process shall contract directly with the Transmission Customer for this construction. In no event shall RIE become legally or financially obligated to the selected contractor for construction of the interconnection facilities or any other related work. If RIE is not the successful bidder, RIE shall have the ongoing right to monitor, at the Transmission Customer's expense, and approve or reject the contractor's construction of the interconnection facilities to ensure that the contractor's performance satisfies RIE's specifications and the criteria set forth in this Schedule and all appendices, exhibits, and attachments hereto. RIE shall have the right to make a final inspection and acceptance of the completed interconnection facilities. RIE's evaluation and acceptance of the interconnection facilities shall be based on compliance with the contract specifications; Good Utility Practice; the National Electric Safety Code as in effect during the time of construction; the appropriate state rules and regulations; RIE’s Policy and Practices for Protection Requirements for New or

Modified Load Interconnections; and other practices, procedures, specifications, and applicable standards developed by RIE. Any part of the work which RIE reasonably finds unsatisfactory shall be corrected prior to its acceptance of the completed interconnection facilities.

If the Transmission Customer selects a contractor other than RIE, within thirty (30) days following completion of the interconnection facilities, the Transmission Customer shall provide RIE with all detailed construction cost data that RIE needs to meet construction cost unitizing requirements under the Federal Power Act and relevant regulations.

10.11 Delivery and Measurement of Electricity:

10.11.1 Voltage Level: All electricity across the interconnection point shall be the form of three-phase sixty-hertz alternating current at a voltage class determined by mutual agreement of the parties.

10.11.2 Machine Reactive Capability: The Transmission Customer will be required to provide reactive capability to regulate and maintain system voltage at the interconnection point. RIE and the ISO shall establish a scheduled range of voltages to be maintained by the Project. The reactive capability requirements shall be reviewed during the System Impact Study and Facilities Study.

10.11.3 Metering and Related Equipment: The Transmission Customer shall be responsible for the cost of installing and maintaining compatible metering and communication equipment at or distant from the Project which measures steam flow, if the Project is a generating source (as applicable and where necessary), as well as electricity flows between RIE and Transmission Customer and determines the status of switching equipment. The Transmission Customer shall be responsible for communicating to RIE accurate information on capacity and energy being transmitted. Instrument transformers shall be approved by RIE before the design is finalized. In cases where it may be appropriate for the metering equipment to be installed at the Transmission Customer's property, RIE reserves the right to inspect, commission and witness test such meters. RIE shall also have access to read such meters remotely and locally to facilitate measurements and billing.

The Transmission Customer shall provide suitable space within its facilities for installation of the metering, telemetering, environmental control, and communication equipment at no cost to RIE.

The Transmission Customer shall be responsible for providing all necessary leased telephone lines and any necessary protection for leased lines and shall furthermore be responsible for all communication required by the ISO, or its designee. The Transmission Customer shall maintain all telemetering and transducer equipment on the Project in accordance with applicable criteria, rules, standards and operating procedures. At the Transmission Customer's expense, RIE shall purchase, own and maintain all telemetering equipment located on RIE's facilities. The Transmission Customer shall be responsible for the cost of installing RIE-approved or RIE-specified test switches in the transducer circuits.

If the metering equipment, the interconnection point and the Point(s) of Receipt are not at the same location, the metering equipment shall record delivery of electricity in a manner that accounts for losses occurring between the metering point and the Point(s) of Receipt or between the metering point and the interconnection point, as appropriate. Accounting for transmission losses between the metering point and the Point(s) of Receipt or between the metering point and the interconnection point shall be pursuant to the rates, terms and conditions of this Schedule and the OATT.

All metering equipment may be routinely tested by RIE at the Transmission Customer's expense, in accordance with applicable criteria, rules, standards and operating procedures. If, at any time, any metering equipment is found to be inaccurate by a margin greater than that allowed under applicable criteria, rules, standards and operating procedures, RIE shall cause such metering equipment to be made accurate or replaced at the Transmission Customer's expense. Meter readings for one-half the period extending back to the last successful meter test shall be adjusted so far as the same can be reasonably ascertained. Each party shall comply with any reasonable request of the other concerning the sealing of meters, the presence of a representative of the other party when the seals are broken and the tests are made, and other matters affecting the accuracy of the measurement of electricity delivered from the Project. If either party believes that there has been a meter failure or stoppage, it shall immediately notify the other.

The Transmission Customer shall be responsible for the cost of purchasing and installing software, hardware and/or other technology that may be required to read billing meters.

The Transmission Customer shall be responsible for the costs of all metering and related equipment pursuant to Attachment OCC to this Schedule and/or Attachment DAF to this Schedule, as applicable.

10.12 Notice Provisions: If at any time, in the reasonable exercise of RIE's judgment, operation of the Project adversely affects the quality of service to other customers or interferes with the safe and reliable operation of the Transmission System or Distribution System, RIE may discontinue service to the Transmission Customer until the condition has been corrected. Unless an emergency exists or the risk of one is imminent, RIE shall give the Transmission Customer reasonable notice of its intention to discontinue service and, where practical, allow suitable time for the Transmission Customer to remove the interfering condition. RIE's judgment with regard to discontinuance of deliveries or disconnection of facilities under this paragraph shall be made in accordance with Good Utility Practice. In the case of such discontinuance, RIE shall immediately confer with the Transmission Customer regarding the conditions causing such discontinuance and its recommendation concerning the timely correction thereof.

10.13 Access and Control: Properly accredited representatives of RIE shall at all reasonable times have access to the Project to make reasonable inspections and obtain information required in connection with this Schedule. At the Project, such representatives shall make themselves known to the Transmission Customer's personnel, state the object of their visit, and conduct themselves in a manner that will not interfere with the construction or operation of the Project. RIE will have control such that it may open or close the circuit breaker or disconnect and place safety grounds at the Point(s) of Receipt, or at the station, if the Point(s) of Receipt is (are) remote from the station.

10.14 Insurance Requirements: The Transmission Customer shall be subject to the insurance requirements specified in the Local Service Agreement.

11 Load Shedding and Curtailments

11.1 Transmission Constraints: During any period when RIE determines that a transmission constraint exists on the Non-PTF, and such constraint may impair the reliability of the New England Transmission System, RIE will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of the system. Local Large Load Transmission Customers shall comply with applicable load shedding and curtailment procedures established pursuant to the ISO-NE OATT, applicable ISO New England Operating Documents, the applicable Large Load Transmission Service Agreement, and this Local Service Schedule. To the extent RIE determines that the reliability of the New England Transmission System can be maintained by redispatching resources, RIE will initiate procedures pursuant to contracts with

owners of the identified resources to redispatch all Network Resources and RIE'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 RIE's use of the Non-PTF on behalf of its Native Load Customers and any Network Customer's and any other Transmission Customer's use of the Non-PTF to serve its designated Network Load.

~~Load.~~

11.2 Cost Responsibility for Relieving Transmission Constraints: Whenever RIE implements least-cost redispatch procedures in response to a transmission constraint, RIE ~~and~~, the Network Customers and, the other Transmission Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

11.3 System Reliability: A Network Customer or other Transmission Customer that fails to respond to established load shedding and curtailment procedures will be deemed by RIE ~~of~~to be making unauthorized use of the Transmission System. If unauthorized use occurs, RIE will charge and the Transmission Customer will be obligated to pay a penalty equal to twice the standard rate for such a transaction, as described more fully in Section ~~24.15~~12.12 of this Schedule. In all cases of unauthorized use of the Transmission System, the service will be considered non-firm and RIE will be under no obligation to provide any services for such use.

12 Compensation for Local Network Service

The following rates and charges may apply to Local Network Service as specified below. Charges under this Section shall include any applicable PTF costs not otherwise recovered under the OATT. To the extent that RIE enters into an incentive rate plan(s), the incentive rate terms shall be reflected in a separate filing with the Commission under Section 205 of the Federal Power Act. Additionally, all costs and revenues under such incentive rate plan(s) shall be excluded from RIE's PTF and Non-PTF Transmission Revenue Requirement. However, liquidated damages mandated by the Commission in Docket No. RM02-1-000 shall be reflected in RIE's costs and included in its PTF and Non-PTF Transmission Revenue Requirement calculations.

12.1 Monthly Local Network Service Charge: Any Network Customer with Network Load qualifying as Local Network Service Load, shall pay a Monthly Local Network Service Charge determined in accordance with Attachment OCC to this Schedule.

12.2 Transformer Surcharge: In the event that a Network Customer does not own the stepdown transformation from 69 kV or greater voltage to distribution voltage level, where it utilizes RIE's Transformation Facilities, the Network Customer will be subject to a Transformer Surcharge calculated in accordance with Attachment OCC to this Schedule.

12.3 Meter Surcharge: If the Network Customer neither owns nor supports metering equipment necessary for provision of Local Network Service, that customer will be subject to a Meter Surcharge calculated in accordance with Attachment OCC to this Schedule.

12.4 Power Factor Penalty: Pursuant to the requirements of Section ~~20~~8.1 of this Schedule, the Network Customer may be subject to a Power Factor Penalty calculated in accordance with Attachment OCC to this Schedule.

12.5 Direct Assignment Facility Charge: The Direct Assignment Facility Charge compensates RIE for the annual costs of the facilities, expansions and upgrades that may be directly assigned by RIE or by the ISO, as appropriate, to the Transmission Customer. These costs may include, but are not limited to, the capital carrying cost, income tax, depreciation, operation and maintenance, administrative and general expenses and property tax. The Direct Assignment Facility Charge shall be calculated as specified in Attachment DAF to this Schedule. In no event shall the Direct Assignment Facilities Charge be less than $1,000.00 per year. If RIE enters into an agreement for use and support of facilities owned by other entities on behalf of a Transmission Customer, any charges incurred by RIE will be directly assigned to the Transmission Customer. The Direct Assignment Facility Charge shall apply to Direct Assignment Facilities that are directly assigned to a Large Load Transmission Customer, except to the extent such costs are recovered pursuant to a Large Load Cost Recovery Agreement, in which case such costs shall not be recovered twice. The Direct Assignment Facilities Charge in each year shall be billed based on forecast data for that year and shall be adjusted for experienced costs as soon as practicable after the close of the year. The charge so calculated shall commence on the date the facilities, expansions or upgrades are placed in service.

12.6 Distribution Service:

24.6.1 Specific Distribution Surcharge: Any Network Customer listed in Attachment OCC, Section VI, to this Schedule, which relies on the specific distribution facilities of RIE, as provided

to RIE under the Integrated Facilities provision of RIE's Tariff No. 3, will be subject to a Specific Distribution Surcharge calculated in accordance with Attachment OCC to this Schedule.

12.6.~~1~~ 2 Rolled-In Distribution Surcharge: To the extent that a Network Customer listed in Attachment OCC, Section VI, to this Schedule, utilizes distribution facilities, in addition to the specific facilities identified in RIE's Tariff No. 3, the Network Customer will pay the Rolled-In Distribution Surcharge calculated in accordance with Attachment DS to this Schedule for delivery service to load. To the extent that distribution service to a new Network Customer is subject to the direct jurisdiction of the Federal Energy Regulatory Commission, the provision of distribution service to that customer on or after March 1, 1998 shall be reflected in the Network Customer's Local Service Agreement.

In the event that the integrated distribution facilities under RIE's Tariff No. 3 are otherwise eliminated or superseded, the customers listed in Attachment OCC, Section VI, to this Schedule, will take distribution service entirely under the Rolled-In Distribution Surcharge calculated in accordance with Attachment DS to this Schedule.

12.7 Ancillary Services: Any Network Customer with Network Load qualifying as PTF Network Load will be subject to the Network Load Dispatch Surcharge calculated in accordance with Attachment OCC to this Schedule.

12.8 OASIS Charges: Identifiable usage-dependent costs of OASIS may be charged to the specific user in accordance with the Commission's Final Order 889 in Docket No. RM95-9-000, and any subsequent amendments thereto.

12.9 EPRI Credit: The Network EPRI Credit, calculated in accordance with Attachment OCC to this Schedule, shall apply to any wholesale Network Customer, which is not also an Affiliate of RIE.

12.10 Network Upgrade Charge: If ~~network upgrades~~ Network Upgrades are required in association with a new ~~load~~ Network Load, the Network Customer shall be required to pay a Network Upgrade Charge. The monthly Network Upgrade charge shall be the higher of (i) the allocated monthly Local Network Service Transmission Revenue Requirement with the New Network Upgrades rolled-in; or (ii) an incremental monthly charge for service based upon the total costs of the Network Upgrades for which the Transmission Customer is responsible as determined by the formula in Attachment DAF to this Schedule.

12.11 Redispatch Charge: Pursuant to Section ~~23~~11.2 of this Schedule, the Transmission Customer may be subject to charges for generation redispatch.

12.12 Unauthorized Use Penalty: Pursuant to Section ~~23~~11.3 of this Schedule, the Transmission Customer may be subject to a penalty equal to twice the standard rate for unauthorized use of the Transmission System, based on the period of unauthorized use.

The annual standard rate per KW for unauthorized use of the Transmission System shall be derived from (i) the previous calendar year's annual transmission expenses as calculated in Attachment F to the ISO-NE OATT, divided by (ii) the average of the twelve Total Monthly Peak Loads from the previous year. The standard rate is analogous to the former Firm Local Point-to-Point Service rate that was eliminated from Schedule 21-NEP (Attachment J) effective November 1, 2007. *See* Docket No. ER07-1323-000.

The monthly standard rate per KW shall equal one-twelfth of the annual standard rate; the weekly standard rate per KW shall equal one-fifty-second of the annual standard rate; and the daily standard rate per KW shall equal one-fifth of the weekly standard rate.

The unauthorized use penalty charge for a single hour of unauthorized use shall be based on the daily standard rate, and more than one assessment for a given duration (e.g., daily) results in an increase of the penalty period to the next longest duration (e.g., weekly). The unauthorized use penalty charge for multiple instances of unauthorized use (i.e., more than one hour) within a day will be based on the daily standard rate. The unauthorized use penalty charge for multiple instances of unauthorized use isolated to one calendar week would result in a penalty based on the weekly standard rate. The unauthorized use penalty charge for multiple instances of unauthorized use during more than one week during a calendar month will be based on the monthly standard rate.

ATTACHMENT B

This Attachment B shall not apply to requests for transmission service on behalf of a Large Load, which shall be studied under the Large Load System Impact Study Agreement set forth in Part II.J of the ISO-NE OATT.

Form of System Impact Study Agreement

This Agreement dated _____, is entered into by _____ (the Transmission Customer) and The Narragansett Electric Company, d/b/a Rhode Island Energy (RIE), for the purpose of setting forth the terms, conditions and costs for conducting a System Impact Study relative to _____.

1. The Transmission Customer agrees to provide, in a timely and complete manner, all required information and technical data necessary for RIE to conduct the System Impact Study. The Transmission Customer understands that it must provide all such information and data prior to RIE's commencement of the Study. Such information and technical data are specified in Exhibit 1 to this Agreement.

2. All work pertaining to the System Impact Study that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of RIE and the Transmission Customer. Each party shall inform the other in writing of its designated and authorized representative.

3. RIE will advise the Transmission Customer of any additional studies as it may in its sole discretion deem necessary. Any such additional studies shall be conducted only if required by Good Utility Practice and shall be subject to the Transmission Customer's consent to proceed, such consent not be unreasonably withheld.

4. RIE contemplates that it will require _____ to complete the System Impact Study. Upon completion of the Study by RIE, RIE will provide a report to the Transmission Customer based on the information provided and developed as a result of this effort. If, upon review of the Study results, the Transmission Customer decides to pursue _____, RIE will, at the Transmission Customer's direction, tender a Facilities Study Agreement within thirty (30) days. The System Impact and Facilities Studies, together with any additional studies contemplated in Paragraph 3, shall form the basis for the Transmission Customer's proposed use of RIE's transmission system and shall be furthermore utilized in obtaining necessary third-party approvals of any interconnection facilities and requested transmission services. The Transmission Customer understands and acknowledges that any use of study results by the

Transmission Customer or their agents, whether in preliminary or final form, prior to application approval pursuant to Section I.3.9 of the Tariff, is completely at the Transmission Customer's risk and that RIE will not guarantee or warrant the completeness, validity or utility of study results prior to application approval pursuant to Section I.3.9 of the Tariff.

5. The estimated costs contained within this Agreement are RIE's good faith estimate of its costs to perform the System Impact Study contemplated by this Agreement. RIE's estimates do not include any estimates for wheeling charges that may be associated with the transmission of facility output to third parties or with rates for station service. The actual costs charged to the Transmission Customer by RIE may change as set forth in this Agreement. Prepayment will be required for all study, analysis, and review work performed by RIE or its Designated Agent, all of which will be billed by RIE to the Transmission Customer in accordance with Paragraph 6 of this Agreement.

6. The payment required is $_____ from the Transmission Customer to RIE for the primary system analysis, coordination, and monitoring of the System Impact Study. RIE will, in writing, advise the Transmission Customer in advance of any cost increases for work to be performed if total amount increases by 10% or more. Any such changes to RIE's costs for the study work shall be subject to the Transmission Customer's consent, such consent not to be unreasonably withheld. The Transmission Customer shall, within thirty (30) days of RIE's notice of increase, either authorize such increases and make payment in the amount set forth in such notice, or RIE will suspend the System Impact Study and this Agreement will terminate if so permitted by the Federal Energy Regulatory Commission.

In the event this Agreement is terminated for any reason, RIE shall refund to the Transmission Customer the portion of the above credit or any subsequent payment to RIE by the Transmission Customer that RIE did not expend in performing its obligations under this Agreement. Any additional billings under this Agreement shall be subject to an interest charge computed in accordance with the provisions of the OATT. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 7 below.

7. If the actual costs for the work exceed prepaid estimated costs, the Transmission Customer shall make payment to RIE for such actual costs within thirty (30) days of the date of RIE's invoice for such costs. If the actual costs for the work are less than those prepaid, RIE will credit such difference toward RIE costs unbilled, or in the event there will be no additional billed expenses, the amount of the overpayment will be returned to the Transmission Customer with interest computed as stated in Paragraph 6 of this Agreement, from the date of reconciliation.

8. Nothing in this Agreement shall be interpreted to give the Transmission Customer immediate rights to wheel over or interconnect with RIE's Transmission or Distribution System. Such rights shall be provided for under separate agreement and in accordance with the OATT.

9. Within one (1) year following RIE's issuance of a final bill under this Agreement, the Transmission Customer shall have the right to audit RIE's accounts and records at the offices where such accounts and records are maintained, during normal business hours; provided that appropriate notice shall have been given prior to any audit and provided that the audit shall be limited to those portions of such accounts and records that relate to service under this Agreement. RIE reserves the right to assess a reasonable fee to compensate for the use of its personnel time in assisting any inspection or audit of its books, ~~records or accounts by the Transmission Customer or their~~ Designated Agent.

10. Each party agrees to indemnify and hold the other party and its Affiliates, including affiliated trustees, directors, officers, employees, and agents of each of them, harmless from and against any and all damages, costs (including attorney's fees), fines, penalties and liabilities, in tort, contract, or otherwise (collectively "Liabilities") resulting from claims of third parties arising, or claimed to have arisen as a result of any acts or omissions of either party under this Agreement. Each party hereby waives recourse against the other party and its Affiliates for, and releases the other party and its Affiliates from, any and all Liabilities for or arising from damage to its property due to a performance under this Agreement by such other party.

11. If either party materially breaches any of its covenants hereunder, the other party may terminate this Agreement by filing a notice of intent to terminate with the Federal Energy Regulatory Commission and serving notice of same on the other party to this Agreement.

12. This agreement shall be construed and governed in accordance with the laws of the State of Rhode Island and with Part II of the Federal Power Act, 16 U.S.C. §§824d et seq., and with Part 35 of Title 18 of the Code of Federal Regulations, 18 C.F.R. §§35 et seq.

13. All amendments to this Agreement shall be in written form executed by both parties.

14. The terms and conditions of this Agreement shall be binding on the successors and assigns of either party.

15. This Agreement will remain in effect for a period of up to two years from its effective date as permitted by the Federal Regulatory Commission, and is subject to extension by mutual agreement. Either

party may terminate this Agreement by thirty (30) days' notice except as is otherwise provided herein. If this Agreement expires by its own terms, it shall be RIE's responsibility to make such filing.

The Narragansett Electric Company, d/b/a Rhode Island Energy:

By: _____

Name:

Title:

Date:

Transmission Customer:

By: _____

Name:

Title:

Date:

System Impact Study Agreement

EXHIBIT 1

Information to be Provided to RIE

by the Transmission Customer for System Impact Study

1.0 Facilities Identification

1.1 Requested capability in MW and MVA; summer and winter

1.2 Site location and plot plan with clear geographical references

1.3 Preliminary one-line diagram showing major equipment and extent of Transmission Customer ownership

1.4 Auxiliary power system requirements

1.5 Back-up facilities such as standby generation or alternate supply sources

2.0 Major Equipment

2.1 Power transformer(s): rated voltage, MVA and BIL of each winding, LTC and or NLTC taps and range, Z1 (positive sequence) and Z0 (zero sequence) impedances, and winding connections. Provide normal, long-time emergency and short-time emergency thermal ratings.

2.2 Generator(s): rated MVA, speed and maximum and minimum MW output, reactive capability curves, open circuit saturation curve, power factor (V) curve, response (ramp) rates, H (inertia), D (speed damping), short circuit ratio, X1 (leakage), X2 (negative sequence), and X0 (zero sequence) reactances and other data:

	Direct Axis	Quadrature Axis
saturated synchronous reactance	Xdv	Xqv
unsaturated synchronous reactance	Xdi	Xqi
saturated transient reactance	X'dv	X'qv

	Direct Axis	Quadrature Axis
unsaturated transient reactance	X'di	X'qi
saturated subtransient reactance	X"dv	X"qv
unsaturated subtransient reactance	X"di	X"qi
transient open-circuit time constant	T'do	T'qo
transient short-circuit time constant	T'd	T'q
subtransient open-circuit time constant	T"do	T"qo
subtransient short-circuit time constant	T"d	T"q

2.3 Excitation system, power system stabilizer and governor: manufacturer's data in sufficient detail to allow modeling in transient stability simulations.

2.4 Prime mover: manufacturer's data in sufficient detail to allow modeling in transient stability simulations, if determined necessary.

2.5 Busses: rated voltage and ampacity (normal, long-time emergency and short-time emergency thermal ratings), conductor type and configuration.

2.6 Transmission lines: overhead line or underground cable rated voltage and ampacity (normal, long-time emergency and short-time emergency thermal ratings), Z1 (positive sequence) and Z0 (zero sequence) impedances, conductor type, configuration, length and termination points.

2.7 Motors greater than 150 kW 3-phase or 50 kW single-phase: type (induction or synchronous), rated hp, speed, voltage and current, efficiency and power factor at ½, 3/4 and full load, stator resistance and reactance, rotor resistance and reactance, magnetizing reactance.

2.8 Circuit breakers and switches: rated voltage, interrupting time and continuous, interrupting and momentary currents. Provide normal, long-time emergency and short-time emergency thermal ratings.

2.9 Protective relays and systems: ANSI function number, quantity manufacturer's catalog number, range, descriptive bulletin, tripping diagram and three-line diagram showing AC connections to all relaying and metering.

2.10 CT's and VT's: location, quantity, rated voltage, current and ratio.

2.11 Surge protective devices: location, quantity, rated voltage and energy capability.

3.0 Other

3.1 Additional data to perform the System Impact Study will be provided by the Transmission Customer as requested by RIE.

3.2 RIE reserves the right to require specific equipment settings or characteristics necessary to meet the applicable criteria and standards.

ATTACHMENT C

This Attachment C shall not apply to requests for transmission service on behalf of a Large Load, which shall be studied under the Large Load System Impact Study Agreement set forth in Part II.J of the ISO-NE OATT.

Form of Facilities Study Agreement

This Agreement dated _____, is entered into by _____ (the Transmission Customer) and The Narragansett Electric Company, d/b/a Rhode Island Energy (RIE), for the purpose of setting forth the terms, conditions and costs for conducting a Facilities Study Agreement relative to _____

_____.

The Facilities Study will determine the detailed engineering, design and cost of the facilities necessary to satisfy the Transmission Customer's request for service over RIE's Transmission System.

1. The Transmission Customer agrees to provide, in a timely and complete manner, all required information and technical data necessary for RIE to conduct the Facilities Study. Where such information and technical data was provided for the System Impact Study, it should be reviewed and updated with current information, as required.

2. All work pertaining to the Facilities Study that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of RIE and the Transmission Customer. Each party shall inform the other in writing of its designated and authorized representative.

3. RIE will advise the Transmission Customer of additional studies as may be deemed necessary by RIE. Any such additional studies shall be conducted only if required by Good Utility Practice and shall be subject to the Transmission Customer's consent to proceed, such consent not to be unreasonably withheld.

4. RIE contemplates that it will require ___ days to complete the Facilities Study. Upon completion of the study by RIE, RIE will provide a report to the Transmission Customer based on the information provided and developed as a result of this effort. If, upon review of the study results, the Transmission Customer decides to pursue its transmission service request, the Transmission Customer must sign a supplemental Service Agreement with RIE. The System Impact and Facilities Studies, together with any additional studies contemplated in Paragraph 3, shall form the basis for the Transmission Customer's proposed use of RIE's Transmission System and shall be furthermore utilized in obtaining necessary third-party approvals of any facilities and requested transmission services. The Transmission Customer understands and acknowledges that any use of the study results by the Transmission Customer or their

agents, whether in preliminary or final form, prior to application approval pursuant to Section I.3.9 of the Tariff, is completely at the Transmission Customer's risk and that RIE will not guarantee or warrant the completeness, validity or utility of the study results prior to application approval pursuant to Section I.3.9 of the Tariff.

5. The estimated costs contained within this Agreement are RIE's good faith estimate of its costs to perform the Facilities Study contemplated by this Agreement. RIE's estimates do not include any estimates for wheeling charges that may be associated with the transmission of facility output to third parties or with rates for station service. The actual costs charged to the Transmission Customer by RIE may change as set forth in this Agreement. Prepayment will be required for all study, analysis, and review work performed by RIE's or its Designated Agent's personnel, all of which will be billed by RIE to the Transmission Customer in accordance with Paragraph 6 of this Agreement.

6. The payment required is $____ from the Transmission Customer to RIE for the primary system analysis, coordination, and monitoring of the Facilities Study to be performed by RIE for the Transmission Customer's requested service. RIE will, in writing, advise the Transmission Customer in advance of any cost increases for work to be performed if the total amount increases by 10% or more. Any such changes to RIE's costs for the study work to be performed shall be subject to the Transmission Customer's consent, such consent not to be unreasonably withheld. The Transmission Customer shall, within thirty (30) days of RIE's notice of increase, either authorize such increases and make payment in the amount set forth in such notice, or RIE will suspend the study and this Agreement will terminate if so permitted by the Federal Energy Regulatory Commission. In the event this Agreement is terminated for any reason, RIE shall refund to the Transmission Customer the portion of the above credit or any subsequent payment to RIE by the Transmission Customer that RIE did not expend in performing its obligations under this Agreement. Any additional billings under this Agreement shall be subject to an interest charge computed in accordance with the provisions of the OATT. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 7 below.

7. If the actual costs for the work exceed prepaid estimated costs, the Transmission Customer shall make payment to RIE for such actual costs within thirty (30) days of the date of RIE's invoice for such costs. If the actual costs for the work are less than that prepaid, RIE will credit such difference toward RIE costs unbilled, or in the event there will be no additional billed expenses, the amount of the overpayment will be returned to the Transmission Customer with interest computed in accordance with the provisions of the OATT.

8. Nothing in this Agreement shall be interpreted to give the Transmission Customer immediate rights to interconnect to or wheel over RIE's Transmission or Distribution System. Such rights shall be provided for under separate agreement.

9. Within one (1) year following RIE's issuance of a final bill under this Agreement, the Transmission Customer shall have the right to audit RIE's accounts and records at the offices where such accounts and records are maintained during normal business hours; provided that appropriate notice shall have been given prior to any audit and provided that the audit shall be limited to those portions of such accounts and records that relate to service under this Agreement. RIE reserves the right to assess a reasonable fee to compensate for the use of its personnel time in assisting any inspection or audit of its books, records or accounts by the Transmission Customer or their Designated Agent.

10. Each party agrees to indemnify and hold the other party and its Affiliates, including affiliated trustees, directors, officers, employees, and agents of each of them, harmless from and against any and all damages, costs (including attorney's fees), fines, penalties and liabilities, in tort, contract, or otherwise (collectively "Liabilities") resulting from claims of third parties arising, or claimed to have arisen as a result of any acts or omissions of either party under this Agreement. Each party hereby waives recourse against the other party and its Affiliates for, and releases the other party and its Affiliates from, any and all Liabilities for or arising from damage to its property due to performance under this Agreement by such other party.

11. If any party materially breaches any of its covenants hereunder, the other party may terminate this Agreement by filing a notice of intent to terminate with the Federal Energy Regulatory Commission and serving notice of same on the other party to this Agreement.

12. This agreement shall be construed and governed in accordance with the laws of the State of Rhode Island and with Part II of the Federal Power Act, 16 U.S.C. §§824d et seq., and with Part 35 of Title 18 of the Code of Federal Regulations, 18 C.F.R. §§35 et seq.

13. All amendments to this Agreement shall be in written form executed by both parties.

14. The terms and conditions of this Agreement shall be binding on the successors and assigns of either party.

15. This Agreement will remain in effect for a period of up to two years from its effective date as permitted by the Federal Energy Regulatory Commission, and is subject to extension by mutual agreement. Either party may terminate this Agreement by thirty (30) days' notice except as is otherwise provided herein. If this Agreement expires by its own terms, it shall be RIE's responsibility to make such filing.

The Narragansett Electric Company, d/b/a Rhode Island Energy:

By: _____

Name:

Title:

Date: _____

Transmission Customer:

By: _____

Name:

Title:

Date: _____

ATTACHMENT D

Local Service Agreement

Policy and Practices for Protection Requirements

For New or Modified Load Interconnections

This Attachment D shall apply to the interconnection of a Large Load to RIE's electrical system to the extent not inconsistent with the protection requirements applicable to Large Loads under Part II.J of the ISO-NE OATT and the applicable ISO New England Operating Procedures, which shall govern in the event of a conflict.

Any load facility, hereafter called a LF, desiring to interconnect with RIE's electrical system or modify an existing interconnection must meet the technical specifications and requirements set forth in this Policy and Practices. Once interconnected, RIE, in keeping with Good Utility Practice and in its sole discretion, may disconnect the LF if the LF departs from the technical specifications and requirements of this Policy and Practices. The LF must return to full compliance with this Policy prior to reconnecting with RIE's electrical system.

If it is possible for the LF to be a significant source of current flow into RIE's lines due to generation sources within the LF system then RIE may determine the LF to be considered a Generation Facility and the Policy and Practices for Protection Requirements for Generation Interconnections shall apply as set forth in the New England ISO OATT.

This document is divided into the following sections:

1. Protection Information Required from the LF for All Interconnections

2. General Protection Requirements for All LF Interconnections

3. Protection Equipment Requirements for All LF Interconnections

4. Requirements for Protection of RIE's System

5. Requirements for Protection of RIE's System: Facilities Having Sources

6. Requirements for Emergency Load Reduction

7. Protection System Testing and Maintenance

8. Changes to the LF's Protection System

1.) PROTECTION INFORMATION REQUIRED FROM THE LF FOR ALL INTERCONNECTIONS

A. The following information must be submitted by the LF for review and acceptance by RIE prior to finalizing the LF's protection design:

- A station one-line drawing.
- A one-line drawing showing the relays and metering including current transformer (CT) and voltage transformer (VT) connections and ratios.
- A three-line drawing showing the AC connections to the relays and meters.
- The LF’s transformer nameplate information including rated voltage, rated KVA, positive and zero sequence impedances and winding connections.
- A list of protective relay equipment proposed to be furnished to conform with this Policy and Practices including: relay types, styles, manufacturer's catalog numbers, ranges and descriptive bulletins.
- Schematic drawings showing the control circuits for the interconnection breaker(s) or equivalent interrupting device(s).
- Equipment specifications for CTs and VTs relevant to the interconnection.
- Interconnection breaker or equivalent interrupting device operating time.
- Other information that may be determined by RIE as required for a specific interconnection.

B. Relay settings for all LF protective relays that affect the interconnection with RIE’s system must be submitted by the LF for review and acceptance by RIE at least four weeks prior to the scheduled date for setting the relays.

C. If, due to the interconnection of the LF to the line, the fault interrupting, continuous, momentary or other rating of any of RIE's equipment or the equipment of others connected to RIE's system is exceeded, RIE shall have the right to require the LF to pay for the purchase, installation, replacement or modification of equipment to eliminate the condition. Where such action is deemed necessary by RIE, RIE will, where possible, permit the LF to choose among two or more options for meeting RIE's requirements as described in this Policy and Practices.

2.) GENERAL PROTECTION REQUIREMENTS FOR ALL LF INTERCONNECTIONS

A. A circuit breaker, or other fault interrupting method acceptable to RIE, shall be installed to isolate the LF from RIE's system. This will hereafter be called the "interconnection breaker." If there is more than one interconnection breaker, the requirements of this Policy and Practices apply to each one individually.

B. RIE will review the relay settings as submitted by the LF to assure adequate protection for RIE's facilities. RIE shall not be responsible for the protection of the LF's facilities. Providing the relaying is installed and maintained as reviewed, the LF shall not be responsible for the protection of RIE's facilities. The LF shall be responsible for protection of its system against possible damage resulting from interconnection with RIE.

If requested by the LF, RIE will provide system protection information for the line terminal(s) directly related to the interconnection. This protection information is provided exclusively for use by the LF in evaluating protection of the LF's facilities during parallel operation.

C. RIE shall specify whether the transformer, if any, between RIE's voltage and the LF's distribution voltage, hereafter called the "LF's transformer", is to be grounded or ungrounded at RIE's voltage.

3.) PROTECTION EQUIPMENT REQUIREMENTS FOR ALL LF INTERCONNECTIONS

A. The interconnection breaker control circuits shall be DC powered from a station battery.

B. The LF shall provide a switch at the Interconnection Point with RIE that can be opened for isolation. RIE shall have the right to open the interconnection during emergency conditions or with due notice to the LF at other times. RIE shall exercise such right in accordance with Good Utility Practice. The switch shall be gang operated, have a visible break when open, and be capable of being locked open,

tagged and grounded on RIE side by RIE personnel. The switch shall be of a manufacture and type generally accepted for use by RIE.

C. Protective relaying control circuits shall be DC powered from a station battery. Solid state relays shall be self powered or DC powered from a station battery.

D. CT ratios and accuracy classes shall be chosen such that secondary current is less than 100 amperes and transformation errors are less than 10% under maximum fault conditions.

E. All protective relays required by this Policy and Practices shall meet ANSI/IEEE standard C37.90 and be of a manufacture and type generally accepted for use by RIE.

F. Protective relays provided by the LF as required per this Policy and Practices shall be sufficiently redundant and functionally separate so as to provide adequate protection, as determined by RIE, upon the failure of any one component. The use of a single all-inclusive relay package is not acceptable.

~~The use of a single all-inclusive relay package is not acceptable.~~G. RIE may require the LF to provide two independent, redundant relaying systems in accordance with NPCC Criteria for the Protection of the Bulk Power System if the interconnection is to the Bulk Power System or if it is determined that delayed clearing of faults within the LF adversely affects the Bulk Power System.

H. A direct transfer tripping system, if provided, shall use equipment generally accepted for use by RIE and shall, at the option of RIE, use dual channels.

4.) REQUIREMENTS FOR PROTECTION OF THE TRANSMISSION SYSTEM

A. The LF must provide protective relays to detect any faults, whether phase-to-phase or phase-to-ground within the LF, and isolate the LF from RIE's line(s) such that the following criteria are met, as determined by RIE:

- The existing sensitivity of fault detection is not substantially degraded.
- The existing speed of fault clearing is not substantially degraded.
- The coordination margin between relays is not substantially reduced.

- The sustained unfaulted phase voltage during a line-to-ground fault is not increased beyond 1.25 times the normal phase-to-ground voltage. (This value may be further reduced if required to coordinate with existing system insulation levels and overvoltage protection.)

- Non-directional line relays will not operate for faults external to the line due to the LF's contribution.

- Proper settings for existing relays are achievable within their ranges.

RIE may perform engineering studies to evaluate the LF's protection compliance with respect to the above and may make recommendations to the LF on methods to achieve compliance.

If, due to the interconnection of the LF to RIE's system, any of the above criteria are violated for RIE's facilities or for the facilities of others connected to RIE's system, RIE shall have the right to require the LF to pay for the purchase, installation, replacement or modification of protective equipment to eliminate the violation and restore the level of protection existing prior to the interconnection. This may include the addition of pilot relaying systems involving communications between all terminals. Where such action is deemed necessary by RIE, RIE will, where possible, permit the LF to choose among two or more options for meeting RIE's requirements as described in this Policy and Practices.

B. The LF is responsible for procuring any communications channels necessary between the LF and RIE's stations and for providing protection from transients and over voltages at all ends of these communication channels.

C. The LF may be required to use high speed protection if time-delayed protection would result in degradation in the existing sensitivity or speed of the protection systems on RIE's lines.

D. The LF may be required to provide local breaker failure protection which may include direct transfer tripping to RIE's line terminal(s) in order to detect and clear faults within the LF that cannot be detected by RIE's back-up protection.

5.) REQUIREMENTS FOR PROTECTION OF THE TRANSMISSION SYSTEM: FACILITIES HAVING SOURCES

If it is possible for the LF to be a source of current flow into RIE's system, either due to generation within the LF system or due to connections within the LF system to other sources, the LF must provide

protective relays to detect any faults, whether phase-to-phase or phase-to-ground on RIE's lines or within the LF, and isolate the LF from RIE's line(s) per the requirement of Section 4 above and the following:

A. A control interlock scheme that detects voltage on RIE's line(s) shall be used to prevent an interconnection breaker from closing to energize RIE's line(s).

B. A voltage transformer shall be provided by the LF, connected to RIE side of the interconnecting breaker. The voltage from this VT shall be used in the interlock as specified in Section 5A above. If the LF's connection is ungrounded at RIE voltage, this VT shall be a single three-phase device or three single-phase devices connected from each phase to ground, rated for phase-to-phase voltage and provided with two secondary windings. One winding shall be connected in open delta, have a loading resistor to prevent ferroresonance, and be used for the relay specified in Section 5C below.

C. If the LF's connection to RIE's system is un-grounded, the LF shall provide a zero sequence overvoltage relay fed from the open delta of the three phase VT specified in Section 5B above.

D. RIE's lines generally have automatic reclosing following a trip with reclosing times as short as five seconds and without regard to whether the LF is keeping the circuit energized. The LF is responsible for protecting its equipment from being reconnected out of synchronism with RIE's system by an automatic line reclosure operation. The LF may choose to install additional equipment such as direct transfer tripping from RIE's station(s) to insure the LF is off the line prior to the line reclosing.

6.) REQUIREMENTS FOR EMERGENCY LOAD REDUCTION

A. The LF shall provide a manual load shed lockout relay to trip and block closing of selected load feeders. This relay shall be operated via a signal sent from an area dispatching center to a remote terminal unit (RTU) provided by the LF and shall be manually reset. The selection of feeders to trip shall be in conformance with NPCC Emergency Operation Criteria and determined by the area control authority. Alternatively, the LF may elect to provide compensatory load reduction through contractual arrangements with other area customers or by other means.

B. During system conditions where local area load exceeds generation, NPCC Emergency Operation Criteria requires a program of phased automatic underfrequency load shedding of up to 25% of area load to assist in arresting frequency decay and to minimize the possibility of system collapse. In conformance to these criteria, the LF shall provide an underfrequency relay with a lockout function to trip and block closing of selected load feeders. Feeders so shed shall not be re-energized without the express permission

of the area control authority. If desired, the LF may use the RTU specified in Section 6A above to receive a signal sent from an area dispatching center that would reset the lockout function and permit automatic restoration of the feeders. The underfrequency settings and the selection of feeders shall be in conformance with these Criteria and determined by the area control authority. Alternatively, the LF may elect to provide compensatory load reduction to conform with the requirements of this Section through contractual arrangements with other area customers or by other means.

C. The LF shall provide a voltage reduction function to reduce the feeder voltage regulation set point by 5% for all load feeders. This function shall be operated via a signal sent from an area dispatching center to an RTU provided by the LF and shall be remotely reset from the dispatching center or self reset in 4 hours.

D. Depending on the point of connection of the LF to RIE's system, RIE may require a dead station tripping function to disconnect the LF from RIE's lines following six minutes of de-energized RIE lines in order to assist in restoration of service following an area or system wide shutdown.

7.) PROTECTION SYSTEM TESTING AND MAINTENANCE

A. RIE shall have the right to witness the testing of protective relays and control circuits required by this Policy and Practices at the completion of construction and to receive a copy of all test data. The LF shall provide RIE with at least a one week notice prior to the final scheduling of these tests. Testing shall consist of:

- CT and CT circuit polarity, ratio, insulation, excitation, continuity and burden tests.
- VT and VT circuit polarity, ratio, insulation and continuity tests.
- Relay pick-up and time delay tests.
- Functional breaker trip tests from protective relays.
- Relay in-service test to check for proper phase rotation and magnitudes of applied currents and voltages.
- Breaker closing interlock tests.
- Other relay commissioning tests typically performed for the relay types involved.

B. The protective relays shall be tested and maintained by the LF on a periodic basis but not less than once every four years or as determined by RIE. The results of these tests shall be summarized by the LF and reported in writing to RIE.

For relays installed in accordance with the NPCC Criteria for the Protection of the Bulk Power System, maintenance intervals shall be in accordance with the NPCC Maintenance Criteria for Bulk Power System Protection. The status of conformance with the NPCC Maintenance Criteria for Bulk Power System Protection shall be reported in writing to RIE annually.

8.) CHANGES TO THE LF'S PROTECTION SYSTEM

The LF must provide RIE with reasonable advance notice of any proposed changes to be made to the protective relay system, relay settings, operating procedures or equipment that affect the interconnection. RIE will determine if such proposed changes require re-acceptance of the interconnection per the requirements of this Policy and Practices.

In the future, should RIE implement changes to the system to which the LF is interconnected, the LF will be responsible at its own expense for identifying and incorporating any necessary changes to its protection system. Those changes to the LF's protection system are subject to review and approval by RIE.

ATTACHMENT E

Local Service Agreement

Insurance Requirements

During the term of this Agreement, the interconnecting Transmission Customer, at its own cost and expense, shall procure and maintain insurance in the forms and amounts acceptable to RIE at the following minimum levels of coverage:

1) Statutory coverage for workers' compensation, and Employer's Liability Coverage with a limit no less than $1 million per accident;

2) Comprehensive General Liability Coverage including Operations, Contractual Liability and Broad Form Property Damage Liability written with limits no less than $5,000,000.00 combined single limit for Bodily Injury Liability and Property Damage Liability; and

3) Automobile Liability for Bodily Injury and Property Damage to cover all vehicles used in connection with the work with limits no less than $1,000,000.00 combined single limit for Bodily Injury and Property Damage Injury.

Prior to commencing the work, the interconnecting Transmission Customer shall have its insurer furnish to RIE certificates of insurance evidencing the insurance coverage required above and the interconnecting Transmission Customer shall notify and send copies to RIE of any policies maintained hereunder written on a "claims-made" basis. RIE may at its discretion require the interconnecting Transmission Customer to maintain tail coverage for five years on all policies written on a "claims-made" basis.

Every contract of insurance providing the coverages required in this provision shall contain the following or equivalent clause: "No reduction, cancellation or expiration of the policy shall be effective until thirty (30) days from the date written notice thereof is actually received by the interconnecting Transmission Customer. Upon receipt of any notice of reduction, cancellation or expiration, the interconnecting Transmission Customer shall immediately notify RIE. RIE and its Affiliates shall be named as additional insureds, as their interests may appear, on the Comprehensive General Liability and Automobile Liability policies described above.

The interconnecting Transmission Customer shall waive all rights of recovery against RIE for any loss or damage covered by said policies. Evidence of this requirement shall be noted on all certificates of insurance provided to RIE.

ATTACHMENT F

Methodology for Completing System Impact Study

~~When~~ **This Attachment F shall not apply to requests for transmission service on behalf of a Large Load, which shall be studied by the ISO, in coordination with Narragansett Electric Company ("RIE~~,~~"), in accordance with the Large Load study procedures in Part II.J of the ISO-NE OATT.**

When RIE determines on a non-discriminatory basis that a System Impact Study is needed because its Transmission System will be inadequate to accommodate a request for service, the following outlines the study methodology that RIE will employ to estimate the transmission system impact of a request for firm Transmission Service and/or any Costs for System Redispatch, Direct Assignment Facilities or 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 agreements that predate the OATT;

. meet obligations of existing and pending Valid Requests under the OATT; and

. maintain thermal, voltage and stability system performance within acceptable regional practices

2. Guidelines and Principles followed by RIE - RIE is a Participating Transmission Owner under the TOA and the Tariff and a member of the NPCC. When performing the System Impact Study, RIE will apply the following, as amended and/or adopted from time to time.

. Good Utility Practice;

. Criteria rules and reliability standards applicable to the New England Transmission System;

. NPCC criteria and guidelines; and

. ~~The Narragansett Electric Company~~RIE (or its successor) guides

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. The models may include representations of other NPCC and neighboring systems. These loadflow cases include individual

system model representations provided by members of the ISO and represent forecasted system conditions for up to ten years into the future. This library of loadflow cases is maintained and updated as appropriate by the ISO, and is consistent with information filed under FERC Form 715. RIE will use system models that it deems 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 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 RIE 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 new generators 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 transmission and delivery service under this tariff.

7. Loss Evaluation - The impact of losses on the 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 RIE.

9. Approvals - RIE 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 New England Operating Procedures or Section I.3.9 of the Tariff, 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 RIE's existing Transmission System. RIE will provide the Eligible Customer with a written report of the physical interconnection alternative(s), required RIE system additions and/or modifications, if any, associated study grade cost estimates (+/- 25%) and the results of the analysis.

ATTACHMENT G

Real Power Losses Factors

Voltage Class kV	Losses as a % of Energy Delivered
Stepdown transformer*	1.00
69	1.25**
34.5	1.98
23	2.61
15	4.18
5	4.34
Dist. Secondary	0.52

*The transformer that steps the voltage from the transmission level to the delivery level.

**The loss factor for the 69 kV level applies only when the Point of Delivery is not directly interconnected with the PTF.

Note: When multiple voltage levels are present between the Point of Delivery and the metering point, the loss factors are additive.

ATTACHMENT DAF

Direct Assignment Facilities

This Attachment applies to all transactions that utilize any Direct Assignment Facilities or any other charges specifically assigned to a customer by RIE under this Schedule or the OATT. The formula set forth in this Attachment, as it may be amended from time to time, represents the Direct Assignment Facilities Charge which a Transmission Customer or Network Customer (together, "Transmission Customer") will pay in addition to the other applicable charges specified herein.

The determination of the annual Direct Assignment Facilities Charges chargeable to a specific Transmission Customer or group of Transmission Customers shall be calculated by the Annual Facility Charge formulas set forth per Exhibit 1 and Exhibit 2 of this Attachment for transmission and distribution facilities. In no event will the Annual Facilities Charge be less than $1,000 per calendar year.

If the Transmission Customer permanently terminates service prior to the normal expiration of its Service Agreement, the Transmission Customer may, at its option, close out its continuing obligation to pay the Annual Facilities Charge by paying RIE a lump sum payment equal to the net present value of the Return and Depreciation Expense on the net book value of the facility at the time of termination that would have been collected over the remaining life of the facility, plus any cost of removal if applicable. The return shall be equal to that found in Appendix A to Attachment F to the ISO-NE OATT, in the year of termination. Depreciation Expense shall be based on a straight-line method. The discount rate in the net present value calculation shall be equal to the interest rate pursuant to Section 35.19(a) of the Commission's regulations effective at the time of termination.

Billings shall initially be based upon estimates calculated based on actual costs in the preceding year, such estimates being adjusted to actual as soon as practicable after such costs become known. The source of the data shall be RIE's accounting records.

DISTRIBUTION

Annual Facilities Charges for Distribution Facilities will be calculated as per Exhibit 2 of this Attachment.

METERS Determination of Annual Metering Charges

The Meter Maintenance Charge shall equal the product of RIE's installed metering costs for the customer and the Average Annual Carrying Charge determined in Attachment DAF, Exhibit 1 to this Schedule.

In accordance with the Meter Carrying Charge referenced above, the Annual Metering Charges will be updated on May 31 each year to reflect costs from the prior calendar year.

If the customer makes a CIAC, then the Average Annual Carrying Charge without CIAC determined in Attachment DAF, Exhibit 1 to this Schedule, will be used.

ATTACHMENT DAF

EXHIBIT 1

Direct Assignment Facilities – Transmission

Utility Name
Schedule 21 – RIE
Attachment DAF
Exhibit 1
Direct Assignment Facilities – Transmission (b)
For Costs in 20__

Line No	Input Cells are Shaded Yellow / Transmission Investment Base	(A) WITHOUT CIAC	(B) WITH CIAC	(C) Reference
1	Transmission Plant		0	Appendix A to Attachment F to the OATT, WS 1 Line 1 (A)
2	Transmission Related Intangible and General Plant		0	Appendix A to Attachment F to the OATT, WS 1 Line 2 (A)
3	Transmission Plant Land Held For Future Use		0	Appendix A to Attachment F to the OATT, WS 1 Line 3 (A)
4	Total Transmission Plant (Sum Lines 1 thru 3)	-	-	
5	Transmission Related Depreciation and Amortization Reserve		0	Appendix A to Attachment F to the OATT, WS 1 Line 5 (A)
6	Transmission Related Accumulated Deferred Income Tax		0	Appendix A to Attachment F to the OATT, WS 1 Line 6 (A)
7	Other Regulatory Assets/(Liabilities)		0	Appendix A to Attachment F to the OATT, WS 1 Line 7 (A)
8	Net Investment (Sum Lines 4 thru 7)	-	-	
9	Transmission Prepayments			Appendix A to Attachment F to the OATT, WS 1 Line 9 (A)
10	Transmission Materials and Supplies			Appendix A to Attachment F to the OATT, WS 1 Line 10 (A)
11	Transmission Unfunded Reserves			Appendix A to Attachment F to the OATT, WS 1 Line 11 (A)
12	Transmission Related Cash Working Capital			Appendix A to Attachment F to the OATT, WS 1 Line 12 (A)
13	Total Transmission Investment Base (Sum Lines 8 thru 12)	-	-	
14	Cost of Capital			Appendix A to Attachment F to the OATT, WS 2 Line 18 (A)
	Revenue Requirements			
15	Return and Associated Income Taxes	-	-	Line 13 * Line 14
16	Transmission Depreciation and Amortization Expense		0	Appendix A to Attachment F to the OATT, WS 1 Line 15 (A)
17	Transmission Related Municipal Tax Expense			Appendix A to Attachment F to the OATT, WS 1 Line 16 (A)
18	Transmission Related Payroll Tax Expense			Appendix A to Attachment F to the OATT, WS 1 Line 17 (A)
19	Transmission Operation and Maintenance Expense			Appendix A to Attachment F to the OATT, WS 1 Line 18 (A)
20	Transmission Related Administrative and General Expense			Appendix A to Attachment F to the OATT, WS 1 Line 19 (A)
21	Transmission Related PBOP Under/(Over) Recovery			Appendix A to Attachment F to the OATT, WS 1 Line 20 (A)
22	Transmission Related Expense from Generators			Appendix A to Attachment F to the OATT, WS 1 Line 21 (A)
23	Transmission Related Taxes and Fees Charge			Appendix A to Attachment F to the OATT, WS 1 Line 22 (A)
24	Transmission Rents Received from Electric Property			Appendix A to Attachment F to the OATT, WS 1 Line 24 (A)
25	Transmission Related Affiliate Revenues (Enter Credit)			Appendix A to Attachment F to the OATT, WS 1 Line 25 (A)
26	Total Transmission Revenue Requirements Allocable (Sum Lines 15 thru 25)	-	-	
27	Total Transmission Plant Investment			Appendix A to Attachment F to the OATT, WS 1 Line 4 (A)
28	**Average Annual Transmission Carrying Charge (Line 26/ Line 27)**	#DIV/0!	#DIV/0!	
	Annual Facilities Charge			
29	Gross Plant Investment			Attachment ____
30	Average Annual Transmission Carrying Charge (a)			Line ____
31	**Annual Facilities Charge (Line 29 x Line 30)**	-	-	
32	**Monthly Facilities Charge (Line 31 / 12)**	-	-	

Notes

(a) Carrying Charge with or without CIAC applied based on customer agreement
(b) For Rhode Island Energy's Affiliates, the references herein shall be calculated in a manner consistent with RIE

Utility Name
Schedule 21 – RIE
Attachment DAF
Exhibit 1
Direct Assignment Facilities – Transmission (b)
For Costs in 20__

Line No	Input Cells are Shaded Yellow	(A)	(B)	(C) Reference
	Transmission Investment Base	**WITHOUT CIAC**	**WITH CIAC**	
1	Transmission Plant		0	Appendix A to Attachment F to the OATT, WS 1 Line 1 (A)
2	Transmission Related Intangible and General Plant		0	Appendix A to Attachment F to the OATT, WS 1 Line 2 (A)
3	Transmission Plant/Land Held For Future Use		0	Appendix A to Attachment F to the OATT, WS 1 Line 3 (A)
4	Total Transmission Plant (Sum Lines 1 thru 3)	-	-	
5	Transmission Related Depreciation and Amortization Reserve		0	Appendix A to Attachment F to the OATT, WS 1 Line 5 (A)
6	Transmission Related Accumulated Deferred Income Tax		0	Appendix A to Attachment F to the OATT, WS 1 Line 6 (A)
7	Other Regulatory Assets/(Liabilities)		0	Appendix A to Attachment F to the OATT, WS 1 Line 7 (A)
8	Net Investment (Sum Lines 4 thru 7)	-	-	
9	Transmission Prepayments			Appendix A to Attachment F to the OATT, WS 1 Line 9 (A)
10	Transmission Materials and Supplies			Appendix A to Attachment F to the OATT, WS 1 Line 10 (A)
11	Transmission Unfunded Reserves			Appendix A to Attachment F to the OATT, WS 1 Line 11 (A)
12	Transmission Related Cash Working Capital			Appendix A to Attachment F to the OATT, WS 1 Line 12 (A)
13	Total Transmission Investment Base (Sum Lines 8 thru 12)	-	-	
14	Cost of Capital			Appendix A to Attachment F to the OATT, WS 2 Line 18 (A)
	Revenue Requirements			
15	Return and Associated Income Taxes	-	-	Line 13 * Line 14
16	Transmission Depreciation and Amortization Expense		0	Appendix A to Attachment F to the OATT, WS 1 Line 15 (A)
17	Transmission Related Municipal Tax Expense			Appendix A to Attachment F to the OATT, WS 1 Line 16 (A)
18	Transmission Related Payroll Tax Expense			Appendix A to Attachment F to the OATT, WS 1 Line 17 (A)
19	Transmission Operation and Maintenance Expense			Appendix A to Attachment F to the OATT, WS 1 Line 18 (A)
20	Transmission Related Administrative and General Expense			Appendix A to Attachment F to the OATT, WS 1 Line 19 (A)
21	Transmission Related PBOP Under/(Over) Recovery			Appendix A to Attachment F to the OATT, WS 1 Line 20 (A)
22	Transmission Related Expense from Generators			Appendix A to Attachment F to the OATT, WS 1 Line 21 (A)
23	Transmission Related Taxes and Fees Charge			Appendix A to Attachment F to the OATT, WS 1 Line 22 (A)
24	Transmission Rents Received from Electric Property			Appendix A to Attachment F to the OATT, WS 1 Line 24 (A)
25	Transmission Related Affiliate Revenues (Enter Credit)			Appendix A to Attachment F to the OATT, WS 1 Line 25 (A)
26	Total Transmission Revenue Requirement Allocable (Sum Lines 15 thru 25)	-	-	
27	Total Transmission Plant Investment			Appendix A to Attachment F to the OATT, WS 1 Line 4 (A)
28	**Average Annual Transmission Carrying Charge (Line 26/ Line 27)**	#DIV/0!	#DIV/0!	
	Annual Facilities Charge			
29	Gross Plant Investment			Attachment ____
30	Average Annual Transmission Carrying Charge (a)			Line ____
31	**Annual Facilities Charge (Line 29 x Line 30)**	-	-	
32	**Monthly Facilities Charge (Line 31 / 12)**	-	-	

Notes

(a) Carrying Charge with or without CIAC applied based on customer agreement
(b) For Rhode Island Energy's Affiliates, the references herein shall be calculated in a manner consistent with RIE

ATTACHMENT DAF

EXHIBIT 2

Direct Assignment Facilities - Distribution

Utility Name
Schedule 21 - RIE
Attachment DAF
Exhibit 2
Direct Assignment Facilities - Distribution
For Costs in 20__

Line	Description	Average	Reference (b)
	Annual Facilities Charge		
1	Gross Plant Investment		Attachment ____
2	Average Annual Distribution Carrying Charge (a)		Note (a)
3	**Annual Facilities Charge**	-	Line 1 x Line 2
4	**Monthly Facilities Charge**	-	Line 3 / 12

Notes

(a) Carrying Charge with or without CIAC applied based on customer agreement.

Carrying charge with CIAC equals the Annual Distribution Revenue Requirement as determined in Attachment RR, Exhibit 1 to the Schedule, divided by the year-end balance of total distribution plant investment determined in accordance with Attachment RR, Exhibit 1, Section I. (A) (1) (a) to this Schedule.

Carrying charge without CIAC equals the carrying charge with CIAC excluding Sections I. (A) (1) (a), I. (A) (1) (d), I. (A) (1) (e), I. (A) (1) (f), I. (B), I. (C) of Attachment RR, Exhibit 1 to this Schedule.

ATTACHMENT DS

Rolled-In Distribution Surcharge

The monthly Rolled-in Distribution Surcharge shall be (i) the monthly cost per kilowatt of $2.77, multiplied by (ii) the annual peak load of the Transmission Customer on the distribution system of RIE from the prior calendar year. Notwithstanding the foregoing, this provision will not apply to the Transmission Customer's Network Load taking service under the Specific Distribution Surcharge.

ATTACHMENT OCC

Other Charges & Credits

The following charges and credits may apply to a Transmission Customer or Network Customer, as applicable. The following charges shall apply to a Large Load Transmission Customer only to the extent provided in the applicable Large Load Transmission Service Agreement or Large Load Cost Recovery Agreement.

I. Monthly Local Network Service Charge:

Pursuant to Section ~~24.2~~12.1 of this Schedule, the Network Customer will pay a monthly charge determined in Exhibit 2 of this Attachment.

II. Transformer Surcharge:

Pursuant to Section ~~24.3~~12.2 of this Schedule, the Transmission Customer or Network Customer will pay a monthly surcharge computed in accordance with Exhibit 1 of this Attachment. This charge shall be multiplied by the Network Customer's Annual Peak Load, from the prior calendar year (coinciding with the calendar year used to calculate the Transformer Surcharge) in Exhibit 1 of this Attachment.

III. Meter Surcharge:

The monthly meter surcharge shall be computed in accordance with Exhibit 3 of this Attachment. multiplied by the number of RIE meters necessary to measure the delivery of transmission service to the Transmission Customer or Network Customer.

IV. Power Factor Penalty:

Pursuant to Section ~~20~~8.1 of this Schedule, a Network Customer or Transmission Customer will pay a Monthly Power Factor Penalty of $0.62 multiplied by the customer's deficient kilovars.

V. Specific Distribution Surcharge:

The monthly Specific Distribution Surcharge shall equal $.70 per KW month multiplied by the customer's Annual Peak Load from the prior calendar year.

VI. Network Load Dispatch Surcharge:

The monthly Network Load Dispatch Surcharge shall be computed in accordance with Exhibit ~~5~~4 of this Attachment.

VII. Network EPRI Credit:

The Network EPRI Credit shall be computed in accordance with Exhibit ~~6~~5 of this Attachment.

ATTACHMENT OCC

EXHIBIT 1

Transformer Surcharge

No later than May 31 of each calendar year, the Transformer Surcharge will be calculated based on the prior calendar year's annual costs, and will be billed from June 1 of the current year to May 31 of the following calendar year.

Utility Name
Schedule 21 - RIE
Attachment OCC
Exhibit 1
Transformer Surcharge
For Costs in 20__

Line	Description	Total	Reference
	Plant Investment in Step-down Transformers		
1	Total Investment in Step-down Transformers		Attachment ___
2	Average Annual Transmission Carrying Charge		Exhibit 1 to Attachment DAF, Line 28 (A)
3	**Annual Costs for Transformation Facilities**	-	Line 1 x Line 2
	Transformer Surcharge Rate		
4	Annual Costs for Transformation Facilities	-	Line 3
5	Annual Peak Loads of all Customers receiving Transformation Service (kW)		Attachment ___
6	Annual Transformer Surcharge Rate	#DIV/0!	Line 4 / Line 5
7	**Monthly Transformer Surcharge Rate**	#DIV/0!	Line 6 / 12

Utility Name
Schedule 21 - RIE
Attachment OCC
Exhibit 2
Monthly Local Network Service Charge
For Costs in 20__

Line	Description	Amount	Reference
1	Total Local Service ATRR		Attachment 2 of Appendix B to Attachment F to the OATT, Worksheet 1, Line 9 (A)
2	Annual Local Network Service load for calendar year two years prior to service year		Attachment __
3	Annual Local Network Service Rate	#DIV/0!	Line 1 / Line 2
4	Monthly Local Network Service Rate	#DIV/0!	Line 3 / 12
5	Customer Local Network Service Load for applicable month		Attachment __
6	**Monthly Local Network Service Charge**	**#DIV/0!**	Line 4 x Line 5

ATTACHMENT OCC

EXHIBIT 2

Monthly Local Network Service Charge

Utility Name
Schedule 21 - RIE
Attachment OCC
Exhibit 1
Transformer Surcharge
For Costs in 20__

Line	Description	Total	Reference
	Plant Investment in Step-down Transformers		
1	Total Investment in Step-down Transformers		Attachment ___
2	Average Annual Transmission Carrying Charge		Exhibit 1 to Attachment DAF, Line 28 (A)
3	**Annual Costs for Transformation Facilities**	-	Line 1 x Line 2
	Transformer Surcharge Rate		
4	Annual Costs for Transformation Facilities	-	Line 3
5	Annual Peak Loads of all Customers receiving Transformation Service (kW)		Attachment ___
6	Annual Transformer Surcharge Rate	#DIV/0!	Line 4 / Line 5
7	**Monthly Transformer Surcharge Rate**	#DIV/0!	Line 6 / 12

ATTACHMENT OCC

EXHIBIT 3

Meter Surcharge

No later than May 31 of each calendar year, the Meter Surcharge will be calculated based on the prior calendar year's annual costs, and will be billed from June 1 of the current year to May 31 of the following calendar year

Rhode Island Energy
Schedule 21 - RIE
Attachment OCC
Exhibit 3
Meter Surcharge
For Costs in ____

Line	Description	Average	Reference
	Plant Investment in Meters		
1	Plant Investment in Meters (a)		FF1, Page 207.70(g) / Attachment __
2	Company Meters used for Transmission Billing (a)		Attachment __
3	Total Company Meters Owned (a)		Attachment __
4	Percentage of Company Owned Billed Meters	#DIV/0!	Line 2 / Line 3
5	Plant Investment in Meters	#DIV/0!	Line 1 x Line 4
6	Average Annual Carrying Charge		Attachment DAF, Exhibit 1 Line 28 (A)
7	Subtotal Annual Cost for Metering Service	#DIV/0!	Line 5 x Line 6
8	Less: Specifically identified Meter Revenues	0	Attachment __
9	Subtotal Annual Cost for Metering Service	#DIV/0!	Line 7 x Line 8
	Meter Surcharge Rate:		
10	Annual Cost for Metering Service	#DIV/0!	Line 9
11	Company-Owned Billing Meters - Subject to Surcharge (a)	-	Attachment __
12	Annual Meter Surcharge Rate	#DIV/0!	Line 10 / Line 11
13	**Monthly Meter Surcharge Rate**	**#DIV/0!**	Line 12 / 12

Notes
(a) For Rhode Island Energy's Affiliates, the references herein shall be calculated in a manner consistent with RIE

ATTACHMENT OCC

EXHIBIT 4

Local Network Load Dispatch Surcharge

1. No later than May 31 of each calendar year, the Local Network Load Dispatch Surcharge will be calculated based on the prior calendar year's annual costs and will be billed from June 1 of the current year to May 31 of the following calendar year.

2. Network ~~Customer's~~Customers will pay the Network Load Dispatching Surcharge as calculated below:

Rhode Island Energy
Schedule 21 - RIE
Attachment OCC
Exhibit 4
Local Network Load Dispatch Surcharge
For Costs in ____

Line	Description	FERC Account	Amount	Reference
Local Network Load Dispatch Surcharge				
1	Load Dispatch-Reliability	561.1		FF1, Page 321.85(b)
2	Load Dispatch-Monitor and Operate Transmission System	561.2		FF1, Page 321.86(b)
3	Load Dispatch-Transmission Service and Scheduling	561.3		FF1, Page 321.87(b)
4	Scheduling, System Control and Dispatch Services	561.4		FF1, Page 321.88(b)
5	Annual Network Load Dispatching Expenses		-	Sum Lines 1 through 4
6	Less: REMVEC-II Expense			Attachment __
7	Less: ISO/NEPOOL related S&D Expenses			Attachment __
8	Load Dispatching Expense		-	Line 5 - Line 6 - Line 7
9	Local Service Allocator		23.66%	Worksheet 2, line 6(c) of Appendix B to Attachment F of the OATT
10	True-up Rebill/Refund for Prior Service Year		-	Line 34
11	**Local Network Service Load Dispatching Expense**		-	(Line 8 * Line 9) + Line 10
12	Annual Local Network Service Load		1,173,922	Attachment ___
13	Annual Local Network Load Dispatch Surcharge Rate		0.0000	Line 11 / Line 12
14	Monthly Local Network Load Dispatch Surcharge Rate		0.0000	Line 13 / 12
15	Customer Local Network Service Load for month			Attachment ___
16	**Customer Local Network Load Dispatch Surcharge**		**0.00**	Line 14 x Line 15
True-up and Interest Calculation for Prior Year				
17	Prior Year Revenues received for Load Dispatch Expense (Enter Credit)			Attachment ___
18	Prior Year Load Dispatch Revenue Requirements			Attachment ___
19	True-up Rebill/(Refund)		-	Line 17 + Line 18

	Month	Year	Balance (a)	Interest Rate (b)	Interest
20	June		-		-
21	July	0	-		-
22	August	0	-		-
23	September	0	-		-
24	October	0	-		-
25	November	0	-		-
26	December	0	-		-
27	January	1	-		-
28	February	1	-		-
29	March	1	-		-
30	April	1	-		-
31	May	1	-		-
32	Total Interest (Sum of Lines 20 thru 31)				-
33	True-up (Line 19)				-
34	Total True-up & Interest (Line 32 + Line 33)				-

Notes
(a) Interest is compounded quarterly per Code of Federal Regulation Title 18 Section 35.19a
(b) Interest rate per Code of Federal Regulation Title 18 Section 35.19a

ATTACHMENT OCC

EXHIBIT 5

Network EPRI Credit

Network ~~Customer's~~Customers will receive the Network EPRI Credit as calculated below:

Rhode Island Energy
Schedule 21 - RIE
Attachment OCC
Exhibit 5
Network EPRI Credit
For Costs in ____

Line	Description	FERC Account	Amount	Reference
1	Network EPRI Expenses (enter credit)	930		Attachment __
2	Customer's Local Network Service Load Ratio Share for applicable month			Attachment __
3	**Customer Network EPRI Credit**		-	Line 1 x Line 2

ATTACHMENT RR

Transmission Revenue Requirements

The Local Service Annual Transmission Revenue Requirement (ATRR) will be determined based on the calculation set forth in Attachment 2 of Appendix B to Attachment F to the OATT. The Monthly Local Network Service Charge will be calculated pursuant to Exhibit 2 of Attachment OCC.

EXHIBIT 1

Distribution Cost of Service

Pursuant to Attachment DAF to this Schedule, the Distribution Cost of Service shall be calculated as follows:

I. The Primary Distribution System Cost of Service shall equal the sum of (A) Return and Associated Income Taxes, (B) Primary Depreciation Expense, (C) Primary Related Amortization of Loss on Reacquired Debt, (D) Primary Related Amortization of Investment Tax Credits, (E) Primary Related Municipal Tax Expense, (F) Primary Operation and Maintenance Expense, (G) Primary Related Administrative and General Expense, (H) Primary Revenue Credit, and (I) Primary Amortization of Regulatory Assets and Liabilities.

A. Return and Associated Income Taxes shall equal the product of the Primary Investment Base and the Cost of Capital Rate.

(1) Primary Investment Base will be (a) Total Primary Distribution Plant, plus (b) Primary Related General Plant, plus (c) Primary Plant Held for Future Use, less (d) Primary Depreciation Reserve, less (e) Primary Related Accumulated Deferred Income Taxes, plus (f) Primary Related Loss on Reacquired Debt, plus (g) Primary Related Regulatory Assets and Liabilities, plus (h) Primary Materials and Supplies, plus (i) Primary Related Prepayments, plus (j) Primary Related Cash Working Capital.

(a) Total Primary Distribution Plant shall equal RIE's Plant Accounts 360 to 373 multiplied by allocation factors from the Distribution Engineering Study.

(b) Primary Related General Plant shall equal RIE's Investment in General Plant, multiplied by the Primary Wages & Salaries Allocation Factor. The Primary Wages & Salaries Allocation Factor shall equal the ratio of Total Distribution Wages & Salaries to the Total Wages & Salaries excluding A&G, multiplied by the ratio of Primary Distribution related O&M to Total Distribution O&M (Primary O&M Allocation Factor).

(c) Primary Plant Held for Future Use shall equal RIE's Account 105, multiplied by the Primary Land Allocation Factor from the Distribution Engineering Study.

(d) **Primary Depreciation Reserve** shall equal RIE's Depreciation Reserve multiplied by the ratio of Primary Depreciable Distribution Plant to Total Depreciable Distribution Plant (Primary Depreciable Plant Allocation Factor), plus an allocation of average General Plant Depreciation Reserve calculated by multiplying beginning and end of year General Plant Depreciation Reserve by the Primary Wages and Salaries Allocation Factor described in Section (I)(A)(1)(b) above.

(e) **Primary Related Accumulated Deferred Income Taxes** shall equal the Total Accumulated Deferred Income Taxes, multiplied by the ratio of average Primary Plant in Service to average Total Plant in Service excluding General Plant (Primary Plant Allocation Factor).

(f) **Primary Related Loss on Reacquired Debt** shall equal the Total Loss on Reacquired Debt, multiplied by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

(g) **Primary Related Regulatory Assets** and Liabilities shall equal RIE's specifically identified primary related excess or deficient accumulated deferred income taxes as a result of changes in Federal, State or Local income tax rates as calculated in the ADIT Worksheet and other FAS 109 balances as recorded in FERC Account 182.3 and FERC Account 254. "Specifically identified" excess or deficient ADIT will be the sum of excess or deficient ADIT calculated on the RIE's electric distribution plant in service plus excess or deficient ADIT calculated on the RIE's total electric non-plant related balances multiplied by the Primary Depreciable Plant Allocation Factor at the time of the tax rate change.

(h) **Primary Materials and Supplies** shall equal RIE's Distribution Plant Materials and Supplies, multiplied by the Primary O&M Allocation Factor as described in Section (I)(A)(1)(b) above.

(i) **Primary Related Prepayments** shall equal RIE's Prepayments, multiplied by the Primary Wages and Salaries Allocator described in Section (I)(A)(1)(b) above.

(j) **Primary Related Cash Working Capital** shall be a 45-day allowance or 12.5% of Primary Operation and Maintenance Expense and Primary Related Administrative and General Expense.

(2) **Cost of Capital Rate** will equal (a) RIE's Weighted Cost of Capital, plus (b) Federal Income Tax, plus (c) State Income Tax.

(a) **The Weighted Cost of Capital** will be calculated based upon the capital structure at the end of each year and will equal the sum of:

i) **the long-term debt component**, which equals the product of the actual dollar weighted average embedded cost to maturity of RIE's long-term debt then outstanding and the ratio that long-term debt is to RIE's total capital.

ii) **the preferred stock component**, which equals the product of the actual weighted average embedded cost to maturity of RIE's preferred stock then outstanding and the ratio that preferred stock is to RIE's total capital.

iii) **the return on equity component**, which equals the product of 10.57% and the ratio that common equity is to RIE's total capital.

(b) **Federal Income Tax** shall equal

$$\frac{A \times FT}{1-FT}$$

where FT is the Federal Income Tax Rate and A the sum of the preferred stock component and the return on equity component determined in Section (I)(A)(2)(a)(ii) and Section (I)(A)(2)(a)(iii) above.

(c) **State Income Tax** shall equal

$$\frac{(A + \text{Federal Income Tax}) \times ST}{1-ST}$$

where ST is the State Income Tax Rate, A is the sum of the preferred stock component and the return on equity component determined in Section (I)(A)(2)(a)(ii) and Section (I)(A)(2)(a)(iii) above, and Federal Income Tax is Federal Income Tax as determined in Section (I)(A)(2)(b) above.

B. **Primary Depreciation Expense** shall equal Depreciation Expense for Distribution Plant, multiplied by the Primary Depreciable Plant Allocation Factor as described in Section (I)(A)(1)(d) above, plus an allocation of General Plant Depreciation Expense calculated by multiplying General Plant Depreciation Expense by the Primary Wages and Salaries Allocation Factor described in Section (I)(A)(1)(b) above.

C. **Primary Related Amortization of Loss on Reacquired Debt** shall equal RIE's Amortization of Loss on Reacquired Debt, multiplied by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

D. **Primary Related Amortization of Investment Tax Credits** shall equal RIE's Amortization of Investment Tax Credits, multiplied by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

E. **Primary Related Municipal Tax Expense** shall equal a pro-rata share of RIE's total municipal taxes allocated by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

F. **Primary Operation and Maintenance Expense** shall equal the sum of all expenses charged to FERC Account Numbers 580 through 598, allocated to Primary as indicated by the Distribution Engineering Study.

G. **Primary Related Administrative and General Expenses** shall equal RIE's Administrative and General Expenses, plus Payroll Taxes, multiplied by the Primary Wages & Salaries Allocation Factor described in Section (I)(A)(1)(b) above.

H. **Primary Revenue Credit** shall be equal to RIE's distribution-related 'Other Operating Revenues' as reported on page 300 of RIE's FERC Form No. 1, excluding any distribution revenues resulting from direct distribution service, multiplied by the Primary O&M Allocation Factor as defined in (I)(A)(1)(b).

I. **Primary Amortization of Regulatory Assets and Liabilities** shall equal RIE's specifically identified primary related expenses and credits recorded in FERC Account 410.1 and 411.1 solely related to any deficient or excess deferred income taxes as a result of changes in Federal, State or Local income tax as calculated in the ADIT Worksheet including the tax gross up amount.

The annual update of the Distribution Carrying Charge per Exhibit 2 of Attachment DAF will include a fully populated formula rate template with underlying workpapers and FERC Form 1 references to support all inputs including an ADIT Worksheet and remeasurement worksheet. The ADIT Worksheet will annually track information related to excess and deficient ADIT associated with changes in federal, state, or local tax rates. The remeasurement worksheet will be provided for any excess or deficient ADIT and associated amortization following a tax rate change.

EXHIBIT 2

The RIE ADIT Worksheets

RIE (Excess)/Deficient ADIT Worksheet
Attachment __
For Costs in the Year of 20__

Input Cells are Shaded Yellow		FERC Account Nos.		(A)	(B)	(C)	(D) = (A) + (B) + (C)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M) = (A) - (G) - (J)	(N) = (B) - (H) - (K)	(O) = (C) - (I) - (L)	(P) = (M) + (N) + (O)	(Q)
					20__ Year End Regulatory Asset/(Liability) for ADIT			Amortization Periods (f)		Amortization Expense (d)				Other Adjustments (e)		20__ Year End Regulatory Asset/(Liability) for ADIT				
Line No.	Description (c)	FERC Account No. - ADIT	Regulatory Asset/Liability associated with FERC ADIT Account	FERC Account No. - Amortization Expense	Protected	Unprotected	Gross-Up (g)	12/31/__ Balance	Protected	Unprotected	Protected	Unprotected	Gross-Up (g)	Protected	Unprotected	Gross-Up (g)	Protected	Unprotected	Gross-Up (g)	12/31/__ Balance	Reference
	Distribution Plant																			
1a							-									-	-	-	-	
1b							-									-	-	-	-	
1c							-									-	-	-	-	
1[]	Distribution Plant Sub-Total (Sum of Lines 1a thru 1[]) (b)				-	-	-	-			-	-	-	-	-	-	-	-	-	-	
	Distribution NonPlant																			
2a							-									-	-	-	-	
2b							-									-	-	-	-	
2c							-									-	-	-	-	
2[]	Distribution Non-Plant Sub-Total (Sum of Lines 2a thru 2[]) (b)				-	-	-	-			-	-	-	-	-	-	-	-	-	-	
3	Total Distribution (Sum Lines 1[] and 2[])				-	-	-	-			-	-	-	-	-	-	-	-	-	-	
4	Distribution ADIT - Regulatory Asset		182.3		FF1 Page 232_												FF1 Page 232_				
5	Distribution ADIT - Regulatory Liability		254		FF1 Page 278_												FF1 Page 278_				
6	Distribution ADIT Regulatory Asset/(Liability) (Line 4 + Line 5)							-												-	
	Transmission Plant																			
7a								-									-	-	-	-	
7b								-									-	-	-	-	
7c								-									-	-	-	-	
7[]	Transmission Plant Sub-Total (Sum of Lines 7a thru 7[]) (b)				-	-	-	-			-	-	-	-	-	-	-	-	-	-	
	Transmission NonPlant																			
8a								-									-	-	-	-	
8b								-									-	-	-	-	
8c								-									-	-	-	-	
8[]	Transmission Non-Plant Sub-Total (Sum of Lines 8a thru 8[]) (b)				-	-	-	-			-	-	-	-	-	-	-	-	-	-	
9	Total Transmission (Sum Lines 7[] and 8[])				-	-	-	-			-	-	-	-	-	-	-	-	-	-	
10	Transmission ADIT - Regulatory Asset		182.3		FF1 Page 232_												FF1 Page 232_				
11	Transmission ADIT - Regulatory Liability		254		FF1 Page 278_												FF1 Page 278_				
12	Transmission ADIT Regulatory Asset/(Liability) (Line 10 + Line 11)							-												-	
	ADIT Related Regulatory Assets and Liabilities (h)																				
13	Excess or Deficient ADIT on Electric Distribution Plant (Line 1[])							-												-	
14	Excess or Deficient ADIT on Total Electric Non-Plant (Line 2[] + Line 8[])							-												-	
	Amortization of ADIT Related Regulatory Assets and Liabilities (i)																				
15	Total Distribution Amortization Expense (Line 3(G) + Line 3(H))											-									

Notes:

(a) Enter credit balances as negatives.
(b) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter. The PTO may add or remove sublines without a FPA Section 205 filing.
(c) Upon a change in Federal, State or Local income tax rates, the Company remeasures its affected accumulated deferred income tax (ADIT) assets and liabilities to reflect the new applicable corporate income tax rate. The affected ADIT accounts are remeasured by comparing ADIT on cumulative temporary differences for each item in accounts 190, 282, and 283 at the current Federal, State & Local income tax rate to ADIT balances at the historical Federal, State & Local income tax rates. The difference between the two represents the deficient or excess ADIT balances. The result of this remeasurement is a change to the net deferred tax assets/liabilities recorded in accounts 190, 282, and 283 with a corresponding net change in regulatory assets (account 182.3) and regulatory liabilities (account 254) to reflect the resulting deficient or excess ADIT balances to be recovered/returned from/to customers, respectively.
(d) Deficient ADIT is amortized to Account 410.1; Excess ADIT is amortized to Account 411.1 .
(e) RIE will provide explanation for "other adjustments," where applicable.
(f) The amortization periods of the deficient or excess ADIT being recovered or returned through rates follow an Average Rate Assumption Method ("ARAM"), which amortizes the ADIT over the life of the associated plant, or a straight-line method, known as the Reverse South Georgia Method ("RSGM"), which amortizes the ADIT evenly over some time period approved by the Commission. When applicable, ARAM and RSGM will be used for deficient ADIT on Net Operating Losses associated with protected and unprotected plant, respectively.
(g) Tax gross up calculated using the Composite Tax Rate / (1 - Composite Tax Rate) in effect for the applicable period.
(h) Exhibit 1 of Schedule 21-RIE provides that primary related regulatory assets and liabilities shall equal RIE's specifically identified primary related excess or deficient accumulated deferred income taxes ("EDIT") as a result of changes in Federal, State or Local income tax rates and other FAS109 balances as recorded in FERC Accounts 182.3 and 254. "Specifically identified" excess or deficient ADIT will be the sum of excess or deficient ADIT calculated on the RIE's electric distribution plant in service (Line 13P) plus excess or deficient ADIT calculated on the RIE's total electric non-plant related balances (Line 14P) multiplied by the Primary Depreciable Plant Allocation Factor as defined in Section (I)(A)(1)(d).
(i) Exhibit 1 of Schedule 21-RIE provides that primary amortization of regulatory assets and liabilities shall equal RIE's specifically identified primary related expenses and credits recorded in FERC Account 410.1 and 411.1 solely related to any EDIT as a result of changes in Federal, State or Local income tax.
(j) RIE will add footnotes below to identify excess or deficient ADIT from future Federal, State and Local income tax rate changes.
(k) []

RIE

(Excess)/Deficient ADITWorksheet
Attachment 1 - Remeasurement Support - _____
For Costs in the Year of 20__

~~Notes~~
~~(a) Companyrecords~~
~~(b) Total equals the sumof sublines a through[], where [] is the last subline denoted bya letter. The Company may add or remove sublines without a FPASection205 filing.~~
~~(c) Enter credit balances as negatives.~~
~~When the effective date for an income taxrate change falls within a Company's fiscal taxyear, the income taxrate for such a year shall be the sumof the number of days in each time period times the taxrate for eachperiod.~~
~~(d) Income taxrate prior to enacted taxrate change. 0.00%~~
~~(e) Income taxrate enacted in the current year. 0.00%~~
~~(f) RIE will provide explanationwhen~~
~~(g) RIE will provide explanationwhen~~
~~(h) RIE may add footnotes belowwithout a FPASection205 filing.~~
~~(i)~~

Input Cells are Shaded Yellow (c)

Line No.	Description	FERC Account No.	(A) Gross Temporary Difference Year Ended _	(B) = (A)* _% ADIT @ prior income tax rate (d)	(C) = (A)* _% ADIT @ enacted income tax rate (e)	(D) = (B) - (C) (Excess)/Deficient ADIT due to Rate Change	(E) Gross Temporary Difference Year Ended _ (f)	(F) = (E)* % ADIT @ prior income tax rate (d)	(G) = (E)*% ADIT @ enacted income tax rate (e)	(H) = (F) - (G) (Excess)/Deficient ADIT due to Rate Change	(I) = (D) + (H) Total (Excess)/Deficient ADIT due to Rate Change	(J) Adjustments Post Remeasurement (g)	(K) = (I) + (J) 20__ (Excess)/Deficient ADIT due to Rate Change
	Distribution Plant												
1a				-	-	-		-	-	-	-		-
1b				-	-	-		-	-	-	-		-
1c				-	-	-		-	-	-	-		-
1d				-	-	-		-	-	-	-		-
1[ ]				-	-	-		-	-	-	-		-
2	Total (Sum Lines 1a thru 1[]) (b)		-	-	-	-	-	-	-	-	-	-	-
	Distribution NonPlant												
2a				-	-	-		-	-	-	-		-
2b				-	-	-		-	-	-	-		-
2c				-	-	-		-	-	-	-		-
2[ ]	Distribution Non-Plant Sub-Total (Sum of Lines 2a thru 2[]) (b)		-	-	-	-	-	-	-	-	-	-	-
3	Total Distribution (Sum Lines 1[] and 2[])		-	-	-	-	-	-	-	-	-	-	-
	Transmission Plant												
4a				-	-	-		-	-	-	-		-
4b				-	-	-		-	-	-	-		-
4c				-	-	-		-	-	-	-		-
4[ ]	Transmission Plant Sub-Total (Sum of Lines 4a thru 4[]) (b)		-	-	-	-	-	-	-	-	-	-	-
	Transmission NonPlant												
5a				-	-	-		-	-	-	-		-
5b				-	-	-		-	-	-	-		-
5c				-	-	-		-	-	-	-		-
5[ ]	Transmission Non-Plant Sub-Total (Sum of Lines 5a thru 5[]) (b)		-	-	-	-	-	-	-	-	-	-	-
6	Total Transmission (Sum Lines 4[] and 5[])		-	-	-	-	-	-	-	-	-	-	-

Notes

(a) Company records

(b) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter. The Company may add or remove sublines without a FPA Section 205 filing.

(c) Enter credit balances as negatives.

When the effective date for an income tax rate change falls within a Company's fiscal tax year, the income tax rate for such a year shall be the sum of the number of days in each time period times the tax rate for each period.

(d) Income tax rate prior to enacted tax rate change. 0.00%

(e) Income tax rate enacted in the current year. 0.00%

(f) RIE will provide explanation when

(g) RIE will provide explanation when

(h) RIE may add footnotes below without a FPA Section 205 filing.

(i)

ATTACHMENT L

Creditworthiness Policy

1. Introduction & Applicability

This policy establishes creditworthiness standards for transmission service and/or interconnection service customers other than Large Load Transmission Customers or Large Load Eligible Customers ("Customers") entering into new, amended or assigned service agreements with RIE under the ISO-NE OATT. The creditworthiness, financial assurance, and security requirements applicable to the Large Load Eligible Customer or Large Load Transmission Customer shall be determined by RIE in consultation with such customer.

The following describes RIE's qualitative and quantitative credit review procedures and the types of security that are acceptable to RIE to protect against the risk of default.

2. Information Requirements

For purposes of determining the ability of a Customer to meet its obligations, RIE may require the Customer to submit financial information for ~~the~~ credit review, including credit ratings, credit reports and audited financial statements. In addition, the following factors may be considered in evaluation of the Customer's creditworthiness: applicant's history; nature of organization and operating environment; management; contractual obligations; governance, financial / accounting policies, risk management and credit policies; market risk including price exposures, credit exposures, and operational exposures; and event risk. All information required under this Attachment should be forwarded to the RIE account manager as specified on the RIE OASIS website.

3. Creditworthiness Evaluation

RIE will evaluate the creditworthiness of ~~Customer.~~each Customer entering into new ~~or,~~ amended, or assigned transmission or interconnection service agreements with RIE in order to assess ~~a~~the Customer's credit risk relative to the exposure or "Total Outstanding Obligation" (as defined in Section 3.1 below~~,~~), created by the contemplated transaction or transactions ~~that~~between RIE ~~has with~~and the Customer.

3.1 Total Outstanding Obligation

The Customer's Total Outstanding Obligation to RIE will be the sum total of the following components:

3.1.1 If the Customer is making payments to RIE for ongoing expenses (including, but not limited to, O&M expenses related to interconnections or other monthly charges such as monthly transmission charges under Schedule 21-RIE of the ISO-NE OATT) the Customer will be required to provide security pursuant to Section 3.2 below, for four months' worth of the Customer's average payment obligation for all such charges.

3.1.2 Whenever, in accordance with the provisions of the ISO-NE OATT, ~~a~~the Customer pays a Contribution in Aid of Construction ("CIAC") and/or transfers ownership of facilities to RIE for transmission or interconnection facilities that are to be constructed on behalf of ~~a~~the Customer at the Customer's sole expense, and RIE determines in good faith that the receipt of CIAC payments or property from the Customer are non-taxable, RIE will require a form of security from the Customer pursuant to Section 3.2 below for the amount of the potential tax liability to RIE that would occur if such facilities were deemed taxable.

3.1.3 Whenever, in accordance with the provisions of the ISO-NE OATT, ~~a~~the Customer pays a formula rate over time for return of and on the cost of capital incurred by RIE on behalf of ~~a~~ the Customer at the Customer's sole expense, the Customer will be required to provide security pursuant to Section 3.2, below, for the unamortized balance of plant in service reserved for the sole use of the Customer.

3.2 Creditworthiness Requirements

A Customer will be considered creditworthy upon satisfying at least one of the following conditions, or a combination of those conditions, at the time that the Customer enters into a transmission or interconnection service agreement and for so long as the Customer maintains satisfaction of at least one of these conditions for any outstanding obligations thereunder:

3.2.1 The Customer maintains a minimum credit rating of BBB from Standard & Poor's Long- term Issuer Credit Rating or Baa2 from Moody's Investors Service Long-term Issuer Credit Rating, so long as the Customer's Total Outstanding Obligation plus any other unsecured obligation with RIE does not exceed the Credit Limits.[1]

If unrated, the Customer's financial statements will be reviewed to determine an equivalent rating based on the Customer's unsecured credit limits and/or financial statements.

3.2.2 The Customer provides and maintains in effect during the term of and until full and final payment and performance of the service agreement an unconditional and irrevocable Letter of Credit for the Total Outstanding

[1] When RIE reviews a Customer's rating from two or more rating agencies and a split rating is present, the lower debt rating will apply. In the event that the Customer only has a rating from either Standard & Poor's or Moody's Investors Service, a rating from Duff & Phelps or Fitch and Weiss may also be used with acceptable ratings equivalent to those from either Standard and Poor's or Moody's Investors Service.

Obligation in the form and substance and issued by a bank acceptable to RIE. A draft, acceptable form letter of credit is posted on OASIS. Any such bank must satisfy the creditworthiness criteria described in 3.2.1 above.

3.2.3 The Customer's parent or an Affiliate company satisfies the creditworthiness criteria described in 3.2.1 above and, subject to the Credit Limits stated in Section 5 below, such company submits to RIE and maintains in effect a Letter of Guaranty acceptable to RIE as to amount, form and substance for the term of and until full and final payment and performance of the service agreement.

3.2.4 The Customer ~~is a municipal that is a member of the Massachusetts Municipal Wholesale Electric Cooperative (MMWEC). In such instances, MMWEC must meet the criteria set out in 3.2.1 or 3.2.2 above and provide to RIE a Letter of Guaranty that MMWEC will be unconditionally responsible for all financial obligations associated with the Customer's receipt of transmission or interconnection service from RIE.~~

~~3.2.5 The Customer~~ makes an advance payment to RIE in immediately available funds for the Total Outstanding Obligation. If, at any time, the credit rating of the Customer, Customer's bank, or Customer's parent or Affiliate providing the Guaranty as set out in 3.2.1, 3.2.2 or 3.2.3 above falls below investment grade (BBB- from Standard and Poor's and or Baa3 from Moody's), the Customer will be required to provide (i) notification to RIE within 10 days and, (ii) another form of security acceptable to RIE, as described in this Section 3.2, within 30 days.

~~1 When RIE reviews a Customer's rating from two or more rating agencies and a split rating is present, the lower debt rating will apply. In the event that the Customer only has a rating from either Standard & Poor's or Moody's Investors Service, a rating from Duff & Phelps or Fitch and Weiss may also be used with acceptable ratings equivalent to those from either Standard and Poor's or Moody's Investors Service.~~

4. Customer Costs Requiring Prepayment

Whenever, in accordance with the provisions of the ISO-NE OATT, a Customer pays a CIAC for transmission or interconnection facilities to be constructed by RIE on behalf of a Customer at the Customer's sole expense, the Customer will have the option to (i) prepay the CIAC in immediately available funds to RIE, or (ii) make periodic CIAC progress payments, as defined in the Customer's service agreement, to prepay in increments capital costs scheduled to be incurred by RIE. If RIE determines in good faith that such payments or property transfers made by the Customer should be reported as income subject to taxation, the Customer shall also prepay all costs associated with the cost consequences of the current tax liability imposed on RIE by those facilities (the "Tax Gross- up").

5. Credit Limits

RIE reserves the right to limit the total amount of unsecured credit extended to a Customer under 3.2.1 and 3.2.3 above such that the sum of all unsecured credit that such Customer has with RIE and its Affiliates, including the Total Outstanding Obligation, shall not exceed the Credit Limits defined below. Such limitations are based on an assessment of the Customer's or its Guarantor's credit rating and the net worth of the Customer's or its Guarantor's assets.

S&P's (or Moody's equivalent) Credit Rating	Unsecured Credit Limit as Percent of Customer's (or Guarantor's) Net Worth
A and above	1.0%
A-	0.5%
BBB+	0.2%
BBB	0.1%
BBB-	0.0%

6. Contesting Creditworthiness Determinations

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

7. Process for Changing Credit Requirements

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

7.1 General Notification Process

7.1.1 RIE 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. RIE shall consult with interested stakeholders upon request.

7.1.2 Following Commission acceptance of such filing and upon the effective date, RIE shall revise its Attachment L Creditworthiness Policy and an updated version of Schedule 21-RIE shall be posted on the ISO-NE website.

7.2 Customer Responsibility

7.2.1 Upon the effective date of any revision to these creditworthiness requirements or upon the date of the Commission's order accepting such revisions, whichever is later, the Customer shall have 30 days to forward updated financial information to RIE and indicate whether the revised creditworthiness requirements impair the Customer's ability to comply with the revised requirements. In such cases, the Customer must take all reasonable steps to comply with the revised requirements of the Creditworthiness Policy within 45 days of the effective date of the change.

7.3 Notification for Active Customers

7.3.1 Active Customers are defined as any current Customer that has a Service Agreement currently in effect and has posted an irrevocable letter of credit, letter of guaranty or prepayment in accordance with Sections 3.2.2, 3.2.3, 3.2.4, or 3.2.5, above.

7.3.2 All Active Customers will be served with copies of any filing submitted to the Commission to modify the RIE's creditworthiness requirements.

8. Suspension of Service

RIE may immediately suspend service (with notification to Commission) to a customer, and may initiate proceedings with Commission to terminate service, if the customer does not meet the terms described in this Attachment. A customer is not obligated to pay for Transmission Service that is not provided as a result of a suspension of service.

ATTACHMENT S-1

Local 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 over Non-PTF. The Transmission Customer or Network Customer must purchase this service from RIE. The charges for Scheduling, System Control and Dispatch Service shall be based on the Local Network Load Dispatch Surcharge set forth in Attachment OCC to this Schedule. To the extent the ISO performs this service for RIE, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to RIE by the ISO.

SCHEDULE 21 - NEP

NEW ENGLAND POWER COMPANY
LOCAL SERVICE SCHEDULE

Table of Contents

I. Common Service Provisions

II. Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service

III. Attachment C Form of System Impact Study Agreement

Exhibit 1 formation to be Provided to NEP by the Transmission Customer for System Impact Study

IV. Attachment D Form of Facilities Study Agreement

V. Attachment E Local Service Agreement Policy and Practices for Protection Requirements for New or Modified Load Interconnections

VI. Attachment F Local Service Agreement Insurance Requirements

VII. Attachment H Methodology for Completing System Impact Study

VIII. Attachment I Real Power Losses Factors

IX. Attachment DAF Direct Assignment Facilities

Exhibit 1 Direct Assignment Facilities – Transmission

Exhibit 2 Direct Assignment Facilities – Distribution

X. Attachment DS Rolled-In Distribution Surcharge

XI. Attachment Other Charges & Credits

Exhibit 1 Transformer Surcharge

Exhibit 2 Monthly Local Network Service Charge

Exhibit 3 Meter Surcharge

Exhibit 4 [Reserved]

Exhibit 5 Local Network Load Dispatch Surcharge

Exhibit 6 Network EPRI Credit

XII. Attachment RR Transmission Revenue Requirements

Exhibit 1 Distribution Cost of Service

Exhibit 2 Massachusetts Electric Company ADIT Worksheets

XIII. Attachment L Creditworthiness Policy

XIV. Attachment S-1 Local Scheduling, System Control and Dispatch Service

I. COMMON SERVICE PROVISIONS

1 Definitions

Whenever used in this Schedule, in either the singular or plural number, the following capitalized terms shall have the meanings specified in this Section 1. Terms used in this Schedule that are not defined in this Schedule shall have the meanings set forth in the Tariff or customarily attributed to such terms by the electric utility industry in New England.

1.0 New England Affiliate: New England Affiliate means Massachusetts Electric Company and Nantucket Electric Company.

1.1 Annual Peak Load: The highest Network Load of the Network Customer during a calendar year.

1.2 [Reserved]

1.3 Contribution in Aid of Construction (CIAC): A contribution in aid of construction pursuant to Section 118(b) of the Internal Revenue Code of 1986.

1.4 Distribution System: Distribution System means the facilities owned or supported by NEP or its New England Affiliates that do not constitute PTF or Non-PTF and are used for Transmission Service under the Tariff for Transmission Customers other than end-use customers.

1.6 IRS Notice 87-82: Internal Revenue Service Notice 87-82, Providing guidance with Respect to the Treatment of CIACs (received by regulated public utilities) After Enactment of New Section 118(b) of the Internal Revenue Code.

1.7 IRS Notice 90-60: Internal Revenue Service Notice 90-60, Contribution in Aid of Construction, issued September 10, 1990.

1.7.1 Load Interconnections: Any load facility desiring to interconnect with NEP's electrical system or modify an existing interconnection, as further set forth in the Local Service Agreement in Schedule 21-Attachment A. In addition, Attachment C, D, E, F and H of Schedule 21-NEP

shall apply except that the process for the interconnection of Large Loads is set forth in Part II.J of the ISO-NE OATT.

1.8 Load Power Factor: The ratio of the load measured in kW to the same load measured in kVA during a one-hour period.

1.9 Load Ratio Share: Ratio of a Transmission Customer's monthly PTF Network Load occurring coincident with NEP's Total Monthly Peak Load, to NEP's Total Monthly Peak Load, calculated on a monthly basis.

1.10 [Reserved]

1.11 Local Service Annual Transmission Revenue Requirement: The total actual cost of New England Power's Transmission System for purposes of Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service shall be the amount determined each year pursuant to Attachment F to the ISO-NE OATT until amended by NEP or modified by the Commission.

1.12 NEP: NEP means New England Power Company, a Transmission Owner under the Tariff

1.13 [Reserved]

1.14 NERC: North American Electric Reliability ~~Council~~Corporation

1.15 Network Load: The load interconnected to the PTF, Non-PTF or Distribution Facilities of NEP or its New England Affiliates either directly or through Distribution Facilities or Non-PTF Facilities of other entities that a Network Customer designates to receive Local Network Service under Schedule 21 and this Schedule. Network Load shall not include any Large Load (or portion thereof) served under Firm Contract Demand Service, Local Firm Contract Demand Service, Interim Contract Demand Service, Local Interim Contract Demand Service, Non-Firm Contract Demand Service, or Local Non-Firm Contract Demand Service pursuant to Part II.J or Schedule 21 of the ISO-NE OATT. For purposes of establishing rates and charges under this Schedule, the Network Load will be subdivided into one of three categories:

1.15A PTF Network Load shall be the load over NEP's Local Network and shall equal the load of Network Customers directly interconnected with NEP's PTF or indirectly utilizing NEP's PTF through Non-PTF or Distribution Facilities of NEP or its New England Affiliates.

1.15B Local ~~Network~~ Service Load shall be the load over NEP's Non-PTF either directly interconnected with NEP's Non-PTF or indirectly utilizing NEP's Non-PTF through Distribution Facilities of NEP or its New England Affiliates.

1.15C Distribution Facilities Network Load shall be the load interconnected to the Distribution Facilities of NEP, its New England Affiliates or other entities.

1.16 Network Upgrades: Modifications or additions to transmission-related facilities that are integrated with and support NEP's overall Transmission System for the general benefit of all users of such Transmission System or to reliably integrate a generating unit with the Transmission System or to interconnect to outside control areas.

1.17 Local ~~Network~~ Service Load Ratio Share: Ratio of a Transmission Customer's monthly Local ~~Network~~ Service Load occurring coincident with NEP's Total Monthly Local ~~Network~~ Service Peak Load, to NEP's Total Monthly Local ~~Network~~ Service Peak Load.

1.18 NPCC: Northeast Power Coordinating Council, a regional reliability governing body.

1.19 Own Use Energy: Energy consumed by NEP's transmission facilities for purposes including but not limited to station service and sleet thawing, but excluding losses incurred on the Transmission System.

1.20 Parties: NEP and the Transmission Customer receiving service under this Schedule and the Tariff.

1.21 Payment Schedule: The payment schedule attached to a Local Service Agreement containing estimated milestones and estimated costs.

1.22 Policy and Practices for Protection Requirements for New or Modified Load Interconnections: NEP's policy concerning protection requirements for new or modified interconnections to loads, are included in the associated attachments of the Transmission Customer's Local Service Agreement.

1.23 Project: The substation and all facilities ancillary and appurtenant thereto, which the Transmission Customer requests to interconnect to the Transmission System, as more fully described in associated attachments to this Schedule 21-NEP and Attachment A to Schedule 21, Local Transmission Service.

1.24 Qualified Bidders List: A list of contractors and vendors qualified by NEP to work on interconnection facilities.

1.25 National Grid Local Control Center: The control center operated by NEP as a Local Control Center to the ISO.

1.26 Taxable Event: An event taxable to NEP resulting from transfers made by the Transmission Customer to NEP for services provided under this Schedule and Schedule 21 with respect to construction and installation of new Direct Assignment Facilities or improvements.

1.27 Total Monthly Peak Load: For each month, the highest hourly sum of the coincident peaks of deliveries to all PTF Network Loads under this Schedule, plus the loads of customers served under New England Power Company's (NEP) FERC Electric Tariff, Original Volume No. 1, connected directly to NEP's PTF or indirectly utilizing NEP's PTF through Non-PTF or Distribution Facilities of NEP, its New England Affiliates or other entities, including losses and NEP's Own Use Energy.

1.28 Total Monthly Local ~~Network~~ Service Peak Load: For each month, the highest hourly sum of the coincident peaks of deliveries to all Local ~~Network~~ Service Loads under this Schedule plus the loads of customers served under NEP's FERC Electric Tariff, Original Volume No. 1, that would otherwise qualify as Local ~~Network~~ Service Load, including losses and NEP's Own Use Energy. A Network Customer's or other Transmission Customer's Monthly Local ~~Network~~ Service Peak Load shall exclude (i) load offset by any resource that is not a Generator Asset, and

(ii) load offset by the portion of the output of a Generator Asset that serves load located behind the same retail customer meter as the Generator Asset.

1.29 Transformation Facilities: One or more transformers in a substation that step the voltage from the transmission voltage level to the distribution voltage level.

1.30 Transmission Service: Service provided under the OATT.

1.31 Transmission System: Transmission System means the facilities owned, controlled or operated by NEP that are used to provide Transmission Service.

2 Purpose of This Schedule

The OATT provides for a two-tier transmission arrangement integrating regional transmission service over PTF and Local Service over Non-PTF. For purposes of this Schedule, Local Service includes Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service. The arrangement is designed and shall be operated in such a manner as to encourage and promote competition in the electric market to the benefit of ultimate users of electric energy. The OATT is intended to provide for comparable, non-discriminatory treatment of all similarly situated Transmission Owners and all Eligible Customers that are transmission users, and it shall be construed in the manner which best achieves this objective.

This Schedule functions in conjunction with the OATT to offer Transmission Services and Ancillary Services not provided pursuant to the other sections of the OATT, and to provide for the recognition of payments by and credits to NEP under the OATT. The rates, terms and conditions of this Schedule supplement and, where applicable, replace the rates, terms and conditions of the OATT and Schedule 21 with respect to Local Service.; however Local PTP Service is not offered by NEP. In the event of a conflict between the terms of this Schedule and the terms of Schedule 21 with respect to Local Service, the terms of this Schedule shall govern.

Pursuant to this Schedule and to Schedules 22 and 23, NEP: (a) offers access to its Transmission Facilities for Excepted Transactions; (b) offers access to its Non-PTF in conjunction with the purchase of Transmission Service under the OATT; (c) provides rates, terms and conditions for the interconnection of new ~~network load~~Network Load to the Transmission System and Distribution System for wholesale transactions except that the process for the interconnection of Large Load is set forth in Part II.J of the

OATT; (d) reflects in the charges for Transmission Service and Ancillary Services amounts paid by NEP or credited to NEP in accordance with the OATT; and (e) provides for the recovery of costs associated with the Transmission Facilities and Ancillary Services that are not recovered pursuant to the OATT.

3 Ancillary Services

Ancillary Services are needed with Transmission Service to maintain reliability within and among the Control Areas affected by the Transmission Service. NEP is required to provide and the Network Customer or the Transmission Customer taking service in accordance with this Schedule and the OATT is required to purchase Local Scheduling, System Control and Dispatch Service in accordance with the rates and/or methodology described in Attachment S-1 and Attachment OCC to this Schedule.

4 Billing and Payment

4.1 Billing Procedure: Within 25 days after the first day of each month, NEP or its designee shall submit an invoice to the Transmission Customer for the charges for all services furnished by NEP under this Schedule and Schedule 21 during the preceding month. The invoice shall be paid by the Transmission Customer within twenty-five (25) days of issuance. All payments shall be made in immediately available funds payable to NEP, or by wire transfer to a bank named by NEP.

4.2 Customer Default: In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to NEP on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after NEP 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, NEP 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 NEP and the Transmission Customer, NEP will continue to provide service under the Local 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 NEP may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. If the Transmission Customer is taking Firm Contract Demand Service, Local Firm

Contract Demand Service, Non-Firm Contract Demand Service, Local Non-Firm Contract Demand Service, Interim Contract Demand Service, or Local Interim Contract Demand Service, the terms of the applicable Large Load Cost Recovery Agreement shall govern.

4.3 After Termination or Cancellation: The applicable provisions of the OATT, Schedule 21, this Schedule and any Local Service Agreement shall continue in effect after termination or cancellation thereof to the extent necessary to provide for final billings, billing adjustments and payments and with respect to liability and indemnification from acts or events that occurred while the Local Service Agreement was in effect. Notwithstanding the above, if the OATT, Schedule 21, this Schedule or any Local Service Agreement is terminated prior to the end of its initially contemplated term, for reasons other than breach by NEP, the Transmission Customer shall reimburse NEP for all unrecovered costs applicable to facilities installed pursuant to the provisions of the OATT, Schedule 21, this Schedule or any Local Service Agreement. With respect to a Large Load Entity, termination costs and the Exit Fee for Large Load Network Upgrades and Direct Assignment Facilities shall be determined and paid in accordance with the applicable Large Load Cost Recovery Agreement.

4.4 Audits of Accounts and Records: Within two (2) years following a calendar year, NEP and the Transmission Customer shall have the right to audit each other's accounts and records at the offices where such accounts and records are maintained during normal business hours; provided that appropriate notice shall have been given prior to any audit and provided that the audit shall be limited to those portions of such accounts and records that relate to service specified in this schedule, with the exception of the Monthly Local Network Service Charge, and for said calendar year. The party being audited will be entitled to review the audit report and any supporting materials. The independent auditor performing such audit shall be subject to a confidentiality agreement between the auditor and the party being audited. To the extent that audited information includes confidential information, the auditing party shall designate an independent auditor to perform such audit. For the purpose of this provision, confidential information is proprietary information supplied by a Transmission Customer or a provider of Ancillary Services to NEP, which the Transmission Customer or a provider of Ancillary Services requests NEP not to disclose. NEP will treat such information as confidential except to the extent that disclosure of this information is required by the OATT, by regulatory or judicial order for reliability purposes pursuant to Good Utility Practice, pursuant to the Commission's Final Order

889 in Docket No. RM95-9-000, or as required under the ISO New England Information Policy. NEP will not disclose such information to its power marketing Affiliate or others.

5 Creditworthiness

For the purpose of determining the ability of a Transmission Customer to meet its obligations related to service hereunder, NEP may require reasonable credit review procedures. Applicable creditworthiness procedures are specified in Attachment L of this Schedule.

6 Dispute Resolution Procedures

6.1 Interpretation: The interpretation of and performance under this Schedule shall be according to and controlled by the laws of the Commonwealth of Massachusetts when not in conflict with or pre-empted by the Federal Power Act.

6.2 Indemnification: In cases where the Transmission Customer enjoys limitation of its liability under the Massachusetts Tort Claims Act, G.L. c. 258, □□1 and 2, as amended from time to time, NEP will have a similar limitation on its liability under the OATT, Schedule 21 and this Schedule.

II. LOCAL NETWORK SERVICE, LOCAL FIRM CONTRACT DEMAND SERVICE, LOCAL NON-FIRM CONTRACT DEMAND SERVICE, AND LOCAL INTERIM CONTRACT DEMAND SERVICE

The rates, terms and conditions set forth below supplement and, where applicable, replace the rates, terms and conditions of Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service set forth in Schedule 21. In the event of a conflict between the terms of this Schedule and the terms of Schedule 21, the terms of this Schedule shall govern.

Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service shall be provided in accordance with Schedule 21, Part II.J of the ISO-NE OATT, and this Schedule, and shall permit a Large Load Transmission Customer to serve a Large Load through NEP's Transmission System.

19 Real Power Losses

Real Power Losses are associated with all Transmission Service. NEP is not obligated to provide Real Power Losses. The Network Customer or other applicable Transmission Customer is responsible for replacing losses associated with all Transmission Service as calculated by NEP. The applicable Real Power Loss factors tabulated in Attachment I to this Schedule will be applied to metered loads to account for losses on the Non-PTF System and/or Distribution System that are not otherwise accounted for and allocated. Determination of losses across NEP's PTF system will be according to the procedure set by the ISO. In cases where the ISO or the Tariff does not allocate PTF losses, PTF losses will be assigned at 3%. When a load interconnects to the Transmission System at a Non-PTF point, the Real Power Loss factors in Attachment I to this Schedule will be applied to metered load amounts to reflect the losses incurred between the metering point and the PTF. Application of appropriate loss compensation to the meter would negate the need to apply the Real Power Loss factors. The Real Power Loss factors vary, depending upon the system voltage level at the interconnection point. If multiple voltage levels intervene between the PTF and the interconnection point/metering point, the Real Power Loss factors for each of the intervening voltage levels are additive. Any Non-PTF losses not allocated under Attachment I to this Schedule will be allocated to Local ~~Network~~ Service Load on the basis of Local ~~Network~~ Service Load Ratio Share.

20 Metering and Power Factor Correction at Point(s) of Delivery

20.1 Power Factor: The Network Customer's or other Transmission Customer's cumulative Load Power Factor for all Point(s) of Delivery in an area as defined by the ISO shall be maintained within a range, as required by NEP, the ISO, and/or the National Grid Local Control Center, in accordance with Good Utility Practice. This range will be reviewed periodically and is subject to change. The Network Customer or other Transmission Customer shall be notified of such changes. If the Network Customer's or other Transmission Customer's cumulative Load Power Factor does not fall within the required range, and NEP has existing means of providing the deficient reactive power NEP will charge the Network Customer or other Transmission Customer a Power Factor Penalty in accordance with Attachment OCC to this Schedule. The Power Factor Penalty charge will be suspended if the customer corrects the Load Power Factor or, if during periods when the range may be changed, the customer's Load Power Factor is within the prescribed range. If NEP cannot provide the deficient reactive power from existing facilities, NEP will install, at the Customer's sole expense, the appropriate equipment to bring the

customer's power factor within the required range. NEP will file with the Commission the cost support for such installations.

21 Network Resources

21.1 [Reserved]

21.2 Designation of New Network Resources: Each designation of a Network Resource shall be effective as of the beginning of a month, shall remain in effect for at least one full month, and shall only be terminated at the end of a month.

22 Construction of Facilities Associated with Interconnection of New Network Load

22.1 Basic Understandings: The process for the interconnection of Large Loads is set forth in Part II.J of the ISO-NE OATT. In cases in which the Transmission Customer intends to interconnect new ~~network load~~Network Load to the Transmission System or Distribution System, the interconnection: (i) shall require the construction of interconnection facilities and associated equipment and (ii) may require the construction or installation of facilities and/or associated equipment in addition to the interconnection facilities on the Transmission System or Distribution System or the transmission system of another utility. These interconnection facilities and additional facilities shall be the financial responsibility of the Transmission Customer, to the extent consistent with Commission policy.

Subject to the following terms and conditions, NEP or its New England Affiliate shall, at the Transmission Customer's expense, build the facilities or make preparations so that this construction can be submitted for written bids to parties on the Qualified Bidders List. NEP shall have the right to supervise any construction undertaken by qualified outside contractors at the Transmission Customer's expense and to reject any construction work which fails to meet its requirements.

22.2 General Considerations: NEP or its New England Affiliate or another party selected pursuant to this Section shall construct the facilities at the Transmission Customer's expense. NEP or its New England Affiliate shall design, own, and maintain the facilities. NEP and the Transmission Customer shall mutually agree upon a schedule for construction and final

interconnection. NEP shall use due diligence to fulfill its obligations under this Schedule in order to permit the interconnection of the Project in a timely manner. NEP reserves the exclusive right to make the final interconnection between the Project and NEP's Transmission System. NEP shall use, or specify that the Transmission Customer's selected contractor use, standard equipment customarily employed by NEP or its New England Affiliate for its own system in accordance with Good Utility Practice in making the final interconnection.

The Transmission Customer shall pay NEP for all reasonable costs and fees required to enable NEP to fulfill its obligations, including any tax liability, the costs and fees of all permits, licenses, franchises or regulatory or other approvals necessary for the construction and operation of the facilities. NEP shall consult with Transmission Customer on decisions involving substantial additional costs to be incurred by NEP in fulfillment of its obligations.

22.3 Tax Security Arrangements: The Transmission Customer shall acknowledge that under IRS Notice 87-82, transfers made by the Transmission Customer to NEP for services provided hereunder with respect to the construction and installation of new facilities or improvements may, under certain circumstances cause a Taxable Event to NEP. The Transmission Customer agrees to assure NEP recovery of all potential tax costs, both state and federal, including all interest and penalty claims, if a Taxable Event occurs.

The Transmission Customer shall expressly agree to indemnify and save NEP harmless from and against any and all federal and/or state income tax, interest or penalty claims, or liability related to any tax gross-up incurred as a result of the work performed for and the services rendered to the Transmission Customer.

22.4 Security: In addition to the security provided for in Section 5 of this Schedule, the Transmission Customer shall agree to provide NEP with security for the potential tax liability for a term and in a form acceptable to NEP. Such security shall cover an amount calculated in accordance with the terms of Section 22.5 of this Schedule. If the Transmission Customer fails to provide NEP with satisfactory security within thirty (30) days of notice by NEP, NEP may cease all work related to the Transmission Customer's request until such security is in place.

NEP reserves the right to require the Transmission Customer to increase the value of the security to reflect changed circumstances including, but not limited to, an increase in the taxable value of

the Direct Assignment Facilities or changes in tax law which affect NEP's tax position vis-à-vis the construction and installation of new or modified facilities. The Transmission Customer shall provide NEP with the security as well as any periodic renewals that may be required by NEP. Such security shall have a minimum term of one (1) year and, in the case of a letter of credit, shall designate NEP as beneficiary with authority to draw drafts on the issuer for the secured amount in accordance with this Schedule. Such security shall also provide that NEP may draw the full amount of the security in the event it has not been renewed, extended or replaced on or before thirty (30) days prior to the expiration date of such security.

If at any time during the term of the Transmission Customer's Service Agreement with NEP there is a change in federal law tax which, in NEP's view, mitigates or eliminates its tax liability under applicable law or regulation, NEP shall agree, to the extent it deems appropriate, to release to the Transmission Customer any security determined to be in excess of NEP's potential tax liability.

22.5 Determination of Secured Amount: The Transmission Customer agrees that if a Taxable Event occurs, NEP's tax liability will be based upon the fair market value of the facilities constructed, installed or modified hereunder. The Transmission Customer agrees that the fair market value of the facilities is deemed to be the depreciated replacement cost of such facilities at the time of the transfer, as prescribed by IRS Notice 90-60.

The Transmission Customer shall secure an amount equal to the product of the depreciated replacement cost of the facilities times NEP's gross-up tax factor (net federal and state tax rate). NEP shall provide an initial estimate of the amount to be secured, based upon its facilities construction, installation or modification estimate. These projected figures, however, are subject to adjustment for actual construction costs when they become known.

The Transmission Customer shall agree to increase the secured amount to reflect any other adjustments as required by NEP to ensure that the existing security is sufficient to cover NEP's potential tax liability. The Transmission Customer shall agree to increase the secured amount within thirty (30) days of receipt of notice from NEP of any such adjustment to these costs. In the event that the Transmission Customer fails to do so, NEP shall have the right to seek termination of its service to the Transmission Customer until it increases the secured amount to the level specified by NEP.

22.6 Payment of Tax and Reconciliation: In the event that a Taxable Event occurs, NEP may exercise its rights under the security arrangement and draw upon all amounts necessary to pay the applicable taxes. If, in NEP's judgment, there are insufficient funds from such security to pay the applicable taxes, the Transmission Customer agrees to provide NEP with the balance of the funds needed within fifteen (15) days' notice from NEP of such insufficiency. Any excess funds covered by security shall remain at NEP's disposal until NEP has received a final determination from the taxing authorities on the amounts payable as a result of the Taxable Event.

Upon such final determination, there shall be a reconciliation of the taxes payable by NEP, including any interest or penalties, and amounts provided by the Transmission Customer, in the form of security or otherwise. If the funds provided by the Transmission Customer prove insufficient to cover NEP's tax liability, the Transmission Customer shall pay NEP the amount of the underpayment within fifteen (15) days' notice from NEP of the additional amount owed. If NEP receives a refund from the taxing authorities of any amounts paid due to the Taxable Event, NEP shall refund to the Transmission Customer such amount refunded to NEP. If taxes had not as yet been paid by NEP, in the form of estimated tax payments or otherwise, NEP shall refund the amount paid by the Transmission Customer in excess of NEP's actual tax liability. Interest on such amounts shall accrue, from the applicable following date: (a) the date the refund is received by NEP; (b) the date of recovery of estimated taxes previously paid by NEP (i.e., the due date of the tax payment following the determination); or (c) the date of final payment by the Transmission Customer under this Schedule, to the date NEP refunds such amount to the Transmission Customer. Once the Transmission Customer has fulfilled all of its obligations with respect to the final determination of the tax amounts payable, NEP shall release the Transmission Customer from all obligations under this Section. Interest, however, will not apply when a Letter of Credit is used as security.

22.7 IRS Private Letter Ruling. In the case of a Contribution in Aid of Construction ("CIAC") amounting to at least $100,000 and upon written request by a Transmission Customer, NEP will request a Private Letter Ruling from the Internal Revenue Service on the taxable nature of the Transmission Customer's CIAC. The Transmission Customer must submit such written request to NEP, with payment for the estimated costs of obtaining such ruling, within 30 days of the Commission's acceptance of the transmission Customer's Service Agreement (or its amendment) covering construction under this Schedule. Payment shall be sufficient to cover NEP's estimated expenses in retaining outside tax counsel with expertise in such matters, all regulatory, filing and

application fees and any other reasonable expenses, including salary and overhead costs, deemed appropriate and necessary for preparing, managing and obtaining the ruling.

The Transmission Customer shall be responsible for all costs that NEP incurs in pursuing the Private Letter Ruling. If NEP's costs in pursuing the Private Letter Ruling exceed the estimated costs shown, it shall so notify the Transmission Customer and the Transmission Customer shall reimburse or pay the estimated additional cost, as the case may be, within thirty (30) days of notification. NEP shall not be responsible for pursuing or continuing to pursue the Private Letter Ruling if the Transmission Customer has not complied with these payment provisions.

The Transmission Customer agrees that the selection and retention of outside tax counsel in this regard shall be exclusively determined by NEP. Furthermore, the Transmission Customer understands that NEP cannot predict or guarantee the outcome of the Private Letter Ruling and, should the Internal Revenue Service deem the CIAC taxable to NEP, the Transmission Customer must meet its financial obligations to NEP to cover federal and state taxes.

The Transmission Customer shall cooperate in the preparation and provision of information, documents and other materials needed by NEP and its outside counsel for the Private Letter Ruling application and its supporting description and analysis. As soon as practicable after NEP's receipt of the Private Letter Ruling from the IRS, it shall provide the Transmission Customer with a copy of the document. The parties agree that the decision of the IRS as to the taxable status of the CIAC shall be binding upon the parties, their successors and/or assigns.

22.8 Land Interests: The Transmission Customer recognizes that acquisition of the land interests necessary for the interconnection facilities may require individual agreements between NEP or its New England Affiliate and the landowners. The Transmission Customer agrees to pay NEP all its reasonable costs associated with these acquisition agreements in advance of their execution. In the event the Transmission Customer acquires the land, permits, licenses, franchises or regulatory or other approvals necessary for the construction and operation of the interconnection facilities, NEP has the right, at the Transmission Customer's expense, to approve or reject any terms and conditions related thereto prior to the acceptance of the interconnection facilities.

22.9 Construction: If the Transmission Customer does not request that the construction of the interconnection facilities be submitted for written bids as described below, NEP or its New England Affiliate shall construct the interconnection facilities and the Transmission Customer shall pay NEP the total costs associated with the construction of the interconnection facilities. The estimated costs (exclusive of any regulatory approval costs and/or fees) and the schedule for the Transmission Customer's payments to NEP will be shown the Service Agreement.

The Transmission Customer shall pay NEP following the close of the Transmission Customer's construction financing (if any) in accordance with the Payment Schedule shown in the Service Agreement. The Payment Schedule contains estimated milestones and estimated costs. NEP shall invoice the Transmission Customer for costs, on an estimated basis.

Within a reasonable period of time following completion of the interconnection facilities, NEP shall provide the Transmission Customer with a report of actual construction costs sufficient to allow identification of all major cost components. Upon completion of the interconnection facilities, the Transmission Customer and NEP agree to make a final adjustment to correct for any overpayment or underpayment of the construction costs.

22.10 Construction by Third-Party: The Transmission Customer may request that the construction of the interconnection facilities be submitted for written bids by NEP-approved contractors having the capability and skill to perform the work in accordance with the terms and conditions contained herein. The Transmission Customer shall assume all risks and consequences associated with the decision to use such bidding process.

The Transmission Customer understands that if a contractor other than NEP or its New England Affiliate constructs the interconnection facilities, the RFP process and interconnection facilities construction may require more time than if NEP or its New England Affiliate constructed the interconnection facilities. Notwithstanding the foregoing, the Transmission Customer understands and agrees that all construction work on existing facilities shall be done by NEP or its New England Affiliate. Such work shall not be included in the work submitted for bid by the Transmission Customer to outside contractors.

If the Transmission Customer requests that the construction of the interconnection facilities be submitted for written bids in accordance with the preceding paragraph, NEP shall prepare RFPs

for construction of the interconnection facilities which, at a minimum, shall include construction drawings, steel structure specifications, bid drawings and specifications, materials specifications, and construction specifications. NEP shall also prepare the Qualified Bidders List. Materials, including steel structures, shall be obtained from suppliers listed in the Qualified Bidders List. The Transmission Customer shall seek NEP's prior approval with respect to any additions to the Qualified Bidders List or substitution of equal items of material from approved suppliers. The Transmission Customer shall reimburse NEP for its reasonable costs of preparing the RFPs and the Qualified Bidders List.

Upon the Transmission Customer's acceptance of the RFPs and the Qualified Bidders List, the Transmission Customer shall issue the RFPs to the contractors on the Qualified Bidders List. NEP and its New England Affiliates shall have the right to respond to the RFPs. The Transmission Customer shall review the responses to the RFPs and select a contractor to construct the interconnection facilities. Selection of the contractor shall be at the Transmission Customer's sole discretion, but subject to the limitations and criteria contained herein. The contractor selected by this process shall contract directly with the Transmission Customer for this construction. In no event shall NEP become legally or financially obligated to the selected contractor for construction of the interconnection facilities or any other related work.

If NEP or its New England Affiliate is not the successful bidder, NEP shall have the ongoing right to monitor, at the Transmission Customer's expense, and approve or reject the contractor's construction of the interconnection facilities to ensure that the contractor's performance satisfies NEP's specifications and the criteria set forth in this Schedule and all appendices, exhibits, and attachments hereto. NEP shall have the right to make a final inspection and acceptance of the completed interconnection facilities. NEP's evaluation and acceptance of the interconnection facilities shall be based on compliance with the contract specifications; Good Utility Practice; the National Electric Safety Code as in effect during the time of construction; the appropriate state rules and regulations; NEP’s Policy and Practices for Protection Requirements for New or Modified Load Interconnections; and other practices, procedures, specifications, and applicable standards developed by NEP’s New England Affiliate. Any part of the work which NEP reasonably finds unsatisfactory shall be corrected prior to its acceptance of the completed interconnection facilities.

If the Transmission Customer selects a contractor other than NEP or its New England Affiliate, within thirty days following completion of the interconnection facilities, the Transmission Customer shall provide NEP with all detailed construction cost data that NEP needs to meet construction cost unitizing requirements under the Federal Power Act and relevant regulations.

22.11 Delivery and Measurement of Electricity:

22.11.1 Voltage Level: All electricity across the interconnection point shall be the form of three-phase sixty-hertz alternating current at a voltage class determined by mutual agreement of the parties.

22.11.2 Machine Reactive Capability: The Transmission Customer will be required to provide reactive capability to regulate and maintain system voltage at the interconnection point. NEP and the ISO shall establish a scheduled range of voltages to be maintained by the Project. The reactive capability requirements shall be reviewed during the System Impact Study and Facilities Study.

22.11.3 Metering and Related Equipment: The Transmission Customer shall be responsible for the cost of installing and maintaining compatible metering and communication equipment at or distant from the Project which measures steam flow, if the Project is a generating source (as applicable and where necessary), as well as electricity flows between NEP and Transmission Customer and determines the status of switching equipment. The Transmission Customer shall be responsible for communicating to NEP accurate information on capacity and energy being transmitted. Instrument transformers shall be approved by NEP before the design is finalized. In cases where it may be appropriate for the metering equipment to be installed at the Transmission Customer's property, NEP reserves the right to inspect, commission and witness test such meters. NEP shall also have access to read such meters remotely and locally to facilitate measurements and billing.

The Transmission Customer shall provide suitable space within its facilities for installation of the metering, telemetering, environmental control, and communication equipment at no cost to NEP.

The Transmission Customer shall be responsible for providing all necessary leased telephone lines and any necessary protection for leased lines and shall furthermore be responsible for all

communication required by the ISO, or its designee. The Transmission Customer shall maintain all telemetering and transducer equipment on the Project in accordance with applicable criteria, rules, standards and operating procedures. At the Transmission Customer's expense, NEP shall purchase, own and maintain all telemetering equipment located on NEP's facilities. The Transmission Customer shall be responsible for the cost of installing NEP-approved or NEP-specified test switches in the transducer circuits.

If the metering equipment, the interconnection point and the Point(s) of Receipt are not at the same location, the metering equipment shall record delivery of electricity in a manner that accounts for losses occurring between the metering point and the Point(s) of Receipt or between the metering point and the interconnection point, as appropriate. Accounting for transmission losses between the metering point and the Point(s) of Receipt or between the metering point and the interconnection point shall be pursuant to the rates, terms and conditions of this Schedule and the OATT.

All metering equipment may be routinely tested by NEP at the Transmission Customer's expense, in accordance with applicable criteria, rules, standards and operating procedures. If, at any time, any metering equipment is found to be inaccurate by a margin greater than that allowed under applicable criteria, rules, standards and operating procedures, NEP shall cause such metering equipment to be made accurate or replaced at the Transmission Customer's expense. Meter readings for one-half the period extending back to the last successful meter test shall be adjusted so far as the same can be reasonably ascertained. Each party shall comply with any reasonable request of the other concerning the sealing of meters, the presence of a representative of the other party when the seals are broken and the tests are made, and other matters affecting the accuracy of the measurement of electricity delivered from the Project. If either party believes that there has been a meter failure or stoppage, it shall immediately notify the other.

The Transmission Customer shall be responsible for the cost of purchasing and installing software, hardware and/or other technology that may be required to read billing meters.

The Transmission Customer shall be responsible for the costs of all metering and related equipment pursuant to Attachment OCC to this Schedule and/or Attachment DAF to this Schedule, as applicable.

22.12 Notice Provisions: If at any time, in the reasonable exercise of NEP's judgment, operation of the Project adversely affects the quality of service to other customers or interferes with the safe and reliable operation of the Transmission System or Distribution System, NEP may discontinue service to the Transmission Customer until the condition has been corrected. Unless an emergency exists or the risk of one is imminent, NEP shall give the Transmission Customer reasonable notice of its intention to discontinue service and, where practical, allow suitable time for the Transmission Customer to remove the interfering condition. NEP's judgment with regard to discontinuance of deliveries or disconnection of facilities under this paragraph shall be made in accordance with Good Utility Practice. In the case of such discontinuance, NEP shall immediately confer with the Transmission Customer regarding the conditions causing such discontinuance and its recommendation concerning the timely correction thereof.

22.13 Access and Control: Properly accredited representatives of NEP or its New England Affiliates shall at all reasonable times have access to the Project to make reasonable inspections and obtain information required in connection with this Schedule. At the Project, such representatives shall make themselves known to the Transmission Customer's personnel, state the object of their visit, and conduct themselves in a manner that will not interfere with the construction or operation of the Project. NEP or its New England Affiliates will have control such that it may open or close the circuit breaker or disconnect and place safety grounds at the Point(s) of Receipt, or at the station, if the Point(s) of Receipt is (are) remote from the station.

22.14 Insurance Requirements: The Transmission Customer shall be subject to the insurance requirements specified in the Local Service Agreement.

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23 Load Shedding and Curtailments

23.1 Transmission Constraints: During any period when NEP determines that a transmission constraint exists on the Non-PTF, and such constraint may impair the reliability of the New England Transmission System, NEP will take whatever actions, consistent with Good Utility Practice, which are reasonably necessary to maintain the reliability of the system. Local Large Load Transmission Customers shall comply with applicable load shedding and curtailment procedures established pursuant to the ISO-NE OATT, applicable ISO New England Operating

Documents, the applicable Large Load Transmission Service Agreement, and this Local Service Schedule. To the extent NEP determines that the reliability of the New England Transmission System can be maintained by redispatching resources, NEP will initiate procedures pursuant to contracts with owners of the identified resources to redispatch all Network Resources and NEP'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 NEP's use of the Non-PTF on behalf of its Native Load Customers ~~and,~~ any Network Customer's, and any other Transmission Customer's use of the Non-PTF to serve its designated Network Load or Large Load.

23.2 Cost Responsibility for Relieving Transmission Constraints: Whenever NEP implements least-cost redispatch procedures in response to a transmission constraint, NEP and the Network Customers or other Transmission Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

23.3 System Reliability: A Network Customer or other Transmission Customer that fails to respond to established load shedding and curtailment procedures will be deemed by NEP of making unauthorized use of the Transmission System. If unauthorized use occurs, NEP will charge and the Transmission Customer will be obligated to pay a penalty equal to twice the standard rate for such a transaction, as described more fully in Section 24.15 of this Schedule. In all cases of unauthorized use of the Transmission System, the service will be considered non-firm and NEP will be under no obligation to provide any services for such use.

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24 Compensation for Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service

The following rates and charges may apply to Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, and Local Interim Contract Demand Service as specified below. Charges under this Section shall include any applicable PTF costs not otherwise recovered under the OATT. To the extent that NEP enters into an incentive rate plan(s), the incentive rate terms shall be reflected in a separate filing with the Commission under Section 205 of the Federal Power Act. Additionally, all costs and revenues under such incentive rate plan(s) shall be excluded from NEP's PTF and Non-PTF Transmission Revenue Requirement. However, liquidated damages mandated by the Commission in Docket No. RM02-1-000 shall be reflected in NEP's costs and included in its PTF and Non-PTF Transmission Revenue Requirement calculations.

24.1 [Reserved]

24.2 Monthly Local Network Service Charge: Any Network Customer or other Transmission Customer with Network Load qualifying as Local ~~Network~~ Service Load, shall pay a Monthly Local Network Service Charge determined in accordance with Attachment OCC to this Schedule.

24.3 Transformer Surcharge: In the event that a Network Customer or other Transmission Customer does not own the stepdown transformation from 69 kV or greater voltage to distribution voltage level, where it utilizes NEP or its New England Affiliates' Transformation Facilities, the Network Customer or other Transmission Customer will be subject to a Transformer Surcharge calculated in accordance with Attachment OCC to this Schedule.

24.4 Meter Surcharge: If the Network Customer or other Transmission Customer neither owns nor supports metering equipment necessary for provision of Local Network Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, or Local Interim Contract Demand Service that customer will be subject to a Meter Surcharge calculated in accordance with Attachment OCC to this Schedule.

24.5 Power Factor Penalty: Pursuant to the requirements of Section 20.1 of this Schedule, the Network Customer or other Transmission Customer may be subject to a Power Factor Penalty calculated in accordance with Attachment OCC to this Schedule.

24.6 Direct Assignment Facility Charge: The Direct Assignment Facility Charge compensates NEP for the annual costs of the facilities, expansions and upgrades that may be directly assigned by NEP or by the ISO, as appropriate, to the Transmission Customer. These costs may include, but are not limited to, the capital carrying cost, income tax, depreciation, operation and maintenance, administrative and general expenses and property tax. The Direct Assignment Facility Charge shall be calculated as specified in Attachment DAF to this Schedule. In no event shall the Direct Assignment Facilities Charge be less than $1,000.00 per year. If NEP enters into an agreement for use and support of facilities owned by other entities on behalf of a Transmission Customer, any charges incurred by NEP will be directly assigned to the Transmission Customer. The Direct Assignment Facility Charge shall apply to Direct Assignment Facilities that are directly assigned to a Large Load Transmission Customer, except

to the extent such costs are recovered pursuant to a Large Load Cost Recovery Agreement, in which case such costs shall not be recovered twice.

The Direct Assignment Facilities Charge in each year shall be billed based on forecast data for that year and shall be adjusted for experienced costs as soon as practicable after the close of the year. The charge so calculated shall commence on the date the facilities, expansions or upgrades are placed in service.

24.7 Distribution Service:

24.7.1 Specific Distribution Surcharge: Any Network Customer or other Transmission Customer listed in Attachment OCC, VI, to this Schedule, which relies on the specific distribution facilities of NEP's New England Affiliate, Massachusetts Electric Company, as provided to NEP under the Integrated Facilities provision of NEP's FERC Electric Tariff No. 1 (Tariff No. 1), will be subject to a Specific Distribution Surcharge calculated in accordance with Attachment OCC to this Schedule.

24.7.2 Rolled-In Distribution Surcharge: To the extent that a Network Customer or other Transmission Customer listed in Attachment OCC, VI, to this Schedule, utilizes distribution facilities in addition to the specific facilities identified in NEP's Tariff No. 1 (as of February 28, 1998), the Network Customer will pay the Rolled-In Distribution Surcharge calculated in accordance with Attachment DS to this Schedule for delivery service to load. To the extent that distribution service to a new Network Customer or other Transmission Customer is subject to the direct jurisdiction of the Federal Energy Regulatory Commission, the provision of distribution service to that customer on or after March 1, 1998, shall be reflected in the Network Customer's or other Transmission Customer Local Service Agreement.

In the event that the integrated distribution facilities under NEP's FERC Electric Tariff No. 1 are otherwise eliminated or superseded, the customers listed in Attachment OCC, VI, to this Schedule, will take distribution service entirely under the Rolled-In Distribution Surcharge calculated in accordance with Attachment DS to this Schedule.

24.8 Ancillary Services: Any Network Customer or other Transmission Customer with Network Load qualifying as PTF Network Load will be subject to the Network Load Dispatch Surcharge calculated in accordance with Attachment OCC to this Schedule.

24.9 OASIS Charges: Identifiable usage-dependent costs of OASIS may be charged to the specific user in accordance with the Commission's Final Order 889 in Docket No. RM95-9-000, and any subsequent amendments thereto.

24.10 [Reserved]

24.11 EPRI Credit: The Network EPRI Credit, calculated in accordance with Attachment OCC to this Schedule, shall apply to any wholesale Network Customer, which is not also an Affiliate of NEP.

24.12 [Reserved]

24.13 Network Upgrade Charge: If network upgrades are required in association with a new ~~load~~Network Load, the Network Customer or other Transmission Customer shall be required to pay a Network Upgrade Charge. The monthly Network Upgrade charge shall be the higher of (i) the allocated monthly Local Network Service- Transmission Revenue Requirement with the New Network Upgrades rolled-in; or (ii) an incremental monthly charge for service based upon the total costs of the Network Upgrades for which the Transmission Customer is responsible as determined by the formula in Attachment DAF to this Schedule.

24.14 Redispatch Charge: Pursuant to Section 23.2 of this Schedule, the Transmission Customer may be subject to charges for generation redispatch.

24.15 Unauthorized Use Penalty: Pursuant to Section 23.3 of this Schedule, the Transmission Customer may be subject to a penalty equal to twice the standard rate for unauthorized use of the Transmission System, based on the period of unauthorized use.

The annual standard rate per KW for unauthorized use of the Transmission System shall be derived from (i) the previous calendar year's annual transmission expenses as calculated in Attachment F to the ISO-NE OATT, divided by (ii) the average of the twelve Total Monthly Peak

Loads from the previous year. The standard rate is analogous to the former Firm Local Point-to-Point Service rate that was eliminated from Schedule 21-NEP (Attachment J) effective November 1, 2007. *See* Docket No. ER07-1323-000.

The monthly standard rate per KW shall equal one-twelfth of the annual standard rate; the weekly standard rate per KW shall equal one-fifty-second of the annual standard rate; and the daily standard rate per KW shall equal one-fifth of the weekly standard rate.

The unauthorized use penalty charge for a single hour of unauthorized use shall be based on the daily standard rate, and more than one assessment for a given duration (e.g., daily) results in an increase of the penalty period to the next longest duration (e.g., weekly). The unauthorized use penalty charge for multiple instances of unauthorized use (i.e., more than one hour) within a day will be based on the daily standard rate. The unauthorized use penalty charge for multiple instances of unauthorized use isolated to one calendar week would result in a penalty based on the weekly standard rate. The unauthorized use penalty charge for multiple instances of unauthorized use during more than one week during a calendar month will be based on the monthly standard rate.

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ATTACHMENT C

Form of System Impact Study Agreement

This Agreement dated _____, is entered into by _____ (the Transmission Customer) and New England Power Company (NEP), for the purpose of setting forth the terms, conditions and costs for conducting a System Impact Study relative to _____.

1. The Transmission Customer agrees to provide, in a timely and complete manner, all required information and technical data necessary for NEP to conduct the System Impact Study. The Transmission Customer understands that it must provide all such information and data prior to NEP's commencement of the Study. Such information and technical data are specified in Exhibit 1 to this Agreement.

2. All work pertaining to the System Impact Study that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of NEP and the Transmission Customer. Each party shall inform the other in writing of its designated and authorized representative.

3. NEP will advise the Transmission Customer of any additional studies as it may in its sole discretion deem necessary. Any such additional studies shall be conducted only if required by Good Utility Practice and shall be subject to the Transmission Customer's consent to proceed, such consent not be unreasonably withheld.

4. NEP contemplates that it will require _____ to complete the System Impact Study. Upon completion of the Study by NEP, NEP will provide a report to the Transmission Customer based on the information provided and developed as a result of this effort. If, upon review of the Study results, the Transmission Customer decides to pursue _____, NEP will, at the Transmission Customer's direction, tender a Facilities Study Agreement within thirty (30) days. The System Impact and Facilities Studies, together with any additional studies contemplated in Paragraph 3, shall form the basis for the Transmission Customer's proposed use of NEP's transmission system and shall be furthermore utilized in obtaining necessary third-party approvals of any interconnection facilities and requested transmission services. The Transmission Customer understands and acknowledges that any use of study results by the Transmission Customer or their agents, whether in preliminary or final form, prior to application approval pursuant to Section I.3.9 of the Tariff, is completely at the Transmission Customer's risk and that NEP

will not guarantee or warrant the completeness, validity or utility of study results prior to application approval pursuant to Section I.3.9 of the Tariff.

5. The estimated costs contained within this Agreement are NEP's good faith estimate of its costs to perform the System Impact Study contemplated by this Agreement. NEP's estimates do not include any estimates for wheeling charges that may be associated with the transmission of facility output to third parties or with rates for station service. The actual costs charged to the Transmission Customer by NEP may change as set forth in this Agreement. Prepayment will be required for all study, analysis, and review work performed by NEP or its Designated Agent, all of which will be billed by NEP to the Transmission Customer in accordance with Paragraph 6 of this Agreement.

6. The payment required is $_____ from the Transmission Customer to NEP for the primary system analysis, coordination, and monitoring of the System Impact Study. NEP will, in writing, advise the Transmission Customer in advance of any cost increases for work to be performed if total amount increases by 10% or more. Any such changes to NEP's costs for the study work shall be subject to the Transmission Customer's consent, such consent not to be unreasonably withheld. The Transmission Customer shall, within thirty (30) days of NEP's notice of increase, either authorize such increases and make payment in the amount set forth in such notice, or NEP will suspend the System Impact Study and this Agreement will terminate if so, permitted by the Federal Energy Regulatory Commission.

In the event this Agreement is terminated for any reason, NEP shall refund to the Transmission Customer the portion of the above credit or any subsequent payment to NEP by the Transmission Customer that NEP did not expend in performing its obligations under this Agreement. Any additional billings under this Agreement shall be subject to an interest charge computed in accordance with the provisions of the OATT. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 7 below.

7. If the actual costs for the work exceed prepaid estimated costs, the Transmission Customer shall make payment to NEP for such actual costs within thirty (30) days of the date of NEP's invoice for such costs. If the actual costs for the work are less than those prepaid, NEP will credit such difference toward NEP costs unbilled, or in the event there will be no additional billed expenses, the amount of the overpayment will be returned to the Transmission Customer with interest computed as stated in Paragraph 6 of this Agreement, from the date of reconciliation.

8. Nothing in this Agreement shall be interpreted to give the Transmission Customer immediate rights to wheel over or interconnect with NEP's Transmission or Distribution System. Such rights shall be provided for under separate agreement and in accordance with the OATT. This Attachment C shall not apply to requests for transmission service on behalf of a Large Load, which shall be studied under the Large Load System Impact Study Agreement set forth in Part II.J of the ISO-NE OATT.

9. Within one (1) year following NEP's issuance of a final bill under this Agreement, the Transmission Customer shall have the right to audit NEP's accounts and records at the offices where such accounts and records are maintained, during normal business hours; provided that appropriate notice shall have been given prior to any audit and provided that the audit shall be limited to those portions of such accounts and records that relate to service under this Agreement. NEP reserves the right to assess a reasonable fee to compensate for the use of its personnel time in assisting any inspection or audit of its books, records or accounts by the Transmission Customer or their Designated Agent.

10. Each party agrees to indemnify and hold the other party and its Affiliates, including affiliated trustees, directors, officers, employees, and agents of each of them, harmless from and against any and all damages, costs (including attorney's fees), fines, penalties and liabilities, in tort, contract, or otherwise (collectively "Liabilities") resulting from claims of third parties arising, or claimed to have arisen as a result of any acts or omissions of either party under this Agreement. Each party hereby waives recourse against the other party and its Affiliates for, and releases the other party and its Affiliates from, any and all Liabilities for or arising from damage to its property due to a performance under this Agreement by such other party.

11. If either party materially breaches any of its covenants hereunder, the other party may terminate this Agreement by filing a notice of intent to terminate with the Federal Energy Regulatory Commission and serving notice of same on the other party to this Agreement.

12. This agreement shall be construed and governed in accordance with the laws of the Commonwealth of Massachusetts and with Part II of the Federal Power Act, 16 U.S.C. §§824d et seq., and with Part 35 of Title 18 of the Code of Federal Regulations, 18 C.F.R. §§35 et seq.

13. All amendments to this Agreement shall be in written form executed by both parties.

14. The terms and conditions of this Agreement shall be binding on the successors and assigns of either party.

15. This Agreement will remain in effect for a period of up to two years from its effective date as permitted by the Federal Energy Regulatory Commission and is subject to extension by mutual agreement. Either party may terminate this Agreement by thirty (30) days' notice except as is otherwise provided herein. If this Agreement expires by its own terms, it shall be NEP's responsibility to make such filing.

NEP:

By:_____ _____ _____
Name Title Date

Transmission Customer:

By:_____ _____ _____
Name Title Date

System Impact Study Agreement
EXHIBIT 1

Information to be Provided to NEP
by the Transmission Customer for System Impact Study

1.0 Facilities Identification

1.1 Requested capability in MW and MVA; summer and winter

1.2 Site location and plot plan with clear geographical references

1.3 Preliminary one-line diagram showing major equipment and extent of Transmission Customer ownership

1.4 Auxiliary power system requirements

1.5 Back-up facilities such as standby generation or alternate supply sources

2.0 Major Equipment

2.1 Power transformer(s): rated voltage, MVA and BIL of each winding, LTC and or NLTC taps and range, Z1 (positive sequence) and Z0 (zero sequence) impedances, and winding connections. Provide normal, long-time emergency and short-time emergency thermal ratings.

2.2 Generator(s): rated MVA, speed and maximum and minimum MW output, reactive capability curves, open circuit saturation curve, power factor (V) curve, response (ramp) rates, H (inertia), D (speed damping), short circuit ratio, X1 (leakage), X2 (negative sequence), and X0 (zero sequence) reactances and other data:

	Direct Axis	Quadrature Axis
saturated synchronous reactance	Xdv	Xqv

	Direct Axis	Quadrature Axis
unsaturated synchronous reactance	Xdi	Xqi
saturated transient reactance	X'dv	X'qv
unsaturated transient reactance	X'di	X'qi
saturated subtransient reactance	X"dv	X"qv
unsaturated subtransient reactance	X"di	X"qi
transient open-circuit time constant	T'do	T'qo
transient short-circuit time constant	T'd	T'q
subtransient open-circuit time constant	T"do	T"qo
subtransient short-circuit time constant	T"d	T"q

2.3 Excitation system, power system stabilizer and governor: manufacturer's data in sufficient detail to allow modeling in transient stability simulations.

2.4 Prime mover: manufacturer's data in sufficient detail to allow modeling in transient stability simulations, if determined necessary.

2.5 Busses: rated voltage and ampacity (normal, long-time emergency and short-time emergency thermal ratings), conductor type and configuration.

2.6 Transmission lines: overhead line or underground cable rated voltage and ampacity (normal, long-time emergency and short-time emergency thermal ratings), Z1 (positive sequence) and Z0 (zero sequence) impedances, conductor type, configuration, length and termination points.

2.7 Motors greater than 150 kW 3-phase or 50 kW single-phase: type (induction or synchronous), rated hp, speed, voltage and current, efficiency and power factor at ½, 3/4 and full load, stator resistance and reactance, rotor resistance and reactance, magnetizing reactance.

2.8 Circuit breakers and switches: rated voltage, interrupting time and continuous, interrupting and momentary currents. Provide normal, long-time emergency and short-time emergency thermal ratings.

2.9 Protective relays and systems: ANSI function number, quantity manufacturer's catalog number, range, descriptive bulletin, tripping diagram and three-line diagram showing AC connections to all relaying and metering.

2.10 CT's and VT's: location, quantity, rated voltage, current and ratio.

2.11 Surge protective devices: location, quantity, rated voltage and energy capability.

3.0 Other

3.1 Additional data to perform the System Impact Study will be provided by the Transmission Customer as requested by NEP.

3.2 NEP reserves the right to require specific equipment settings or characteristics necessary to meet the applicable criteria and standards.

ATTACHMENT D

Form of Facilities Study Agreement

This agreement dated _____, is entered into by _____ (the Transmission Customer) and New England Power Company (NEP), for the purpose of setting forth the terms, conditions and costs for conducting a Facilities Study Agreement relative to _____. The Facilities Study will determine the detailed engineering, design and cost of the facilities necessary to satisfy the Transmission Customer's request for service over NEP's Transmission System.

1. The Transmission Customer agrees to provide, in a timely and complete manner, all required information and technical data necessary for NEP to conduct the Facilities Study. Where such information and technical data was provided for the System Impact Study, it should be reviewed and updated with current information, as required.

2. All work pertaining to the Facilities Study that is the subject of this Agreement will be approved and coordinated only through designated and authorized representatives of NEP and the Transmission Customer. Each party shall inform the other in writing of its designated and authorized representative.

3. NEP will advise the Transmission Customer of additional studies as may be deemed necessary by NEP. Any such additional studies shall be conducted only if required by Good Utility Practice and shall be subject to the Transmission Customer's consent to proceed, such consent not to be unreasonably withheld.

4. NEP contemplates that it will require ___ days to complete the Facilities Study. Upon completion of the study by NEP, NEP will provide a report to the Transmission Customer based on the information provided and developed as a result of this effort. If, upon review of the study results, the Transmission Customer decides to pursue its transmission service request, the Transmission Customer must sign a supplemental Service Agreement with NEP. The System Impact and Facilities Studies, together with any additional studies contemplated in Paragraph 3, shall form the basis for the Transmission Customer's proposed use of NEP's Transmission System and shall be furthermore utilized in obtaining necessary third-party approvals of any facilities and requested transmission services. The Transmission Customer understands and acknowledges that any use of the study results by the Transmission Customer or their agents, whether in preliminary or final form, prior to application approval

pursuant to Section I.3.9 of the Tariff, is completely at the Transmission Customer's risk and that NEP will not guarantee or warrant the completeness, validity or utility of the study results prior to application approval pursuant to Section I.3.9 of the Tariff.

5. The estimated costs contained within this Agreement are NEP's good faith estimate of its costs to perform the Facilities Study contemplated by this Agreement. NEP's estimates do not include any estimates for wheeling charges that may be associated with the transmission of facility output to third parties or with rates for station service. The actual costs charged to the Transmission Customer by NEP may change as set forth in this Agreement. Prepayment will be required for all study, analysis, and review work performed by NEP's or its Designated Agent's personnel, all of which will be billed by NEP to the Transmission Customer in accordance with Paragraph 6 of this Agreement.

6. The payment required is $____ from the Transmission Customer to NEP for the primary system analysis, coordination, and monitoring of the Facilities Study to be performed by NEP for the Transmission Customer's requested service. NEP will, in writing, advise the Transmission Customer in advance of any cost increases for work to be performed if the total amount increases by 10% or more. Any such changes to NEP's costs for the study work to be performed shall be subject to the Transmission Customer's consent, such consent not to be unreasonably withheld. The Transmission Customer shall, within thirty (30) days of NEP's notice of increase, either authorize such increases and make payment in the amount set forth in such notice, or NEP will suspend the study and this Agreement will terminate if so, permitted by the Federal Energy Regulatory Commission. In the event this Agreement is terminated for any reason, NEP shall refund to the Transmission Customer the portion of the above credit or any subsequent payment to NEP by the Transmission Customer that NEP did not expend in performing its obligations under this Agreement. Any additional billings under this Agreement shall be subject to an interest charge computed in accordance with the provisions of the OATT. Payments for work performed shall not be subject to refunding except in accordance with Paragraph 7 below.

7. If the actual costs for the work exceed prepaid estimated costs, the Transmission Customer shall make payment to NEP for such actual costs within thirty (30) days of the date of NEP's invoice for such costs. If the actual costs for the work are less than that prepaid, NEP will credit such difference toward NEP costs unbilled, or in the event there will be no additional billed expenses, the amount of the overpayment will be returned to the Transmission Customer with interest computed in accordance with the provisions of the OATT.

8. Nothing in this Agreement shall be interpreted to give the Transmission Customer immediate rights to interconnect to or wheel over NEP's Transmission or Distribution System. Such rights shall be provided for under separate agreement. This Attachment D shall not apply to requests for transmission service on behalf of a Large Load, which shall be governed by the Large Load Facilities Study Agreement set forth in Attachment U to the ISO-NE OATT.

9. Within one (1) year following NEP's issuance of a final bill under this Agreement, the Transmission Customer shall have the right to audit NEP's accounts and records at the offices where such accounts and records are maintained during normal business hours; provided that appropriate notice shall have been given prior to any audit and provided that the audit shall be limited to those portions of such accounts and records that relate to service under this Agreement. NEP reserves the right to assess a reasonable fee to compensate for the use of its personnel time in assisting any inspection or audit of its books, records or accounts by the Transmission Customer or their Designated Agent.

10. Each party agrees to indemnify and hold the other party and its Affiliates, including affiliated trustees, directors, officers, employees, and agents of each of them, harmless from and against any and all damages, costs (including attorney's fees), fines, penalties and liabilities, in tort, contract, or otherwise (collectively "Liabilities") resulting from claims of third parties arising, or claimed to have arisen as a result of any acts or omissions of either party under this Agreement. Each party hereby waives recourse against the other party and its Affiliates for, and releases the other party and its Affiliates from, any and all Liabilities for or arising from damage to its property due to performance under this Agreement by such other party.

11. If any party materially breaches any of its covenants hereunder, the other party may terminate this Agreement by filing a notice of intent to terminate with the Federal Energy Regulatory Commission and serving notice of same on the other party to this Agreement.

12. This agreement shall be construed and governed in accordance with the laws of the Commonwealth of Massachusetts and with Part II of the Federal Power Act, 16 U.S.C. §§824d et seq., and with Part 35 of Title 18 of the Code of Federal Regulations, 18 C.F.R. §§35 et seq.

13. All amendments to this Agreement shall be in written form executed by both parties.

14. The terms and conditions of this Agreement shall be binding on the successors and assigns of either party.

15. This Agreement will remain in effect for a period of up to two years from its effective date as permitted by the Federal Energy Regulatory Commission and is subject to extension by mutual agreement.

Either party may terminate this Agreement by thirty (30) days' notice except as is otherwise provided herein. If this Agreement expires by its own terms, it shall be NEP's responsibility to make such filing.
NEP:

By:_____ _____ _____
Name Title Date

Transmission Customer:

By:_____ _____ _____
Name Title Date

ATTACHMENT E

Local Service Agreement

Policy and Practices for Protection Requirements
for New or Modified Load Interconnections

Any load facility, hereafter called a LF, desiring to interconnect with NEP's electrical system or modify an existing interconnection must meet the technical specifications and requirements set forth in this Policy and Practices. Once interconnected, NEP, in keeping with Good Utility Practice and in its sole discretion, may disconnect the LF if the LF departs from the technical specifications and requirements of this Policy and Practices. The LF must return to full compliance with this Policy prior to reconnecting with NEP's electrical system.

If it is possible for the LF to be a significant source of current flow into NEP's lines due to generation sources within the LF system then NEP may determine the LF to be considered a Generation Facility and the Policy and Practices for Protection Requirements for Generation Interconnections shall apply as set forth in the New England ISO OATT.

This Attachment E shall apply to the interconnection of a Large Load to NEP's electrical system to the extent not inconsistent with the protection requirements applicable to Large Loads under Part II.J of the ISO-NE OATT and the applicable ISO New England Operating Procedures, which shall govern in the event of a conflict.

This document is divided into the following sections:

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1. Protection Information Required from the LF for All Interconnections
2. General Protection Requirements for All LF Interconnections
3. Protection Equipment Requirements for All LF Interconnections
4. Requirements for Protection of NEP's System
5. Requirements for Protection of NEP's System: Facilities Having Sources
6. Requirements for Emergency Load Reduction
7. Protection System Testing and Maintenance
8. Changes to the LF's Protection System

1.) PROTECTION INFORMATION REQUIRED FROM THE LF FOR ALL INTERCONNECTIONS

A. The following information must be submitted by the LF for review and acceptance by NEP prior to finalizing the LF's protection design:

- A station one-line drawing.
- A one-line drawing showing the relays and metering including current transformer (CT) and voltage transformer (VT) connections and ratios.
- A three-line drawing showing the AC connections to the relays and meters.
- The LF's transformer nameplate information including rated voltage, rated KVA, positive and zero sequence impedances and winding connections.
- A list of protective relay equipment proposed to be furnished to conform with this Policy and Practices including relay types, styles, manufacturer's catalog numbers, ranges and descriptive bulletins.
- Schematic drawings showing the control circuits for the interconnection breaker(s) or equivalent interrupting device(s).
- Equipment specifications for CTs and VTs relevant to the interconnection.
- Interconnection breaker or equivalent interrupting device operating time.
- Other information that may be determined by NEP as required for a specific interconnection.

B. Relay settings for all LF protective relays that affect the interconnection with NEP's system must be submitted by the LF for review and acceptance by NEP at least four weeks prior to the scheduled date for setting the relays.

C. If, due to the interconnection of the LF to the line, the fault interrupting, continuous, momentary or other rating of any of NEP's equipment or the equipment of others connected to NEP's system is exceeded, NEP shall have the right to require the LF to pay for the purchase, installation, replacement or modification of equipment to eliminate the condition. Where such action is deemed necessary by NEP, NEP will, where possible, permit the LF to choose among two or more options for meeting NEP's requirements as described in this Policy and Practices.

2.) GENERAL PROTECTION REQUIREMENTS FOR ALL LF INTERCONNECTIONS

A. A circuit breaker, or other fault interrupting method acceptable to NEP, shall be installed to isolate the LF from NEP's system. This will hereafter be called the "interconnection breaker". If there is more than one interconnection breaker, the requirements of this Policy and Practices apply to each one individually.

B. NEP will review the relay settings as submitted by the LF to assure adequate protection for NEP's facilities. NEP shall not be responsible for the protection of the LF's facilities. Providing the relaying is installed and maintained as reviewed, the LF shall not be responsible for the protection of NEP's facilities. The LF shall be responsible for protection of its system against possible damage resulting from interconnection with NEP.

If requested by the LF, NEP will provide system protection information for the line terminal(s) directly related to the interconnection. This protection information is provided exclusively for use by the LF in evaluating protection of the LF's facilities during parallel operation.

C. NEP shall specify whether the transformer, if any, between NEP's voltage and the LF's distribution voltage, hereafter called the "LF's transformer", is to be grounded or ungrounded at NEP's voltage.

3.) PROTECTION EQUIPMENT REQUIREMENTS FOR ALL LF INTERCONNECTIONS

A. The interconnection breaker control circuits shall be DC powered from a station battery.

B. The LF shall provide a switch at the Interconnection Point with NEP that can be opened for isolation. NEP shall have the right to open the interconnection during emergency conditions or with due notice to the LF at other times. NEP shall exercise such right in accordance with Good Utility Practice. The switch shall be gang operated, have a visible break when open, and be capable of being locked open, tagged and grounded on NEP side by NEP personnel. The switch shall be of a manufacture and type generally accepted for use by NEP.

C. Protective relaying control circuits shall be DC powered from a station battery. Solid state relays shall be self-powered or DC powered from a station battery.

D. CT ratios and accuracy classes shall be chosen such that secondary current is less than 100 amperes and transformation errors are less than 10% under maximum fault conditions.

E. All protective relays required by this Policy and Practices shall meet ANSI/IEEE standard C37.90 and be of a manufacture and type generally accepted for use by NEP.

F. Protective relays provided by the LF as required per this Policy and Practices shall be sufficiently redundant and functionally separate so as to provide adequate protection, as determined by NEP, upon the failure of any one component. The use of a single all-inclusive relay package is not acceptable.

G. NEP may require the LF to provide two independent, redundant relaying systems in accordance with NPCC Criteria for the Protection of the Bulk Power System if the interconnection is to the Bulk Power System or if it is determined that delayed clearing of faults within the LF adversely affects the Bulk Power System.

H. A direct transfer tripping system, if provided, shall use equipment generally accepted for use by NEP and shall, at the option of NEP, use dual channels.

4.) REQUIREMENTS FOR PROTECTION OF THE TRANSMISSION SYSTEM

A. The LF must provide protective relays to detect any faults, whether phase-to-phase or phase-to-ground within the LF, and isolate the LF from NEP's line(s) such that the following criteria are met, as determined by NEP:

- The existing sensitivity of fault detection is not substantially degraded.
- The existing speed of fault clearing is not substantially degraded.
- The coordination margin between relays is not substantially reduced.
- The sustained unfaulted phase voltage during a line-to-ground fault is not increased beyond 1.25 times the normal phase-to-ground voltage. (This value may be further reduced if required to coordinate with existing system insulation levels and overvoltage protection.)
- Non-directional line relays will not operate for faults external to the line due to the LF's contribution.
- Proper settings for existing relays are achievable within their ranges.

NEP may perform engineering studies to evaluate the LF's protection compliance with respect to the above and may make recommendations to the LF on methods to achieve compliance.

If, due to the interconnection of the LF to NEP's system, any of the above criteria are violated for NEP's facilities or for the facilities of others connected to NEP's system, NEP shall have the right to require the LF to pay for the purchase, installation, replacement or modification of protective equipment to eliminate the violation and restore the level of protection existing prior to the interconnection. This may include the addition of pilot relaying systems involving communications between all terminals. Where such action is deemed necessary by NEP, NEP will, where possible, permit the LF to choose among two or more options for meeting NEP's requirements as described in this Policy and Practices.

B. The LF is responsible for procuring any communications channels necessary between the LF and NEP's stations and for providing protection from transients and overvoltages at all ends of these communication channels.

C. The LF may be required to use high speed protection if time-delayed protection would result in degradation in the existing sensitivity or speed of the protection systems on NEP's lines.

D. The LF may be required to provide local breaker failure protection which may include direct transfer tripping to NEP's line terminal(s) in order to detect and clear faults within the LF that cannot be detected by NEP's back-up protection.

5.) REQUIREMENTS FOR PROTECTION OF THE TRANSMISSION SYSTEM: FACILITIES HAVING SOURCES

If it is possible for the LF to be a source of current flow into NEP's system, either due to generation within the LF system or due to connections within the LF system to other sources, the LF must provide protective relays to detect any faults, whether phase-to-phase or phase-to-ground on NEP's lines or within the LF, and isolate the LF from NEP's line(s) per the requirement of Section 4 above and the following:

A. A control interlock scheme that detects voltage on NEP's line(s) shall be used to prevent an interconnection breaker from closing to energize NEP's line(s).

B. A voltage transformer shall be provided by the LF, connected to NEP side of the interconnecting breaker. The voltage from this VT shall be used in the interlock as specified in Section 5A above. If the LF's connection is ungrounded at NEP voltage, this VT shall be a single three-phase device or three single-phase devices connected from each phase to ground, rated for phase-to-phase voltage and provided with two secondary windings. One winding shall be connected in open delta, have a loading resistor to prevent ferroresonance, and be used for the relay specified in Section 5C below.

C. If the LF's connection to NEP's system is un-grounded, the LF shall provide a zero-sequence overvoltage relay fed from the open delta of the three phase VT specified in Section 5B above.

D. NEP's lines generally have automatic reclosing following a trip with reclosing times as short as five seconds and without regard to whether the LF is keeping the circuit energized. The LF is responsible for protecting its equipment from being reconnected out of synchronism with NEP's system by an automatic line reclosure operation. The LF may choose to install additional equipment such as direct transfer tripping from NEP's station(s) to insure the LF is off the line prior to the line reclosing.

6.) REQUIREMENTS FOR EMERGENCY LOAD REDUCTION

A. The LF shall provide a manual load shed lockout relay to trip and block closing of selected load feeders. This relay shall be operated via a signal sent from an area dispatching center to a remote terminal unit (RTU) provided by the LF and shall be manually reset. The selection of feeders to trip shall be in conformance with NPCC Emergency Operation Criteria and determined by the area control authority. Alternatively, the LF may elect to provide compensatory load reduction through contractual arrangements with other area customers or by other means.

B. During system conditions where local area load exceeds generation, NPCC Emergency Operation Criteria requires a program of phased automatic underfrequency load shedding of up to 25% of area load to assist in arresting frequency decay and to minimize the possibility of system collapse. In conformance to these criteria, the LF shall provide an underfrequency relay with a lockout function to trip and block closing of selected load feeders. Feeders so shed shall not be re-energized without the express permission of the area control authority. If desired, the LF may use the RTU specified in Section 6A above to receive a signal sent from an area dispatching center that would reset the lockout function and permit automatic restoration of the feeders. The underfrequency settings and the selection of feeders shall be in conformance with these Criteria and determined by the area control authority. Alternatively, the LF may

elect to provide compensatory load reduction to conform with the requirements of this Section through contractual arrangements with other area customers or by other means.

C. The LF shall provide a voltage reduction function to reduce the feeder voltage regulation set point by 5% for all load feeders. This function shall be operated via a signal sent from an area dispatching center to an RTU provided by the LF and shall be remotely reset from the dispatching center or self-reset in 4 hours.

D. Depending on the point of connection of the LF to NEP's system, NEP may require a dead station tripping function to disconnect the LF from NEP's lines following six minutes of de-energized NEP lines in order to assist in restoration of service following an area or system wide shut down.

7.) PROTECTION SYSTEM TESTING AND MAINTENANCE

A. NEP shall have the right to witness the testing of protective relays and control circuits required by this Policy and Practices at the completion of construction and to receive a copy of all test data. The LF shall provide NEP with at least a one week notice prior to the final scheduling of these tests. Testing shall consist of:

- CT and CT circuit polarity, ratio, insulation, excitation, continuity and burden tests.
- VT and VT circuit polarity, ratio, insulation and continuity tests.
- Relay pick-up and time delay tests.
- Functional breaker trip tests from protective relays.
- Relay in-service test to check for proper phase rotation and magnitudes of applied currents and voltages.
- Breaker closing interlock tests.
- Other relay commissioning tests typically performed for the relay types involved.

B. The protective relays shall be tested and maintained by the LF on a periodic basis but not less than once every four years or as determined by NEP. The results of these tests shall be summarized by the LF and reported in writing to NEP.

For relays installed in accordance with the NPCC Criteria for the Protection of the Bulk Power System, maintenance intervals shall be in accordance with the NPCC Maintenance Criteria for Bulk Power System

Protection. The status of conformance with the NPCC Maintenance Criteria for Bulk Power System Protection shall be reported in writing to NEP annually.

8.) CHANGES TO THE LF'S PROTECTION SYSTEM

The LF must provide NEP with reasonable advance notice of any proposed changes to be made to the protective relay system, relay settings, operating procedures or equipment that affect the interconnection. NEP will determine if such proposed changes require re-acceptance of the interconnection per the requirements of this Policy and Practices.

In the future, should NEP implement changes to the system to which the LF is interconnected, the LF will be responsible at its own expense for identifying and incorporating any necessary changes to its protection system. Those changes to the LF's protection system are subject to review and approval by NEP.

ATTACHMENT F

Local Service Agreement

Insurance Requirements

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During the term of this Agreement, the interconnecting Transmission Customer, at its own cost and expense, shall procure and maintain insurance in the forms and amounts acceptable to NEP at the following minimum levels of coverage:

1) Statutory coverage for workers' compensation, and Employer's Liability Coverage with a limit no less than $500,000.00 per accident;

2) Comprehensive General Liability Coverage including Operations, Contractual Liability and Broad Form Property Damage Liability written with limits no less than $5,000,000.00 combined single limit for Bodily Injury Liability and Property Damage Liability; and

3) Automobile Liability for Bodily Injury and Property Damage to cover all vehicles used in connection with the work with limits no less than $1,000,000.00 combined single limit for Bodily Injury and Property Damage Injury.

Prior to commencing the work, the interconnecting Transmission Customer shall have its insurer furnish to NEP certificates of insurance evidencing the insurance coverage required above and the interconnecting Transmission Customer shall notify and send copies to NEP of any policies maintained hereunder written on a "claims-made" basis. NEP may at its discretion require the interconnecting Transmission Customer to maintain tail coverage for five years on all policies written on a "claims-made" basis.

Every contract of insurance providing the coverages required in this provision shall contain the following or equivalent clause: "No reduction, cancellation or expiration of the policy shall be effective until thirty (30) days from the date written notice thereof is actually received by the interconnecting Transmission Customer. Upon receipt of any notice of reduction, cancellation or expiration, the interconnecting Transmission Customer shall immediately notify NEP.

NEP and its Affiliates shall be named as additional insureds, as their interests may appear, on the Comprehensive General Liability and Automobile Liability policies described above.

The interconnecting Transmission Customer shall waive all rights of recovery against NEP for any loss or damage covered by said policies. Evidence of this requirement shall be noted on all certificates of insurance provided to NEP.

With respect to a Large Load, the insurance requirements of Article 17 of the applicable Large Load Cost Recovery Agreement shall govern in lieu of this Attachment F to the extent of any inconsistency.

ATTACHMENT H

Methodology for Completing System Impact Study

When New England Power Company ("NEP") determines on a non-discriminatory basis that a System Impact Study is needed because its Transmission System will be inadequate to accommodate a request for service, the following outlines the study methodology that NEP will employ to estimate the transmission system impact of a request for firm Transmission Service and/or any Costs for System Redispatch, Direct Assignment Facilities or 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 agreements that predate the OATT;
- meet obligations of existing and pending Valid Requests under the OATT; and
- maintain thermal, voltage and stability system performance within acceptable regional practices.

2. **Guidelines and Principles followed by NEP** - NEP is a Participating Transmission Owner under the TOA and the Tariff and a member of the NPCC. When performing the System Impact Study, NEP will apply the following, as amended and/or adopted from time to time.

- Good Utility Practice;
- Criteria rules and reliability standards applicable to the New England Transmission System;
- NPCC criteria and guidelines; and
- New England Power Service Company (or its successor) guides

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. The models may include representations of other NPCC and neighboring systems. These loadflow cases include individual system model representations provided by members of the ISO and represent forecasted system conditions for up to ten years into the future. This library of loadflow cases is maintained and updated as appropriate by the ISO and is consistent with information filed under FERC Form 715. NEP will use system models that it deems 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 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 NEP 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 new generators 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 transmission and delivery service under this tariff.

7. **Loss Evaluation** - The impact of losses on the 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 NEP.

9. **Approvals** - NEP 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 New England Operating Procedures or Section I.3.9 of the Tariff, 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 NEP's existing Transmission System. NEP will provide the Eligible Customer with a written report of the physical interconnection alternative(s), required NEP system additions and/or modifications, if any, associated study grade cost estimates (+/-25%) and the results of the analysis. This Attachment H shall not apply to requests for transmission service on behalf of a Large Load, which shall be studied by the ISO, in coordination with NEP, in accordance with the Large Load study procedures in Part II.J of the ISO-NE OATT.

ATTACHMENT I

Real Power Losses Factors

Voltage Class kV	Losses as a % of Energy Delivered
Stepdown transformer*	1.00
69	1.25**
34.5	1.98
23	2.61
15	4.18
5	4.34
Dist. Secondary	0.52

*The transformer that steps the voltage from the transmission level to the delivery level.

**The loss factor for the 69 kV level applies only when the Point of Delivery is not directly interconnected with the PTF.

Note: When multiple voltage levels are present between the Point of Delivery and the metering point, the loss factors are additive.

ATTACHMENT DAF

Direct Assignment Facilities

This Attachment applies to all transactions that utilize any Direct Assignment Facilities or any other charges specifically assigned to a customer by NEP or its New England Affiliates under this Schedule or the OATT. The formula set forth in this Attachment, as it may be amended from time to time, represents the Direct Assignment Facilities Charge which a Transmission Customer or Network Customer (together, "Transmission Customer") will pay in addition to the other applicable charges specified herein.

The determination of the annual Direct Assignment Facilities Charges chargeable to a specific Transmission Customer or group of Transmission Customers shall be calculated by the Annual Facility Charge formulas set forth per Exhibit 1 and Exhibit 2 of this Attachment for transmission and distribution facilities. In no event will the Annual Facilities Charge be less than $1,000 per calendar year.

If the Transmission Customer permanently terminates service prior to the normal expiration of its Service Agreement, the Transmission Customer may, at its option, close out its continuing obligation to pay the Annual Facilities Charge by paying NEP a lump sum payment equal to the net present value of the Return and Depreciation Expense on the net book value of the facility at the time of termination that would have been collected over the remaining life of the facility, plus any cost of removal if applicable. The return shall be equal to that found in Appendix A to Attachment F to the ISO-NE OATT, in the year of termination. Depreciation Expense shall be based on a straight-line method. The discount rate in the net present value calculation shall be equal to the interest rate pursuant to Section 35.19(a) of the Commission's regulations effective at the time of termination.

Billings shall initially be based upon estimates calculated based on actual costs in the preceding year, such estimates being adjusted to actual as soon as practicable after such costs become known. The source of the data shall be NEP or its applicable New England Affiliate's accounting records.

DISTRIBUTION

Annual Facilities Charges for Distribution Facilities will be calculated as per Exhibit 2 of this Attachment.

METERS

Determination of Annual Metering Charges

The Meter Maintenance Charge shall equal the product of NEP's installed metering costs for the customer and the Average Annual Carrying Charge determined in Attachment DAF, Exhibit 1 to this Schedule.

In accordance with the Meter Carrying Charge referenced above, the Annual Metering Charges will be updated on May 31 each year to reflect costs from the prior calendar year.

If the customer makes a CIAC, then the Average Annual Carrying Charge without CIAC determined in Attachment DAF, Exhibit 1 to this Schedule, will be used.

ATTACHMENT DAF
EXHIBIT 1

Direct Assignment Facilities – Transmission

Utility Name
Schedule 21 - NEP
Attachment DAF
Exhibit 1
Direct Assignment Facilities - Transmission (b)
For Costs in 20__

		(A)	(B)	(C)
	Input Cells are Shaded Yellow			**Reference**
Line No.	**Transmission Investment Base**	**WITHOUT CIAC**	**WITH CIAC**	
1	Transmission Plant		0	Appendix A to Attachment F to the OATT, W/S 1 Line 1 (A)
2	Transmission Related Intangible and General Plant		0	Appendix A to Attachment F to the OATT, W/S 1 Line 2 (A)
3	Transmission Plant/Land Held For Future Use		0	Appendix A to Attachment F to the OATT, W/S 1 Line 3 (A)
4	Total Transmission Plant (Sum Lines 1 thru 3)	-	-	
5	Transmission Related Depreciation and Amortization Reserve		0	Appendix A to Attachment F to the OATT, W/S 1 Line 5 (A)
6	Transmission Related Accumulated Deferred Income Tax		0	Appendix A to Attachment F to the OATT, W/S 1 Line 6 (A)
7	Other Regulatory Assets/(Liabilities)		0	Appendix A to Attachment F to the OATT, W/S 1 Line 7 (A)
8	Net Investment (Sum Lines 4 thru 7)	-	-	
9	Transmission Prepayments			Appendix A to Attachment F to the OATT, W/S 1 Line 9 (A)
10	Transmission Materials and Supplies			Appendix A to Attachment F to the OATT, W/S 1 Line 10 (A)
11	Transmission Unfunded Reserves			Appendix A to Attachment F to the OATT, W/S 1 Line 11 (A)
12	Transmission Related Cash Working Capital			Appendix A to Attachment F to the OATT, W/S 1 Line 12 (A)
13	Total Transmission Investment Base (Sum Lines 8 thru 12)	-	-	
14	Cost of Capital			Appendix A to Attachment F to the OATT, W/S 2 Line 18 (A)
	Revenue Requirements			
15	Return and Associated Income Taxes	-	-	Line 13 * Line 14
16	Transmission Depreciation and Amortization Expense		0	Appendix A to Attachment F to the OATT, W/S 1 Line 15 (A)
17	Transmission Related Municipal Tax Expense			Appendix A to Attachment F to the OATT, W/S 1 Line 16 (A)
18	Transmission Related Payroll Tax Expense			Appendix A to Attachment F to the OATT, W/S 1 Line 17 (A)
19	Transmission Operation and Maintenance Expense			Appendix A to Attachment F to the OATT, W/S 1 Line 18 (A)
20	Transmission Related Administrative and General Expense			Appendix A to Attachment F to the OATT, W/S 1 Line 19 (A)
21	Transmission Related PBOP Under/(Over) Recovery			Appendix A to Attachment F to the OATT, W/S 1 Line 20 (A)
22	Transmission Related Expense from Generators			Appendix A to Attachment F to the OATT, W/S 1 Line 21 (A)
23	Transmission Related Taxes and Fees Charge			Appendix A to Attachment F to the OATT, W/S 1 Line 22 (A)
24	Transmission Related Amortization of Regulatory Asset for MA State Tax Rate Change			Appendix A to Attachment F to the OATT, W/S 1 Line 23 (A)
25	Transmission Rents Received from Electric Property			Appendix A to Attachment F to the OATT, W/S 1 Line 24 (A)
26	Total Transmission Revenue Requirements Allocable (Sum Lines 15 thru 25)	-	-	
27	Total Transmission Plant Investment			Appendix A to Attachment F to the OATT, W/S 1 Line 4 (A)
28	**Average Annual Transmission Carrying Charge (Line 26/ Line 27)**	#DIV/0!	#DIV/0!	
	Annual Facilities Charge			
29	Gross Plant Investment			Attachment ____
30	Average Annual Transmission Carrying Charge (a)			Line ____
31	**Annual Facilities Charge (Line 29 x Line 30)**	-	-	
32	**Monthly Facilities Charge (Line 31 / 12)**	-	-	

Notes

(a) Carrying Charge with or without CIAC applied based on customer agreement
(b) For New England Power's Affiliates, the references herein shall be calculated in a manner consistent with NEP

ATTACHMENT DAF

EXHIBIT 2

Direct Assignment Facilities - Distribution

Utility Name
Schedule 21 - NEP
Attachment DAF
Exhibit 2
Direct Assignment Facilities - Distribution
For Costs in 20__

Line	Description	Average	Reference (b)
	Annual Facilities Charge		
1	Gross Plant Investment		Attachment ____
2	Average Annual Distribution Carrying Charge (a)		Note (a)
3	**Annual Facilities Charge**	-	Line 1 x Line 2
4	**Monthly Facilities Charge**	-	Line 3 / 12

Notes

(a) Carrying Charge with or without CIAC applied based on customer agreement;

Carrying charge with CIAC equals the Annual Distribution Revenue Requirement as determined in Attachment RR, Exhibit 1 to the Schedule, divided by the year-end balance of total distribution plant investment determined in accordance with Attachment RR, Exhibit 1, Section I. (A) (1) (a) to this Schedule.

Carrying charge without CIAC equals the carrying charge with CIAC excluding Sections I. (A) (1) (a), I. (A) (1) (d), I. (A) (1) (e), I. (A) (1) (f), I. (B), I. (C) of Attachment RR, Exhibit 1 to this Schedule

ATTACHMENT DS

Rolled-In Distribution Surcharge

The monthly Rolled-in Distribution Surcharge shall be (i) the monthly cost per kilowatt of $2.77, multiplied by (ii) the annual peak load of the Transmission Customer on the distribution system of NEP's applicable New England Affiliate(s) from the prior calendar year. Notwithstanding the foregoing, this provision will not apply to the Transmission Customer's Network Load taking service under the Specific Distribution Surcharge.

ATTACHMENT OCC

Other Charges & Credits

The following charges and credits may apply to a Transmission Customer or Network Customer, as applicable:

I. [Reserved]

II. Monthly Local Network Service Charge:

Pursuant to Section 24.2 of this Schedule, the Network Customer or other Transmission Customer will pay a monthly charge determined in Exhibit 2 of this Attachment.

III. Transformer Surcharge:

Pursuant to Section 24.3 of this Schedule, the Transmission Customer or Network Customer will pay a monthly surcharge computed in accordance with Exhibit 1 of this Attachment.

This charge shall be multiplied by the Network Customer's Annual Peak Load, from the prior calendar year (coinciding with the calendar year used to calculate the Transformer Surcharge) in Exhibit 1 of this Attachment.

IV. Meter Surcharge:

The monthly meter surcharge shall be computed in accordance with Exhibit 3 of this Attachment. multiplied by the number of NEP meters necessary to measure the delivery of transmission service to the Transmission Customer or Network Customer.

V. Power Factor Penalty:

Pursuant to Section 20.1 of this Schedule, a Network Customer or Transmission Customer will pay a Monthly Power Factor Penalty of $0.62 multiplied by the customer's deficient kilovars.

VI. Specific Distribution Surcharge:

The monthly Specific Distribution Surcharge shall be available to the following Network Customers

Georgetown Municipal Light Dept.

Ipswich Municipal Light Dept.

Princeton Electric Light Dept.

Hull Municipal Lighting Plant
Granite State Electric
Green Mountain Power Corp.
Groveland Municipal Light Dept.
Merrimac Municipal Light Dept.
Rowley Municipal Light Dept.

The monthly Specific Distribution Surcharge shall equal $.70 per KW month multiplied by the customer's Annual Peak Load from the prior calendar year.

VII. Network Load Dispatch Surcharge:

The monthly Network Load Dispatch Surcharge shall be computed in accordance with Exhibit 5 of this Attachment.

VIII. [Reserved]

IX. Network EPRI Credit:

The Network EPRI Credit shall be computed in accordance with Exhibit 6 of this Attachment.

X. [Reserved]

XI. [Reserved]

With respect to a Large Load Transmission Customer, the above charges shall apply to such customer only to the extent provided in the applicable Large Load Transmission Service Agreement or Large Load Cost Recovery Agreement.

ATTACHMENT OCC

EXHIBIT 1

Transformer Surcharge

I. No later than May 31 of each calendar year, the Transformer Surcharge will be calculated based on the prior calendar year's annual costs and will be billed from June 1 of the current year to May 31 of the following calendar year.

Utility Name
Schedule 21 - NEP
Attachment OCC
Exhibit 1
Transformer Surcharge
For Costs in 20__

Line	Description	Total	Reference
	Plant Investment in Step-down Transformers		
1	Total Investment in Step-down Transformers		Attachment ___
2	Average Annual Transmission Carrying Charge		Exhibit 1 to Attachment DAF, Line 28 (A)
3	**Annual Costs for Transformation Facilities**	-	Line 1 x Line 2
	Transformer Surcharge Rate		
4	Annual Costs for Transformation Facilities	-	Line 3
5	Annual Peak Loads of all Customers receiving Transformation Service (kW)		Attachment ___
6	Annual Transformer Surcharge Rate	#DIV/0!	Line 4 / Line 5
7	**Monthly Transformer Surcharge Rate**	**#DIV/0!**	Line 6 / 12

ATTACHMENT OCC

EXHIBIT 2

Monthly Local Network Service Charge

New England Power Company			
Schedule 21 - NEP			
Attachment OCC			
Exhibit 2			
Monthly Local Network Service Charge			
For Costs in 20__			
Line	**Description**	**Amount**	**Reference**
1	Total Local Service ATRR		Attachment 2 of Appendix B to Attachment F to the OATT, Worksheet 1, Line 9 (A)
2	Annual Local ~~Network~~ Service load		Attachment __
3	Annual Local Network Service Rate	#DIV/0!	Line 1 / Line 2
4	Monthly Local Network Service Rate	#DIV/0!	Line 3 / 12
5	Customer Local ~~Network~~ Service Load for applicable month		Attachment __
6	**Monthly Local Network Service Charge**	**#DIV/0!**	Line 4 x Line 5

ATTACHMENT OCC

EXHIBIT 3

Meter Surcharge

I. No later than May 31 of each calendar year, the Meter Surcharge will be calculated based on the prior calendar year's annual costs, and will be billed from June 1 of the current year to May 31 of the following calendar year

Utility Name
Schedule 21 - NEP
Attachment OCC
Exhibit 3
Meter Surcharge
For Costs in 20__

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Line	Description	Average	Reference
	Plant Investment in Meters		
1	Plant Investment in Meters (a)		FF1, Page 207.70(g), Attachment ___
2	Company Billing Meters (a)		Attachment
3	Company Owned Meters (a)		Attachment __
4	Percentage of Company Owned Meters Used for Billing	#DIV/0!	Line 2 / Line 3
5	Plant Investment in Meters	#DIV/0!	Line 1 x Line 4
6	Average Annual Carrying Charge		Attachment DAF, Exhibit 1 Line 28 (A)
7	Subtotal Annual Cost for Metering Service	#DIV/0!	Line 5 x Line 6
8	Less: Specifically identified Meter Revenues		Attachment __
9	Subtotal Annual Cost for Metering Service	#DIV/0!	Line 7 - Line 8
	Meter Surcharge Rate:		
10	Annual Cost for Metering Service	#DIV/0!	Line 9
11	Company-Owned Billing Meters - Subject to Surcharge (a)		Attachment __
12	Annual Meter Surcharge Rate	#DIV/0!	Line 10 / Line 11
13	**Monthly Meter Surcharge Rate**	**#DIV/0!**	Line 12 / 12

Notes

(a) For New England Power's Affiliates, the references herein shall be calculated in a manner consistent with NEP

ATTACHMENT OCC

EXHIBIT 4

[Reserved]

ATTACHMENT OCC

EXHIBIT 5

Local Network Load Dispatch Surcharge

I. No later than May 31 of each calendar year, the Local Network Load Dispatch Surcharge will be calculated based on the prior calendar year's annual costs, and will be billed from June 1 of the current year to May 31 of the following calendar year

II. Network Customer's will pay the Network Load Dispatching Surcharge as calculated below:

New England Power Company
Schedule 21 - NEP
Attachment OCC
Exhibit 5
Local Network Load Dispatch Surcharge
For Costs in 20__

Line	Description	FERC Account	Amount	Reference
Local Network Load Dispatch Surcharge				
1	Load Dispatch-Reliability	561.1		FF1, Page 321.85(b)
2	Load Dispatch-Monitor and Operate Transmission System	561.2		FF1, Page 321.86(b)
3	Load Dispatch-Transmission Service and Scheduling	561.3		FF1, Page 321.87(b)
4	Scheduling, System Control and Dispatch Services	561.4		FF1, Page 321.88(b)
5	Annual Network Load Dispatching Expenses		-	Sum Lines 1 through 4
6	Less: REMVEC-II Expense			Attachment ___
7	Less: NEPOOL/ISO Expense			Attachment ___
8	Load Dispatching Expense		-	Line 5 - Line 6 - Line 7
9	Local Service Allocator			Worksheet 2, Line 6 (C) of Appendix B to Attachment F to the OATT
10	True-up Rebill/Refund for Prior Service Year		-	Line 34
11	**Local ~~Network~~ Service Load Dispatching Expense**		**#DIV/0!**	(Line 8 * Line 9) + Line 10

12	Annual Local ~~Network~~ Service Load			Attachment ___
13	Annual Local Network Load Dispatch Surcharge Rate		#DIV/0!	Line ~~10~~11 / Line ~~11~~12
14	Monthly Local Network Load Dispatch Surcharge Rate		#DIV/0!	Line 13 / 12
15	Customer Local ~~Network~~ Service Load for month			Attachment ___
16	**Customer Local Network Load Dispatch Surcharge**		**#DIV/0!**	Line 14 x Line 15

True-up and Interest Calculation for Prior Year

17	Prior Year Revenues received for Load Dispatch Expense (Enter Credit)			Attachment _
18	Prior Year Load Dispatch Revenue Requirements			Attachment _
19	True-up Rebill/(Refund)		-	Line 17 + Line 18

	Month	Year	Balance (a)	Interest Rate (b)	Interest
20	June		-		-
21	July	0	-		-
22	August	0	-		-
23	September	0	-		-
24	October	0	-		-
25	November	0	-		-
26	December	0	-		-
27	January	1	-		-
28	February	1	-		-
29	March	1	-		-
30	April	1	-		-

31	May	1	-		-
32	Total Interest (Sum of Lines 20 thru 31)				-
33	True-up (Line 19)				-
34	Total True-up & Interest (Line 32 + Line 33)				-

Notes

(a) Interest is compounded quarterly per Code of Federal Regulation Title 18 Section 35.19a

(b) Interest rate per Code of Federal Regulation Title 18 Section 35.19a

ATTACHMENT OCC

EXHIBIT 6

Network EPRI Credit

I. Network Customer's will receive the Network EPRI Credit as calculated below:

New England Power Company				
Schedule 21 - NEP				
Attachment OCC				
Exhibit 6				
Network EPRI Credit				
For Costs in 20__				
Line	**Description**	**FERC Account**	**Amount**	**Reference**
1	Network EPRI Expenses (enter credit)	930		Attachment ___
2	Customer's Local ~~Network~~ Service Load Ratio Share for applicable month			Attachment __
3	**Customer Network EPRI Credit**		**-**	Line 1 x Line 2

ATTACHMENT RR

Transmission Revenue Requirements

The Local Service Annual Transmission Revenue Requirement (ATRR) will be determined based on the calculation set forth in Attachment 2 of Appendix B to Attachment F to the OATT. The Monthly Local Network Service Charge will be calculated pursuant to Exhibit 2 of Attachment OCC.

EXHIBIT 1

Distribution Cost of Service

Pursuant to Attachment DAF to this Schedule, the Distribution Cost of Service shall be calculated as follows for the applicable New England Affiliate:

I. The Primary Distribution System Cost of Service shall equal the sum of (A) Return and Associated Income Taxes, (B) Primary Depreciation Expense, (C) Primary Related Amortization of Loss on Reacquired Debt, (D) Primary Related Amortization of Investment Tax Credits, (E) Primary Related Municipal Tax Expense, (F) Primary Operation and Maintenance Expense, (G) Primary Related Administrative and General Expense, (H) Primary Revenue Credit, and (I) Primary Amortization of Regulatory Assets and Liabilities.

A. Return and Associated Income Taxes shall equal the product of the Primary Investment Base and the Cost of Capital Rate.

(1) Primary Investment Base will be (a) Total Primary Distribution Plant, plus (b) Primary Related General Plant, plus (c) Primary Plant Held for Future Use, less (d) Primary Depreciation Reserve, less (e) Primary Related Accumulated Deferred Income Taxes, plus (f) Primary Related Loss on Reacquired Debt, plus (g) Primary Related Regulatory Assets and Liabilities, plus (h) Primary Materials and Supplies, plus (i) Primary Related Prepayments, plus (j) Primary Related Cash Working Capital.

(a) Total Primary Distribution Plant shall equal the New England Affiliate's Plant Accounts 360 to 373 multiplied by allocation factors from the Distribution Engineering Study.

(b) Primary Related General Plant shall equal the New England Affiliate's Investment in General Plant, multiplied by the Primary Wages & Salaries Allocation Factor. The Primary Wages & Salaries Allocation Factor shall equal the ratio of Total Distribution Wages & Salaries to the Total New England Affiliate's Wages & Salaries excluding A&G, multiplied by the ratio of Primary Distribution related O&M to Total Distribution O&M (Primary O&M Allocation Factor).

(c) **Primary Plant Held for Future Use** shall equal the New England Affiliate's Account 105, multiplied by the Primary Land Allocation Factor from the Distribution Engineering Study.

(d) **Primary Depreciation Reserve** shall equal the New England Affiliate's Depreciation Reserve multiplied by the ratio of Primary Depreciable Distribution Plant to Total Depreciable Distribution Plant (Primary Depreciable Plant Allocation Factor), plus an allocation of average General Plant Depreciation Reserve calculated by multiplying beginning and end of year General Plant Depreciation Reserve by the Primary Wages and Salaries Allocation Factor described in Section (I)(A)(1)(b) above.

(e) **Primary Related Accumulated Deferred Income Taxes** shall equal the Total Accumulated Deferred Income Taxes, multiplied by the ratio of average Primary Plant in Service to average Total Plant in Service excluding General Plant (Primary Plant Allocation Factor).

(f) **Primary Related Loss on Reacquired Debt** shall equal the Total Loss on Reacquired Debt, multiplied by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

(g) **Primary Related Regulatory Assets and Liabilities** shall equal the New England Affiliate's specifically identified primary related excess or deficient accumulated deferred income taxes as a result of changes in Federal, State, or Local income tax rates as calculated in the ADIT Worksheet and other FAS 109 balances as recorded in FERC Account 182.3 and FERC Account 254. For Massachusetts Electric Company, excess or deficient ADIT will be calculated on the Customer's total electric plant and non-plant related amounts multiplied by the Primary Plant Allocation Factor at the time of the tax rate change.

(h) **Primary Materials and Supplies** shall equal the New England Affiliate's Distribution Plant Materials and Supplies, multiplied by the Primary O&M Allocation Factor as described in Section (I)(A)(1)(b) above.

(i) **Primary Related Prepayments** shall equal the New England Affiliate's Prepayments, multiplied by the Primary Wages and Salaries Allocator described in Section (I)(A)(1)(b) above.

(j) **Primary Related Cash Working Capital** shall be a 45-day allowance or 12.5% of Primary Operation and Maintenance Expense and Primary Related Administrative and General Expense.

(2) **Cost of Capital Rate** will equal (a) the New England Affiliate's Weighted Cost of Capital, plus (b) Federal Income Tax, plus (c) State Income Tax.

(a) **The Weighted Cost of Capital** will be calculated based upon the capital structure at the end of each year and will equal the sum of:

i) **the long-term debt component**, which equals the product of the actual dollar weighted average embedded cost to maturity of the New England Affiliate's long-term debt then outstanding and the ratio that long-term debt is to the New England Affiliate's total capital.

ii) **the preferred stock component**, which equals the product of the actual weighted average embedded cost to maturity of the New England Affiliate's preferred stock then outstanding and the ratio that preferred stock is to the New England Affiliate's total capital.

iii) **the return on equity component**, which equals the product of 10.57% and the ratio that common equity is to the New England Affiliate's total capital.

(b) **Federal Income Tax** shall equal

$$\frac{A \times FT}{1-FT}$$

where FT is the Federal Income Tax Rate and A the sum of the preferred stock component and the return on equity component determined in Section (I)(A)(2)(a)(ii) and Section (I)(A)(2)(a)(iii) above.

(c) **State Income Tax** shall equal

$$\frac{(A + \text{Federal Income Tax}) \times ST}{1-ST}$$

where ST is the State Income Tax Rate, A is the sum of the preferred stock component and the return on equity component determined in Section (I)(A)(2)(a)(ii) and Section (I)(A)(2)(a)(iii) above, and Federal Income Tax is Federal Income Tax as determined in Section (I)(A)(2)(b) above.

B. Primary Depreciation Expense shall equal Depreciation Expense for Distribution Plant, multiplied by the Primary Depreciable Plant Allocation Factor as described in Section (I)(A)(1)(d) above, plus an allocation of General Plant Depreciation Expense calculated by multiplying General Plant Depreciation Expense by the Primary Wages and Salaries Allocation Factor described in Section (I)(A)(1)(b) above.

C. Primary Related Amortization of Loss on Reacquired Debt shall equal the New England Affiliate's Amortization of Loss on Reacquired Debt, multiplied by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

D. Primary Related Amortization of Investment Tax Credits shall equal the New England Affiliate's Amortization of Investment Tax Credits, multiplied by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

E. Primary Related Municipal Tax Expense shall equal a pro-rata share of the New England Affiliate's total municipal taxes allocated by the Primary Plant Allocation Factor described in Section (I)(A)(1)(e) above.

F. Primary Operation and Maintenance Expense shall the sum of all expenses charged to FERC Account Numbers 580 through 598, allocated to Primary as indicated by the Distribution Engineering Study.

G. Primary Related Administrative and General Expenses shall equal the New England Affiliate's Administrative and General Expenses, plus Payroll Taxes, multiplied by the Primary Wages & Salaries Allocation Factor described in Section (I)(A)(1)(b) above.

I. Primary Amortization of Regulatory Assets and Liabilities shall equal the New England Affiliate's specifically identified primary related credits and expenses as recorded in FERC Account 410.1 and 411.1 solely related to any deficient or excess deferred income taxes as a result of changes in

Federal, State or Local income tax as calculated in the ADIT Worksheet including the tax gross up amount.

The annual update of the Distribution Carrying Charge per Exhibit 2 of Attachment DAF will include a fully populated formula template with underlying workpapers and FERC Form 1 references to support all inputs including an ADIT Worksheet and remeasurement worksheet. The ADIT Worksheet will annually track information related to excess and deficient ADIT associated with changes in federal, state or local tax rates. The remeasurement worksheet will be provided for any excess or deficient ADIT and associated amortization following a tax rate change.

EXHIBIT 2

Massachusetts Electric Company ADIT Worksheets

Massachusetts Electric Company
Schedule III-B to NEP's FERC Electric Tariff No.1
(Excess)/Deficient ADIT Worksheet
Attachment __
For Costs in the Year of 20__

Input Cells are Shaded Yellow (e)

Line No.	Description	FERC Account No. (a)	(A) 20__ Year End Unamortized (Excess)/Deficient ADIT Protected	(B) 20__ Year End Unamortized (Excess)/Deficient ADIT Unprotected	(C) 20__ Year End Unamortized (Excess)/Deficient ADIT Gross-Up (i)	(D) = (A) + (B) + (C) 20__ Year End Unamortized (Excess)/Deficient ADIT 12/31/__ Balance	(E) Amortization Periods Protected	(F) Amortization Periods Unprotected	(G) Amortization Periods FERC Account No. (f)	(H) Amortization Expense (f) Protected	(I) Amortization Expense (f) Unprotected	(J) Amortization Expense (f) Gross-Up (i)	(K) Other Adjustments (g) Total Amortization	(L) Other Adjustments (g) Protected	(M) Other Adjustments (g) Unprotected	(N) Other Adjustments (g) Gross-Up (i)	(O) = (A) - (H) - (L) 20__ Year End Unamortized (Excess)Deficient ADIT Protected	(P) = (B) - (I) - (M) 20__ Year End Unamortized (Excess)Deficient ADIT Unprotected	(Q) = (C) - (J) - (N) 20__ Year End Unamortized (Excess)Deficient ADIT Gross-Up (i)	(R) = (O) + (P) + (Q) 20__ Year End Unamortized (Excess)Deficient ADIT 12/31/__ Balance	(S) Reference
	Transmission (Excess)/Deficient ADIT - Tax Rate Changes																				
	Property																				
1a						-							-				-	-	-	-	
1 []						-							-				-	-	-	-	
2	Total Property (Sum Lines 1a thru 1[]) (d)		-	-	-	-				-	-	-	-	-	-	-	-	-	-	-	
	Non-Property																				
3a						-							-				-	-	-	-	
3[ ]						-							-				-	-	-	-	
4	Total Non Property (Sum Lines 3a thru 3[]) (d)		-	-	-	-				-	-	-	-	-	-	-	-	-	-	-	
5	**Total Transmission (Excess)/Deficient ADIT - Tax Rate Changes (Line 2 + Line 4)**		-	-	-	-				-	-	-	-	-	-	-	-	-	-	-	
	Electric Distribution (Excess)/Deficient ADIT																				
6a	Electric Distribution (Excess)/Deficient ADIT - Tax Rate Changes	(h)																			
6b	FAS109 - Other Changes	(j)																			
6 []																					
7	**Total Electric Distribution (Excess)/Deficient ADIT (Sum Lines 6a thru 6[]) (d)**					-														-	
8	**Total Electric (Excess)/Deficient ADIT (Line 5 + Line 7)**					-														-	
9	Deficient ADIT - Regulatory Asset	182.3	FF1 Page 232. b													FF1 Page 232. f					
10	Excess ADIT - Regulatory Liability	254	FF1 Page 278.__b													FF1 Page 278.__f					
11	Deficient/(Excess) Deferred Income Tax Regulatory Asset/(Liability) (Line 9 + Line 10)					-														-	

Notes
(a) The affected ADIT accounts were remeasured by comparing ADIT on cumulative temporary differences for each item in accounts 190, 282, and 283 at the current Federal, State & Local Income Tax rate to ADIT balances at historical Federal, State & Local Income Tax rates. The difference between the two represents the excess or deficient ADIT. Refer to Attachment 1.
(b) Relates to the Federal Income Tax rate change associated with the 2017 Tax Cuts and Jobs Act.
(c) Massachusetts Electric Company may add or remove sublines and notes explaining them without a FPA Section 205 filing.

(d) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter. Massachusetts Electric Company may add or remove sublines without a FPA Section 205 filing.
(e) Enter credit balances as negatives.
(f) Deficient ADIT is amortized to Account 410.1; Excess ADIT is amortized to Account 411.1 .
(g) Other changes to (excess)/deficient balances due to the conclusion of IRS audits during applicable periods affected by a change in federal, state or local tax rates. Other changes may also include flow through tax accounting for equity AFUDC and classification changes between the protected and unprotected categories.
(h) Amounts approved for recovery in Massachusetts Electric Company Distribution rates per DPU approved dockets.
(i) Tax gross up calculated using the Composite Tax Rate / (1 - Composite Tax Rate) in effect for the applicable period.
(j) Other Electric Transmission and Distribution FAS 109 balances
(k) Massachusetts Electric Company will add footnotes below to identify excess or deficient ADIT from future Federal, State and Local income tax rate changes.
(l) []

Massachusetts Electric Company
Schedule III-B to NEP's FERC Electric Tariff No.1
(Excess)/Deficient ADIT Worksheet
Attachment 1 - Remeasurement Support - _____
For Costs in the Year of 20__

Input Cells are Shaded Yellow
(d)

Line No.	Description	FERC Account No.	(A) Gross Temporary Difference Fiscal Year Ended March 31, 20__ (a)	(B) = (A)* __% ADIT @ __%	(C) = (A)* __% ADIT @ __%	(D) = (B) - (C) (Excess)/Deficient ADIT due to Rate Change	(E) Gross Temporary Difference Fiscal Year Ended March 31, 20__ (a)	(F) = (E)* __% ADIT @ __%	(G) = (E)*__% ADIT @ __%	(H) = (F) - (G) (Excess)/Deficient ADIT due to Rate Change	(I) = (D) + (H) Total (Excess)/Deficient ADIT due to Rate Change	(J) Adjustments Post Remeasurement	(K) = (I) - (J) 20__ (Excess)/Deficient ADIT due to Rate Change	(L) = (K) x Footnote (e) Total Transmission-related (Excess)/Deficient ADIT due to Rate Change (e)
1a				-	-	-		-	-	-	-		-	-
1[ ]				-	-	-		-	-	-	-		-	-
2	Total (Sum Lines 1a thru 1[]) (b)		-	-	-	-	-	-	-	-	-	-	-	-

Notes

(a) Company records

(b) Total equals the sum of sublines a through [], where [] is the last subline denoted by a letter. Massachusetts Electric Company may add or remove sublines without a FPA Section 205 filing.

(c) When the effective date for an income tax rate change falls within a Company's fiscal tax year, the income tax rate for such a year shall be the sum of the number of days in each time period times the tax rate for each period.

Blended Rate	Days	Blended Rate
		#REF!
		#REF!
		#REF!

(d) Enter credit balances as negatives.

(e) Transmission-related amounts calculated using the Gross Transmission Plant Allocation Factor in effect at the time of the tax rate change causing any (excess)/deficient balances.
Gross Transmission Plant Allocation Factor as of ____

(f) Massachusetts Electric Company may add footnotes below without a FPA Section 205 filing.

ATTACHMENT L

Creditworthiness Policy

1. Introduction & Applicability

This Creditworthiness Policy ("Policy") establishes creditworthiness standards for transmission service and/or interconnection service customers, including Large Load Eligible Customers, Large Load Transmission Customers, and Large Load Entities (each, a "Customer") entering into new, amended, or assigned transmission or interconnection service agreements, including Large Load Transmission Service Agreements and Large Load Cost Recovery Agreements (each, a "service agreement") with NEP under the ISO-NE OATT. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the ISO-NE OATT. The following describes NEP's qualitative and quantitative credit review procedures, certain required security, and the types of security that are acceptable to NEP. Any financial assurance required of a Large Load Transmission Customer under a Large Load Cost Recovery Agreement shall be in addition to, and not in lieu of, the requirements of this Policy, except to the extent the Large Load Cost Recovery Agreement provides otherwise.

2. Information Requirements

For purposes of determining the ability of a Customer to meet its obligations, NEP may require the Customer to submit financial information for credit review, including credit ratings, credit reports and audited financial statements. In addition, the following factors may be considered in evaluation of the Customer's creditworthiness: applicant's history; nature of organization and operating environment; management; contractual obligations; governance, financial / accounting policies, risk management and credit policies; market risk including price exposures, credit exposures, and operational exposures; and event risk. All information required hereunder shall be promptly provided to (i) NEP's representative(s) as directed by NEP or, (ii) the NEP representative(s) at the address(es) designated in the applicable service agreement.

3. Creditworthiness Evaluation

NEP will evaluate the creditworthiness of each Customer entering into new, amended or assigned transmission or interconnection service agreements with NEP in order to assess the Customer's credit risk relative to the exposure or "Total Outstanding Obligation" (as defined in Section 3.1 hereof) created by the contemplated transaction or transactions between NEP and the Customer.

3.1 Total Outstanding Obligation

The Customer's Total Outstanding Obligation to NEP will be the sum total of the required amounts for the following components:

3.1.1 For any service agreement that contemplates procurement, installation, or construction of any transmission and/or interconnection facilities on behalf of the Customer at the Customer's sole expense: subject to Section 4 hereof, unless the Customer elects to pay a formula rate over time and provides the associated security to NEP as contemplated by Section 3.1.4 hereof, the Customer shall be obligated to provide security to NEP pursuant to Section 3.2, below, for the total capital costs to be incurred by NEP and/or its Affiliates for transmission and/or interconnection facilities that are to be constructed at the Customer's sole expense as contemplated by the applicable service agreement and, as applicable, the total costs, including, all capital cost payment responsibilities and obligations, for NEP and/or its Affiliates to implement and place in service the Interconnecting Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades and Distribution Upgrades under the applicable service agreement, including the costs for engineering review, permitting, construction supervision, testing and other support services with respect to the Interconnecting Transmission Owner's Interconnection Facilities, Stand Alone Network Upgrades, and Distribution Upgrades plus, as applicable, the estimated Tax Gross-Up Amount contemplated by Section 4, below.

3.1.2 If the Customer is obligated under the terms of the ISO-NE OATT or the applicable service agreement to make payments to NEP for ongoing expenses (including, but not limited to, O&M expenses related to interconnections or other monthly charges such as monthly transmission charges under Schedule 21-NEP of the ISO-NE OATT), the Customer will be required to provide security pursuant to Section 3.2, below, for four months' worth of the Customer's average payment obligation for all such charges.

3.1.3 Whenever, in accordance with the provisions of the ISO-NE OATT, a Customer pays a Contribution in Aid of Construction ("CIAC") or transfers ownership of facilities to NEP and/or its Affiliates for transmission and/or interconnection facilities that are to be constructed on behalf of the Customer at the Customer's sole expense, and NEP determines in good faith that the receipt of such CIAC payments, property and/or facilities from the Customer is expected to be non-taxable, NEP may elect not to require payment for related gross-ups for the amount of potential tax liability, but NEP will require a form of security from the Customer pursuant to Section 3.2, below, for the amount of the potential tax liability that NEP and/or its Affiliates would incur if such CIAC payments, property or facilities transfers are later deemed or become taxable.

3.1.4 If, in accordance with the provisions of the ISO-NE OATT, a Customer elects to pay a formula rate over time for return of and on the cost of capital incurred by NEP and/or its Affiliates on behalf of the Customer at the Customer's sole expense, the Customer will be required to provide security pursuant to Section 3.2, below, for the unamortized balance of plant in service reserved for the sole use of the Customer; the face amount of such security may be reduced by the Customer, from time to time, to reflect current amortization of such plant in service. For a Large Load Entity, the security required under this Section 3.1.4 shall include security for the Exit Fee, equal to the Net Book Value of the Large Load Network Upgrades constructed by NEP plus estimated decommissioning costs, as determined under the applicable Large Load Cost Recovery Agreement.

3.2 Creditworthiness Requirements

A Customer will be considered creditworthy if the Customer both (i) satisfies at least one of the following conditions contained in Sections 3.2.1 through 3.2.5, or a combination of such conditions, at the time that the Customer enters into a transmission or interconnection service agreement and for so long as the Customer maintains satisfaction of at least one of these conditions for any outstanding obligations thereunder, and (ii) provides and maintains the security, in forms acceptable to NEP, required under the terms of the ISO-NE OATT and the applicable service agreement(s), including the security specified in Sections 3.2.2 through 3.2.5, as applicable as determined by NEP, at the time or times required by Section 5.1 or at the time or times otherwise required under applicable provisions of the ISO-NE OATT or the relevant service agreement(s):

3.2.1 The Customer maintains a minimum Credit Rating of BBB from S&P or Baa2 from Moody's, so long as the Customer's Total Outstanding Obligation plus any other unsecured Customer obligations with NEP and its Affiliates does not exceed the Credit Limits specified in Section 7 hereof. "Credit Rating" for an entity is defined as the rating assigned by Moody's Investors Service and any successor thereto ("Moody's") and/or S&P Global Ratings and any successor thereto ("S&P"), as applicable, to such entity as its corporate credit rating or Long-Term Issuer rating. In the event of an inconsistency in ratings by the rating agencies (a "split rating"), the lowest assigned rating shall control. If unrated, the Customer's financial statements will be reviewed to determine an equivalent rating based on the Customer's unsecured credit limits and/or financial statements.

3.2.2 The Customer provides and maintains in effect during the term of, and until full and final payment and performance of all obligations under and in connection with, the applicable service agreement, an unconditional and irrevocable standby letter(s) of credit for the Total Outstanding Obligation in form and substance and issued by a bank ("Letter of Credit Bank") acceptable to NEP (each, a "Letter of Credit").

3.2.3 A parent or an Affiliate of Customer satisfying the creditworthiness criteria set forth in Section 3.2.1 ("Guarantor"), and subject to the Credit Limits stated in Section 7 below, delivers to NEP, and maintains in effect during the term of, and until full and final payment and performance of all obligations under and in connection with, the applicable service agreement, an absolute and unconditional guaranty by such Guarantor for the Total Outstanding Obligation, such guaranty to be in form and substance acceptable to NEP (each, a "Guaranty"). The foregoing notwithstanding, NEP shall have the right, consistent with the ISO-NE OATT, to require that the Customer provide a Letter of Credit, as contemplated by Section 3.2.2, or advance cash payment, as contemplated by Section 3.2.5, in lieu of a Guaranty.

3.2.4 If (i) the Customer is a municipal entity that is a member of the Massachusetts Municipal Wholesale Electric Cooperative ("MMWEC"), (ii) MMWEC meets and maintains the creditworthiness criteria set out in Section 3.2.1, or delivers a Letter of Credit as contemplated by Section 3.2.2 above, and (iii) MMWEC provides to NEP, and maintains in full force and effect at all times, a guaranty, in form and substance acceptable to NEP, providing that MMWEC will be unconditionally responsible for all financial obligations associated with the Customer's receipt of

transmission or interconnection service from NEP, including the Total Outstanding Obligation (each, an "MMWEC Guaranty").

3.2.5 The Customer makes an advance cash payment to NEP in immediately available funds for the Total Outstanding Obligation.

The face amount of any Letter of Credit, Guaranty, or MMWEC Guaranty, or any schedule of advance cash payments, provided or to be provided hereunder based on estimated amounts must be adjusted as contemplated by Section 5.2, below, to reflect changes in estimated and/or actual amounts, as applicable, when such amounts become known.

The Customer shall inform NEP in writing within 5 calendar days of any material change in the financial condition of any entity providing security, including any Letter of Credit Bank, Guarantor or, as applicable, MMWEC. A material change in financial condition shall include the following: (a) any reduction in Credit Rating or other downgrade by a recognized financial rating agency, (b) placement on credit watch with negative implications by a recognized financial rating agency, or (c) a bankruptcy filing or declaration of or acknowledgement of insolvency.

If, at any time, the Letter of Credit Bank or the Guarantor (or, in the case of an MMWEC Guaranty, MMWEC) fails to meet or maintain any requirements specified in this Section 3.2, the Customer will be required to provide (i) written notification thereof to NEP within 5 business days and (ii) replacement security in form and substance acceptable to NEP, consistent with the requirements of this Section 3.2, within 10 business days.

4. Customer Costs Requiring Prepayment

Whenever, in accordance with the provisions of the ISO-NE OATT, a Customer is required to pay a CIAC for transmission or interconnection facilities to be constructed by NEP or its Affiliate(s) on behalf of a Customer at the Customer's sole expense, the Customer will have the option to (i) prepay the estimated amount of the CIAC, or (ii) make periodic CIAC progress prepayments, as specified in the applicable service agreement, to prepay in increments the estimated capital costs anticipated to be incurred by NEP, each such prepayment to be paid to NEP in immediately available funds. The estimated amount of security required to be provided by Customer pursuant to Section 3.1.1 may be reduced by the amount of each such prepayment upon such prepayment being made. For the avoidance of doubt, any

such prepayment amounts are estimates only and Customer shall remain responsible to pay NEP in full for the total amount of all such CIAC and other costs actually incurred. If NEP determines in good faith that such payments made by the Customer, or any property transfers from the Customer, should be reported as income subject to taxation, the Customer shall also prepay all costs associated with the cost consequences of the current tax liability imposed on NEP by those payments or property transfers (the "Tax Gross-Up Amount").

5. Timing; Adjustments in Security Amounts

5.1 Timing for Providing Initial Security

5.1.1 For any service agreement that contemplates procurement, installation, or construction of any transmission and/or interconnection facilities on behalf of the Customer at the Customer's sole expense, the security contemplated by Sections 3.1.1, 3.1.3 and 3.1.4 hereof shall be provided by the Customer at least 30 days prior to the date NEP or any of its Affiliates commence procurement, installation, or construction of a discrete portion of the transmission and/or interconnection facilities that are to be constructed on behalf of the Customer at the Customer's sole expense as contemplated by the applicable service agreement (including any of the Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades or Distribution Upgrades). For any other service agreement entered into between NEP and the Customer, required security with respect thereto shall be provided by the Customer to NEP at least 30 days prior to the effective date of such service agreement.

5.1.2 Any security contemplated by Section 3.1.2 shall be provided by the Customer on or before 30 calendar days after, as applicable, (i) the date of the final invoice issued by NEP for costs incurred to place the transmission and/or interconnection facilities that are to be constructed on behalf of the Customer at the Customer's sole expense as contemplated by the applicable service agreement (including Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades and Distribution Upgrades) in service under the terms of the applicable service agreement, or (ii) if such facilities are constructed by the Customer under the terms of the ISO-NE OATT, the date such facilities are placed in service under the terms of the applicable service agreement.

5.2 Adjustment of Security Amounts

Upon modification of any applicable estimated amount, and, if applicable, upon completion of any transmission and/or interconnection facilities that are to be constructed on behalf of the Customer at the Customer's sole expense as contemplated by the applicable service agreement (including Interconnecting Transmission Owner's Interconnection Facilities, Network Upgrades, and Distribution Upgrades), the face amount(s) of any security contemplated by Section 3 hereof shall be adjusted to reflect, as applicable, the modified estimate or the total actual costs incurred and the related gross-ups for the amount of actual or potential tax liability.

6. Term of Security

Any security provided must remain in full force and effect in accordance with the terms hereof and of any other provision of the ISO-NE OATT (including the applicable service agreement) until the amount secured thereby has been fully paid to NEP, provided, that, replacement security must be provided within the time periods contemplated by this Policy, the ISO-NE OATT and the applicable service agreement (i) for (and in advance of) any expiring or terminating existing security or (ii) if the Letter of Credit Bank, Guarantor, or MMWEC, as applicable, fails to meet any of the requirements stated in this Policy, the ISO-NE OATT or the applicable service agreement.

7. Credit Limits

NEP reserves the right to limit the total amount of unsecured credit extended to a Customer such that the sum of all unsecured credit that such Customer has with NEP and its Affiliates, including the Total Outstanding Obligation, shall not exceed the Credit Limits defined below. For the avoidance of doubt: NEP shall have no obligation to extend any unsecured credit to the Customer with respect to any amounts that are otherwise required to be secured under the terms of the ISO-NE OATT, the applicable service agreement(s) and/or as contemplated in Section 3.1 and/or Section 3.2. Such Credit Limits are based on an assessment of the Customer's or its Guarantor's (or, as applicable, MMWEC's) credit rating and the Net Worth of the Customer's or its Guarantor's (or, as applicable, MMWEC's) assets. "Net Worth" of an entity means such entity's total assets, exclusive of intangible assets, less total liabilities, as reflected on the most recent balance sheet prepared by a certified public accountant as part of a certified financial statement in accordance with generally accepted accounting principles consistently applied in the business sector of such entity.

S&P's (or Moody's Equivalent) Credit Rating	Credit Limit as Percent of Customer's (or Guarantor's or, as applicable, MMWEC's) Net Worth
A and above	1.0%
A-	0.5%
BBB+	0.2%
BBB	0.1%
BBB-	0.0%

8. Contesting Creditworthiness Determinations

A Customer may contest NEP's determination of creditworthiness by submitting a written request to NEP for re-evaluation within 20 calendar days of being notified of the creditworthiness determination. Such request should provide information supporting the basis for a request to re-evaluate the Customer's creditworthiness. NEP will review and respond to the request within 30 calendar days.

9. Process for Changing Credit Requirements

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

10. Notification Process

10.1 General

10.1.1 NEP shall provide written notification to ISO-NE and stakeholders of any filing described in Section 9, above, at least 30 days in advance of such filing. Filing notifications shall include a description of the filing, including a redlined document containing revised change(s) to this Policy. NEP shall consult with interested stakeholders upon request with regard to such filing.

10.1.2 Following Commission acceptance of such filing and upon the effective date thereof, NEP shall revise this Policy and an updated version of Schedule 21-NEP shall be posted on the ISO-NE website.

10.2 Customer Responsibility

10.2.1 When there is a change in any creditworthiness requirements contained in this Policy, it is the responsibility of the Customer to promptly deliver, within 30 days of the effective date of the change, updated financial information to NEP, and to indicate whether the change affects the Customer's ability to meet the requirements of this Policy. In such cases, the Customer must take the necessary steps to comply with the revised requirements of the Policy by not later than 45 days following the effective date of the change. All information required hereunder shall be promptly provided to (i) NEP's representative(s) as directed by NEP from time to time or, (ii) the NEP representative(s) at the address(es) designated in the applicable service agreement.

10.3 Notification for Active Customers

10.3.1 Active Customers are defined as any current Customer that has a service agreement currently in effect and has posted a Letter of Credit, Guaranty, MMWEC Guaranty or prepayment in accordance with Section 3.2, above.

10.3.2 All Active Customers will be served with copies of any filing submitted to the Commission to modify this Policy.

11. Suspension of Service

NEP may immediately suspend service (with notification to the Commission) to a Customer, and may initiate proceedings with the Commission to terminate service, if the Customer fails, at any time during the term of the applicable service agreement, to meet any of the terms, conditions or requirements described in this Policy. The Customer shall be obligated to pay for all costs actually incurred by NEP and/or its Affiliates, after commercially reasonable efforts on the part of NEP to mitigate such costs, as a result of any such suspension of service. The Customer is not obligated to pay for transmission service(s) that is or are not provided as a result of such a suspension of service.

12. Interpretation

The inclusion of headings in this Policy is for convenience of reference only and shall not affect the construction or interpretation hereof. The words "section", "herein" and "hereof" shall refer to provisions of this Policy, unless expressly indicated otherwise. Whenever the context requires the singular number it shall include the plural, and vice versa. The words "include", "includes" and "including" herein shall be deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of similar import, unless the context otherwise requires.

ATTACHMENT S-1

Local 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 over Non-PTF. The Transmission Customer or Network Customer must purchase this service from NEP. The charges for Scheduling, System Control and Dispatch Service shall be based on the Local Network Load Dispatch Surcharge set forth in Attachment OCC to this Schedule. To the extent the ISO performs this service for NEP, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to NEP by the ISO.

SCHEDULE 21-NHT

Local Service Schedule

New Hampshire Transmission, LLC

I. COMMON SERVICE PROVISIONS

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

1. Definitions

Whenever used in this Schedule 21-NHT, in either the singular or plural number, the following capitalized terms shall have the meanings specified in the Definition Sections of this Part I. Terms used in this Schedule 21-NHT but not defined in this Definition Section shall have the meanings specified in Section 1 of the Tariff or Schedule 21-Common. Terms used in this Schedule 21-NHT but not defined in this Definition Section or Schedule 21-Common shall have the meanings customarily attributed to such terms by the electric utility industry in New England. Sections or Attachments referred to in this Schedule 21-NHT shall mean a section in or attachment to this Schedule 21-NHT unless otherwise stated.

1.1 Annual Transmission Revenue Requirements ("ATRR"):

The annual transmission revenue requirements of NHT's Local Network Transmission System for purposes of this Schedule 21-NHT shall be the amount calculated and updated each year designated as Local Service revenue requirements plus any Schedule 12 C revenue requirements pursuant to the formula in Attachment F of the OATT.

1.2 Backyard Generation (or Behind-the-Meter Generation):

Generation which interconnects directly with a customer's facilities that will offset all or a portion of a customer's electric load requirements. Any generation used to supply any portion of Local Network Load will not qualify for demand credits associated with Backyard Generation. Such credits shall only be applicable to load not designated as Local Network Load. In such instances, the customer shall be responsible for taking and paying for an appropriate level of Local Point-To-Point Transmission Service pursuant to this Schedule 21-NHT.

1.3 Control Area Operator:

ISO, or any successor organization or entity, that is responsible for the continued operation of the New England Control Area and the administration of the Tariff, subject to regulation by the

Commission.

1.4 Customer's Monthly Local Service Load:

For a Transmission Customer taking Regional Network Service, Non-Firm Contract Demand Service, or Interim Contract Demand Service under the OATT, the Customer's Monthly Local Service Load is the Transmission Customer's load on NHT's Transmission System coincident with NHT's monthly transmission system peak load. For a Transmission Customer taking Firm Contract Demand Service under the OATT, the Customer's Monthly Local Service Load is the Customer's Firm Contract Demand.

1.54 Designated Agent:

Any entity that performs actions or functions required under this Schedule 21-NHT or the Tariff on behalf of NHT, an Eligible Customer, or a Transmission Customer.

1.65 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by or for NHT for (1) the sole use/benefit of a particular Transmission Customer requesting service under this Schedule 21-NHT or (2) the use by an owner or developer of a generating station requesting to be interconnected to the Local Network Transmission System. Direct Assignment Facilities shall be specified in the Service Agreement or interconnection agreement that in addition to the applicable terms and conditions of this Schedule 21-NHT or the OATT governs service to the Transmission Customer; and shall be subject to Commission acceptance.

1.76 NHT

New Hampshire Transmission, LLC.

1.87 NHT-Owned Interconnection Facilities:

Facilities and equipment, or portions thereof, owned by NHT that are necessary to interconnect a customer with the Local Network Transmission System.

1.98 Generator or Generator Owner:

The owner, in whole or in part, of a generating unit whether located within or outside the New England Control Area.

1.109 Interconnection Agreement:

An agreement between NHT and an Eligible Customer for Interconnection Service.

1.1110 Interconnection Service:

Those services required to electrically connect Transmission Customer's or Generator Owner's facilities to the Local Network Transmission System. Interconnection Service includes, but is not limited to, the identification, design, and construction of facilities required to establish and maintain such electrical connection as identified by a completed System Impact Study and Facilities Study. The customer's and NHT's contractual obligations associated with Interconnection Service shall be specified in an Interconnection Agreement which shall be executed and filed with the Commission prior to the commencement of such service.

1.12 Large Load Cost Recovery Agreement:

The Large Load Cost Recovery Agreement ("LLCRA") is an agreement as set forth in Attachment V of the OATT which a Large Load Transmission Customer is required to enter into in conjunction with taking Firm Contract Demand Service, Non-Firm Contract Demand Service or Interim Contract Demand Service.

1.1311 LNS Service:

The service provided by NHT over its Local Network pursuant to this Schedule 21-NHT.

1.1412 Load Ratio Share:

Ratio of a Transmission Customer's Local Network Load to NHT's total Local Network Load computed in accordance with Sections 22.2 and 22.3 of the Local Network Service under Part III of this Schedule 21-NHT.

1.1513 Local Network (Local Network Transmission System):

The transmission facilities owned or operated by NHT within the New England Control Area that are used to provide transmission service.

1.1614 Local Network Load:

The load that a Local Network Customer designates for Local Network Transmission Service under Part III of this Schedule 21-NHT. The Local Network Customer's Local Network Load

shall include all load served by the output of any Network Resources designated by the Local Network Customer (including losses) and shall not be credited or reduced for any Backyard Generation. All Local Network Customers shall be required to have installed appropriate metering to determine such Backyard Generation, in accordance with the Network Operating Agreement. A Local Network Customer may elect to designate less than its total load as Local Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Local Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of this Schedule 21-NHT for any Local Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.17~~15~~ 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 Part III of this Schedule 21-NHT.

1.18~~16~~ OATT: Section II of the Tariff.

1.19~~17~~ Part I:
The sections of this Schedule 21-NHT containing the definitions and common service provisions.

1.20~~18~~ Part II:
The sections of this Schedule 21-NHT pertaining to Local Point-To-Point Transmission Service in conjunction with the applicable common service provisions of Part I and appropriate Schedules and Attachments.

1.21~~19~~ Part III:
The sections of this Schedule 21-NHT pertaining to Local Network Transmission Service in conjunction with the applicable common service provisions of Part I and appropriate Schedules and Attachments.

1.22 Part IV:
The sections of this Schedule 21-NHT pertaining to Local Firm Contract Demand Service in conjunction with the applicable common service provisions of Part I and appropriate Schedules

and Attachments.

1.23 Part V:

The sections of this Schedule 21-NHT pertaining to Local Non-Firm Contract Demand Service in conjunction with the applicable common service provisions of Part I and appropriate Schedules and Attachments.

1.24 Part VI:

The sections of this Schedule 21-NHT pertaining to Local Interim Contract Demand Service in conjunction with the applicable common service provisions of Part I and appropriate Schedules and Attachments.

1.2520 Parties:

NHT and the Transmission Customer receiving service under this Tariff.

1.26 Service Agreement:

Service Agreement is a Local Service Agreement as defined in Attachment A to Schedule 21-Common.

1.2721 Transmission Service:

Transmission service provided over NHT's Local Network, designated as Local Network Service or Local Point-To-Point Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service and Local Interim Contract Demand Service that is provided pursuant to this Schedule 21-NHT.

2. Purpose of This Schedule 21-NHT

This Schedule 21-NHT is only applicable for service over NHT's transmission facilities located within the New England Control Area. It is intended to provide Transmission Service as a complement to the regional service to be provided under the OATT and is designed to ensure cost recovery by NHT of its ATRR as determined in accordance with the formula specified in Attachment F of the OATT.

The OATT contemplates a two-tier transmission arrangement integrating regional service which is provided under Part B of the OATT, and LNS Service, including Local Network Service and Local Point-To-Point Transmission Service, Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service and Local Interim Contract Demand Service, including, without limitation, service over NHT-

Owned Interconnection Facilities as provided under this Schedule 21-NHT.

3. RESERVED

4. Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within the New England Control Area.

4.1 Ancillary Services supporting transmission service over the Local Network Transmission System:

Ancillary Services to support transmission service over the Local Network Transmission System will be provided pursuant to the OATT.

5. Billing and Payment

5.1 Billing Procedure:

Within a reasonable time after the first day of each month, NHT shall submit an invoice to the Transmission Customer for the charges for all services furnished under this Schedule 21-NHT during the preceding month. The invoice shall be paid by the Transmission Customer within ten (10) days of receipt. All payments shall be made, in accordance with the procedure specified by NHT in immediately available funds payable to NHT, or by wire transfer to a bank named by NHT.

5.2 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 18 C.F.R. § 35.19a(a)(2)(iii) of the Commission's regulations. 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 NHT.

5.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to NHT on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after NHT notifies the

Transmission Customer to cure such failure, or if the Transmission Customer violates any provision of its Service Agreement, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, NHT 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 NHT and the Transmission Customer, NHT 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 NHT may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with applicable Commission rules and regulations, and may proceed with such suspension. If the Transmission Customer is taking Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, or Local Interim Contract Demand Service, the terms of the applicable Large Load Cost Recovery Agreement shall govern.

6.0 Accounting for the PTO's Use of this Schedule-21-NHT.

NHT will record the following amounts, as outlined below.

6.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of this Schedule 21-NHT.

6.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the PTO conducts to determine if it must construct new transmission facilities or upgrades necessary for its own uses, including Third-Party Sales, if any, under this Schedule 21-NHT or at the direction of the Control Area Operator; 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 a Transmission Customer's billing under this Schedule 21 or at the direction of the Control Area Operator.

7. Regulatory Filings

7.1 Rights Under The Federal Power Act

Nothing contained in this Schedule 21-NHT or any Service Agreement shall be construed as affecting in any way the right of NHT unilaterally to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation pertaining to Transmission Service provided by NHT pursuant to this Schedule 21-NHT provided such filing is not in contravention of the Moratorium established in FERC Docket No. EL16-19 .

Nothing contained in this Schedule 21-NHT or any Service Agreement shall be construed as affecting in any way the ability of a Transmission Customer receiving service under this Schedule 21-NHT or for an Excepted Transaction to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder, provided the exercise of such rights is not in contravention of the Moratorium established in FERC Docket No. EL16-19 .

8. Force Majeure and Indemnification

8.1 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, any 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 NHT nor the Transmission Customer will be considered in default as to any obligation under this Schedule 21-NHT if prevented from fulfilling the obligation due to an event of Force Majeure; provided that no event of Force Majeure shall excuse any payment obligation hereunder or under a Service Agreement. However, a Party whose performance under this Schedule 21-NHT is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Schedule 21-NHT, and shall promptly notify NHT or the Transmission Customer, whichever is appropriate, of the commencement and end of each event of Force Majeure.

8.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the Transmission

Owner 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 Owner's performance of its obligations under this Schedule 21-NHT on behalf of the Transmission Customer, except in cases of gross negligence or intentional wrongdoing by the Transmission Owner.

9. Creditworthiness

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, NHT may require reasonable credit review procedures in accordance with Attachment L of this Schedule 21- NHT. This review shall be made in accordance with standard commercial practices. In addition, NHT 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 this Schedule 21-NHT, or an alternative form of security proposed by the Transmission Customer and acceptable to NHT and consistent with commercial practices established by the Uniform Commercial Code that protects NHT against the risk of non-payment.

10. Dispute Resolution Procedures

10.1 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and NHT involving Transmission Service under this Schedule 21-NHT (excluding applications for rate changes or other changes to this Schedule 21-NHT, or to any Service Agreement entered into under this Schedule 21-NHT, which shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of NHT and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days or such other period as the Parties may agree upon by mutual agreement, such dispute may be submitted to mediation and/or arbitration and resolved in accordance with the arbitration procedures set forth in Section I.6 of the Tariff.

10.2 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a complaint with the Commission, or seek any other available remedy, under relevant provisions of the Federal Power Act, provided the exercise of such rights is not in contravention of the Moratorium established in

FERC Docket No. EL16-19.

II. LOCAL POINT-TO POINT TRANSMISSION SERVICE

Preamble

NHT will provide Firm and Non-Firm Local Point-To-Point Transmission Service over its Local Network pursuant to the applicable terms and conditions of this Schedule 21-NHT. 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.

NHT will provide Interconnection Service to owners and developers of generating units directly interconnected to the Local Network Transmission System in accordance with the provisions of Schedule 22 of the ISO OATT for generators with generating capacity of more than 20MW, ~~and~~ Schedule 23 of the ISO OATT for generators with generating capacity of 20MW or less, and Schedule 25 of the OATT for Elective Transmission Upgrades. Transmission services provided over PTF and Interconnection Service to interconnect directly with PTF are governed by the OATT.

11. Unauthorized use of the Transmission System

Any use of the Local Network Transmission System that exceeds a) the Transmission Customer's firm Reserved Capacity at any Point of Receipt or Point of Delivery or b) the Transmission Customer's non-firm capacity reservation, will be deemed an unauthorized use of the Local Network Transmission System. In the event that a Transmission Customer exceeds its firm reserved capacity or non-firm capacity reservation at any Point of Receipt or Point of Delivery, it shall pay an amount equal to 200% of the otherwise applicable charge firm point to point transmission service for each Kilowatt of the excess, exclusive of any discounts offered to any other Eligible Customer. Such charge shall apply for the length of the reservation period, not to exceed one month. In all cases of unauthorized use of the Local Network Transmission System, the service will be considered non-firm and NHT will be under no obligation to provide any services for such use.

12. Service Availability

12.1 Determination of Available Transmission Capability:

Determinations regarding availability and capabilities of the PTF are made by the Control Area Operator. NHT's specific methodology for assessing ATC over its non-PTF is posted on the

OASIS and is contained in Attachment C of this Schedule 21-NHT. In the event sufficient Local Network transmission capability may not exist to accommodate a service request, NHT will, at the request of an Eligible Customer, respond by performing a System Impact Study as described in the following sections.

12.2 Initiating Service in the Absence of an Executed Service Agreement:

If NHT and the Transmission Customer requesting Firm or Non-Firm Local Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Local Point-To-Point Service Agreement, the ISO, acting as agent for NHT, shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification to NHT and the ISO directing the ISO acting as agent for NHT to file, an unexecuted Local Point-To-Point Service Agreement containing terms and conditions deemed appropriate by NHT for such requested Transmission Service. If the Transmission Customer refuses, or otherwise does not make such a request, the ISO acting as agent for NHT, may make such a filing prior to the commencement of service. NHT shall commence providing Transmission Service and the Transmission Customer shall be obligated to (i) compensate NHT at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of this Schedule 21-NHT including posting appropriate security deposits in accordance with the terms of Section I.5.c of the Common Provisions of Schedule 21 to the OATT.

12.3 Real Power Losses:

Real Power Losses are associated with all transmission service. NHT is not a Control Area Operator and is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by NHT or the Control Area Operator.

12.4 Load Shedding:

To the extent that system contingency exists on the Local Network Transmission System, and NHT determines shedding of load is necessary, the Parties shall shed load in accordance with procedures under the Service Agreement, the Tariff, and the rules adopted thereunder, or in accordance with other mutually agreed to provisions.

13. Transmission Customer Responsibilities

13.1 Conditions Required of Transmission Customers:

Local Point-To-Point Transmission Service and Interconnection Service shall be provided by NHT only if the following conditions are satisfied by the Transmission Customer:

(a) The Transmission Customer has pending a Completed Local Application for service with the ISO or in the case of Interconnection Service, has a Completed Application for service with the Control Area Operator and satisfied all other requirements of the Tariff or of this Schedule 21-NHT, as applicable;

(b) The Transmission Customer meets the creditworthiness criteria set forth in Section 9;

(c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to NHT's Local Network Transmission System prior to the time service under Part II of this Schedule 21-NHT commences;

(d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of this Tariff, whether or not the Transmission Customer takes service for the full term of its reservation; and

(e) The Transmission Customer has executed a Local Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 12.2 of this Schedule 21-NHT.

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

14.1 Transmission Customer Obligations:

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under Part II of this Schedule 21-NHT and to communicate the information to NHT. Unless otherwise agreed, such equipment shall remain the property of NHT.

14.2 Power Factor:

The Transmission Customer is required to maintain a power factor within a range as specified by NHT pursuant to Good Utility Practices. The power factor requirements are specified in the

Service Agreement where applicable. Where a Transmission Customer fails to maintain a power factor within the specified range, NHT may make whatever improvements or repairs are required to restore or maintain the power factor, and charge the Transmission Customer accordingly.

15. Compensation for Local Point-To-Point Transmission Service

Rates for Firm and Non-Firm Local Point-To-Point Transmission Service are provided in the Schedules appended to this Schedule 21-NHT: Firm Local Point-To-Point Transmission Service (Schedule 7); and Non-Firm Local Point-To-Point Transmission Service (Schedule 8).

16. Interconnection Service

Any entity proposing to interconnect with NHT's transmission facilities, that is not party to an agreement executed on or before July 9, 1996, in which Interconnection Service is addressed, that (1) proposes to site a new generating unit and directly interconnect to the Local Network Transmission System, or (2) proposes to materially change electrical characteristics or increase the capacity of an existing generating unit and remain connected to the Local Network Transmission System, shall submit an application for Interconnection Service to the Control Area Operator and comply with all applicable requirements of the Tariff, including but not limited to Schedule 22 of the ISO OATT for generators with generating capacity of more than 20MW, and Schedule 23 of the ISO OATT for generators with generating capacity of 20MW or less.

III. LOCAL NETWORK SERVICE

17. Real Power Losses

Real Power Losses are associated with all transmission service. NHT is not a Control Area Operator and is not obligated to provide Real Power Losses. The Local Network Customer is responsible for replacing losses associated with all transmission service as calculated by NHT or the Control Area Operator.

18. Initiating Service

18.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of this Schedule 21-NHT, NHT will provide Local Network Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under the OATT, (ii) the Eligible Customer and NHT complete the technical arrangements for such service, (iii) the Eligible Customer executes a

Service Agreement for service under Part III of this Schedule 21-NHT or requests in writing that the ISO, acting as agent for NHT, file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Local Network Operating Agreement with NHT.

18.2 Application Procedures:

An Eligible Customer requesting service under Part III of this Schedule 21-NHT must submit an Application, with a deposit approximating the charge for one month of service, to the ISO acting as agent for NHT as far as possible in advance of the month in which service is to commence in accordance with Section II. 3) a) of the common service provisions of Schedule 21 of the OATT.

18.3 Operation of Network Resources:

The Local Network Customer shall not operate its designated Network Resources, which are not subject to central dispatch by the Control Area Operator, such that the output of those facilities exceeds its designated Local Network Load, plus non-firm sales delivered pursuant to Part II of this Schedule 21-NHT, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of the ISO or NHT to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Local Network Transmission System.

18.4 Transmission Arrangements for Network Resources Not Physically Interconnected With NHT's Local Network:

The Local Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with NHT's Local Network Transmission System. NHT 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. The customer shall be obligated to reimburse NHT for all costs NHT incurs in assisting the customer in obtaining such arrangements. Upon the customer's request, NHT shall provide the transmission customer an estimate of such costs before they are incurred. Upon the customer's request, NHT shall provide reasonable itemization of such costs along with any invoice related to those costs.

18.5 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 Part III of this Schedule 21-NHT.

18.6 Use of Interface Capacity by the Local Network Customer:

There is no limitation upon a Local Network Customer's use of NHT's Local Network 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, a Local Network Customer's use of the NHT's total interface capacity with other transmission systems may not exceed the Local Network Customer's Load.

18.7 Local Network Customer Owned Transmission Facilities:

The Local Network Customer that owns existing transmission facilities that are integrated with NHT's Local Network 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 NHT to serve its power and Transmission Customers. For facilities constructed by the Local Network Customer subsequent to the Service Commencement Date under Part III of this Schedule 21-NHT, the Local Network Customer shall receive credit where such facilities are jointly planned and installed in coordination with NHT. Calculation of the credit shall be addressed in either the Local Network Customer's Service Agreement or any other agreement between the Parties.

19. Designation of Load

19.1 Network Load Not Physically Interconnected with NHT's Local Network:

This Section applies to both initial designation and the subsequent addition of new Local Network Load not physically interconnected with NHT's Local Network. To the extent that the Local Network Customer desires to obtain Local Network transmission service for a load outside NHT's Local Network 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 Part III of this Schedule 21-NHT and designating Local 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 Part II of this Schedule 21-NHT. To the extent that the Local 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. NHT shall include such load as part of a Transmission Customer's Local Network Load only if a scheduling and interconnection agreement acceptable to NHT is in effect with the Control Area in which the load is located.

20. Additional Study Procedures For Local Network Transmission Service Requests

20.1 Notice of Need for System Impact Study:

When applicable, a description of NHT's methodology for completing a System Impact Study is provided in Attachment D of this Schedule 21-NHT.

21. Load Shedding and Curtailments

21.1 Procedures:

Prior to the Service Commencement Date, NHT 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 the Local Network Transmission System. The Parties will implement such programs during any period when NHT determines that a system contingency exists and such procedures are necessary to alleviate such contingency. NHT will notify all affected Local Network Customers in a timely manner of any scheduled Curtailment.

21.2 Transmission Constraints:

During any period when NHT determines that a transmission constraint exists on the Local Network Transmission System, and such constraint may impair the reliability of NHT's system, NHT will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of NHT's system. To the extent either NHT or the Control Area Operator determine that the reliability of the Transmission System can be maintained by redispatching resources, NHT can initiate procedures pursuant to the Local Network Operating Agreement, the Tariff, and other Control Area Operator rules and procedures including, without limitation, the Market Rules. Any redispatch under this Section may not unduly discriminate between NHT's use of the Local Network Transmission System on behalf of its Native Load

Customers and any Local Network Customer's use of the Local Network Transmission System to serve its designated Local Network Load

21.3 Curtailments of Scheduled Deliveries:

If a transmission constraint on NHT's Local Network Transmission System cannot be relieved through the implementation of redispatch procedures and the Control Area Operator determines that it is necessary to Curtail scheduled deliveries, the Parties shall Curtail such schedules in accordance with any applicable provisions of the Local Network Operating Agreement, the Tariff and any Control Area Operator rules and procedures including, without limitation, the Market Rules.

21.4 Load Shedding:

To the extent that a system contingency exists on NHT's or the New England Transmission System and NHT or the ISO determines that it is necessary for NHT 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, or in accordance with other mutually agreed to provisions.

22. Rates and Charges

The Local Network Customer shall pay NHT for any Direct Assignment Facilities and applicable study costs, consistent with Commission policy, along with the following:

22.1 Monthly Demand Charge:

The Local Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its Load Ratio Share times one twelfth (1/12) of NHT's Annual Transmission Revenue Requirement. The Annual Transmission Revenue Requirement is calculated pursuant to Attachment F of the OATT.

22.2 Determination of Local 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 NHT's Local Network under Section 19.1) coincident with NHT's Monthly Local Network Transmission System Peak.

22.3 Determination of NHT's Monthly Local Network Transmission System Load:

NHT's monthly Local Network Transmission System load is NHT's Monthly Local Network Transmission System Peak minus the coincident peak usage of all Firm Local Point-To-Point Transmission Service customers pursuant to Part II of this Schedule 21-NHT plus the Reserved Capacity of all Firm Local Point-To-Point Transmission Service customers, and minus the coincident peak usage of all Transmission Customers taking Local Firm Contract Demand Service, plus the sum of the contract demand for all Transmission Customers taking Local Firm Contract Demand Service.

22.4 Redispatch Charge:

All costs associated with redispatch of resources shall be charged and allocated in accordance with the Tariff and any Control Area Operator rules and procedures including, without limitation, the Market Rules.

22.5 Stranded Cost Recovery:

NHT may seek to recover stranded costs from the Local Network Customer pursuant to this Schedule 21-NHT in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, NHT must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

23. Operating Arrangements

23.1 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. If NHT and the Local Network Customer agree in the Interconnection Agreement, the Interconnection Agreement can serve as a Local Network Operating Agreement.

23.2 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 Part III of this Schedule 21-NHT 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 NHT's Local Network Transmission System (including, but not limited to, remote terminal units, metering,

communications equipment and relaying equipment), (ii) transfer data between NHT and the Local Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside NHT's Local Network Transmission System, interchange schedules, unit outputs for redispatch required under Section 21, 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 this Schedule 21-NHT, 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 the Control Area Operator for all required Ancillary Services or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services which may be provided by another entity, by contracting with another entity, consistent with Good Utility Practice, which satisfies any applicable requirements imposed by NERC, the NPCC, NHT or the Control Area Operator. For those Ancillary Services that may be provided by another entity, NHT shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services.

IV. LOCAL FIRM CONTRACT DEMAND SERVICE:

24. Preamble:

NHT will provide Local Firm Contract Demand Service in accordance with the applicable provisions of Schedule 21-Common, Part II. J of the OATT, and this Schedule 21-NHT. Local Firm Contract Demand Service permits a Large Load Transmission Customer to serve a Large Load through NHT's Transmission System on a firm basis.

24.1 Initiating Service:

An Eligible Customer wanting to initiate service for Local Firm Contract Demand Service shall refer to Schedule 12-Common and Part II.J of the OATT for the relevant procedures and prerequisites.

24.2 Service Availability:

Service availability is subject to System Impact Studies and Facilities Studies performed and/or

coordinated by ISO-NE pursuant to Part II.J of the ISO OATT.

24.3 Unauthorized use of the Transmission System

Any use of the Local Network Transmission System that exceeds a) the Large Load Transmission Customer's Firm Contract Demand or b) the Large Load Transmission Customer's Non-Firm Contract Demand, or c) the Large Load Transmission Customer's Interim Contract Demand, will be deemed an unauthorized use of the Local Network Transmission System. In the event that a Large Load Transmission Customer exceeds its contract demand, it shall pay an amount equal to 200% of the otherwise applicable charge for each Kilowatt of the excess, exclusive of any discounts offered to any other Eligible Customer. Such charge shall apply for one month. In all cases of unauthorized use of the Local Network Transmission System, the service will be considered non-firm and NHT will be under no obligation to provide any services for such use.

24.4 Real Power Losses

Real Power Losses are associated with all transmission service. NHT is not a Control Area Operator and is not obligated to provide Real Power Losses. The Large Load Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by NHT or the Control Area Operator.

24.5 Additional Study Procedures:

Large Load System Impact Studies, Large Load Facilities Studies, study agreements, deposits, and other study procedures applicable to Local Firm Contract Demand Service shall be governed by Schedule 21-Common, Part II.J of the OATT, including but not limited to Section II.60, and this Local Service Schedule. See Attachment D of this Schedule 21-NHT - Methodology for Completing a System Impact Study.

24.6 Load Shedding and Curtailment:

To the extent that a system contingency exists on NHT's Transmission System or the New England Transmission System and the ISO, Local Control Center, or NHT determine that load shedding or curtailment is necessary, Large Load Transmission Customers receiving Local Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to Section II.61 of the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

24.7 Operating Arrangements:

The Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 Common, and Part II.J of the OATT, including but not limited to, Sections II.61 and II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with NHT. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

24.8 Compensation for Local Firm Contract Demand Service:

A Large Load Transmission Customer taking Local Firm Contract Demand Service shall pay a monthly demand charge as set forth in Schedule 7A appended to this Schedule 21-NHT. In addition, the Local Large Load Transmission Customer shall be responsible for all costs associated with study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21-Common, the ISO-NE Transmission, Markets and Services Tariff, including but not limited to the OATT, and the applicable Large Load Cost Recovery Agreement, including, but not limited to, the Cost Recovery Charge(s) set forth therein.

V. LOCAL NON-FIRM CONTRACT DEMAND SERVICE

25. Preamble:

Local Non-Firm Contract Demand Service shall be provided pursuant to the applicable provisions of Schedule 21-Common, the OATT, and this Local Service Schedule. Local Non-Firm Contract Demand Service is provided on an as-available basis and is subject to redispatch, interruption, curtailment, and load shedding.

25.1 Initiating Service:

An Eligible Customer wanting to initiate service for Local Non-Firm Contract Demand Service shall refer to Schedule 12-Common and Part II.J of the OATT for the relevant procedures and prerequisites.

25.2 Service Availability:

Service availability is subject to System Impact Studies and Facilities Studies performed and/or

coordinated by ISO-NE pursuant to Part II. J of the OATT.

25.3 Unauthorized use of the Transmission System

Any use of the Local Network Transmission System that exceeds a) the Large Load Transmission Customer's Firm Contract Demand or b) the Large Load Transmission Customer's Non-Firm Contract Demand, or c) the Large Load Transmission Customer's Interim Contract Demand, will be deemed an unauthorized use of the Local Network Transmission System. In the event that a Large Load Transmission Customer exceeds its contract demand, it shall pay an amount equal to 200% of the otherwise applicable charge for each Kilowatt of the excess, exclusive of any discounts offered to any other Eligible Customer. Such charge shall apply for one month. In all cases of unauthorized use of the Local Network Transmission System, the service will be considered non-firm and NHT will be under no obligation to provide any services for such use.

25.4 Real Power Losses

Real Power Losses are associated with all transmission service. NHT is not a Control Area Operator and is not obligated to provide Real Power Losses. The Large Load Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by NHT or the Control Area Operator.

25.5 Additional Study Procedures:

Large Load System Impact Studies, Large Load Facilities Studies, study agreements, deposits, and other study procedures applicable to Local Non-Firm Contract Demand Service shall be governed by Schedule 21-Common, the OATT, and this Local Service Schedule. See Attachment D of this Schedule 21-NHT.

25.6 Load Shedding and Curtailment:

To the extent that a system contingency exists on NHT's Transmission System or the New England Transmission System, and the ISO, Local Control Center, or NHT determine that load shedding or curtailment is necessary, Large Load Transmission Customers receiving Local Non-Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

25.7 Operating Agreement:

The Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21-Common, Part II.J of the OATT, including but not limited to, Sections II.61 and II.63, applicable ISO New England Operating Documents, and any applicable operating agreement with NHT. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

25.8 Compensation for Local Non-Firm Contract Demand Service:

A Large Load Transmission Customer taking Local Non-Firm Contract Demand Service shall pay a monthly demand charge as set forth in Schedule 8A appended to this Schedule 21-NHT. In addition, the Local Large Load Transmission Customer shall be responsible for all costs associated with study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21-Common, the ISO-NE Transmission, Markets and Services Tariff, including but not limited to the OATT, and the applicable Large Load Cost Recovery Agreement, including, but not limited to, the Cost Recovery Charge(s) set forth therein.

VI. LOCAL INTERIM CONTRACT DEMAND SERVICE

26. Preamble:

Local Interim Contract Demand Service shall be provided pursuant to the applicable provisions of Schedule 21-Common, the OATT, and this Local Service Schedule. Local Interim Contract Demand Service is provided on an as-available and temporary basis until such time as the necessary transmission system upgrades are placed in-service as required to provide the Large Load Transmission Customer its requested level of Local Firm Contract Demand Service. Local Interim Contract Demand Service is subject to redispatch, interruption, curtailment, and load shedding.

26.1 Real Power Losses:

Real Power Losses are associated with all transmission service. NHT is not a Control Area Operator and is not obligated to provide Real Power Losses. The Large Load Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by NHT or the Control Area Operator.

26.2 Additional Study Procedures:

Large Load System Impact Studies, Large Load Facilities Studies, study agreements, deposits, and other study procedures applicable to Local Interim Contract Demand Service shall be governed by Schedule 21-Common, the OATT, and this Local Service Schedule. See Attachment D of this Schedule 21-NHT.

26.3 Load Shedding and Curtailment:

To the extent that a system contingency exists on NHT's Transmission System or the New England Transmission System and the ISO, Local Control Center, or NHT determine that load shedding or curtailment is necessary, Large Load Transmission Customers receiving Local Interim Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

26.4 Operating Agreement:

The Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21-Common, and Part II.J of the ISO OATT, including but not limited to, Sections II.61 and II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with NHT. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

26.5 Compensation for Local Interim Contract Demand Service:

A Large Load Transmission Customer taking Local Non-Firm Contract Demand Service shall pay a monthly demand charge as set forth in Schedule 8A appended to this Schedule 21-NHT. In addition, the Local Large Load Transmission Customer shall be responsible for all costs associated with study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21-Common, the ISO-NE Transmission, Markets and Services Tariff, including but not limited to the OATT, and the applicable Large Load Cost Recovery Agreement, including, but not limited to, the Cost Recovery Charge(s) set forth therein.

SCHEDULE 7

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

Each Transmission Customer who takes Firm Local Point-to-Point Transmission Service shall pay NHT each month on the basis of the highest amount of Reserved Capacity for each transaction reserved as Firm Local Point to Point Transmission Service. Except as provided otherwise below, the charges will be re-determined annually in accordance with the Transmission Formula Rate Protocols reflected in Appendix C to Attachment F of the OATT. The rate per kilowatt for each month is one-twelfth of the annual rate determined by dividing the Annual Transmission Revenue Requirement by NHT's average monthly Local Network Transmission System Load (as defined in Section 22.3) for the prior calendar year.

Each Transmission Customer taking Firm Local Point to Point Transmission Service shall pay the firm local point-to-point rate on the basis of the highest amount of Reserved Capacity for each transaction reserved as Firm Local Point to Point Transmission Service as follows:

1) Yearly reservation: one-twelfth of the annual rate per kilowatt of Reserved Capacity per year.

2) Monthly reservation: one-twelfth of the annual rate per kilowatt of Reserved Capacity per month

3) Weekly reservation: 1/52nd of the annual rate per kilowatt of Reserved Capacity per week.

4) Daily reservation: 1/7th of the weekly rate per kilowatt of Reserved Capacity per day.
Provided that 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) Discounts: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by NHT 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 NHT's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS; and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, NHT must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same Point(s) of Delivery on the Transmission System.

6) Exceeding Capacity Reservations and Unreserved Use: In the event the Transmission Customer exceeds the Capacity Reservation specified in the customer's transmission Service Agreement as determined by NHT, the Transmission Customer shall be retroactively charged an amount equal to 200% of the rates specified above without any discount, if one is in place at the time, for any capacity exceeding the amount reserved. Such charge shall apply for the length of the period of unreserved use of NHT's transmission system, except that: i) unreserved uses for any single hour period shall be based on 200% of the applicable rate for daily firm point-to-point transmission service, and ii) multiple unauthorized uses of any given duration (e.g., daily) occurring during any single billing month shall be subject to a penalty charge of 200% of the rate that is applicable to the next longest duration of service, (e.g. weekly).

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

SCHEDULE 7A

Local Firm Contract Demand Service

Each Large Load Transmission Customer who takes Local Firm Contract Demand Service shall pay NHT each month on the basis of the contract demand as specified in a Local Firm Contract Demand Service Agreement. Except as provided otherwise below, the charges will be re-determined annually in accordance with the Transmission Formula Rate Protocols reflected in Appendix C to Attachment F of the OATT. The rate per kilowatt for each month is one-twelfth of the annual rate determined by dividing the Local Annual Transmission Revenue Requirement by NHT's average monthly Local Network Transmission System Load (as defined in Section 22.3) for the prior calendar year.

Each Large Load Transmission Customer taking Local Firm Contract Demand Service shall pay a Monthly Local Firm Contract Demand Charge as set forth below:

Monthly Local Firm Contract Demand Charge shall equal one-twelfth of the annual rate per kilowatt of Contract Demand, where the annual rate per contract demand is determined as follows:

a. Annual Rate Per Contract Demand = Local Annual Transmission Revenue Requirement divided by the sum of: i) the 12-month average of the monthly coincident peak demand usage of all Transmission Customers taking Local Network Service, ii) the Capacity Reservations of all Transmission Customers taking Local Long-Term Firm Point to Point Transmission Service, and iii) the contract demand of all Transmission Customers taking Local Firm Contract Demand Service;

where the Local Annual Transmission Revenue Requirement is determined in accordance with Attachment F of the OATT.

SCHEDULE 8

Non-Firm Local Point-To-Point Transmission Service

Each Transmission Customer who takes Non-Firm Local Point-to-Point Transmission Service shall pay NHT each month on the basis of the highest amount of Reserved Capacity for each transaction reserved as Non-Firm Local Point to Point Transmission Service. The charges will be re-determined annually in accordance with the Transmission Formula Rate Protocols reflected in Appendix C to Attachment F of the OATT. The rate per kilowatt for each month is one-twelfth of the annual rate determined by dividing the Local Network Service Annual Transmission Revenue Requirement by NHT's average monthly Local Network Transmission System Load (as defined in Section 22.3) for the prior calendar year.

Each Transmission Customer taking Non-Firm Local Point to Point Transmission Service shall pay the non-firm local point-to-point rate on the basis of the highest amount of Reserved Capacity for each transaction scheduled as Non-Firm Local Point to Point Transmission Service as follows:

1) **Yearly reservation:** one-twelfth of the annual rate per kilowatt of Reserved Capacity per year.

2) **Monthly reservation:** one-twelfth of the annual rate per kilowatt of Reserved Capacity per month.

3) **Weekly reservation:** 1/52nd of the annual rate per kilowatt of Reserved Capacity per week.

4) **Daily reservation:** 1/7th of the weekly rate per kilowatt of Reserved Capacity per day.

5) **Hourly reservation:** 1/24th of the daily rate per kilowatt of Reserved Capacity per hour.

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.

The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) 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 (3) above times the highest amount in kilowatts of Reserved Capacity in any hour during such week.

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

7) Exceeding Capacity Reservations and Unreserved Use: In the event the Transmission Customer exceeds the Capacity Reservation specified in the customer's transmission Service Agreement as determined by NHT, the Transmission Customer shall be retroactively charged an amount equal to 200% of the rates specified for Long and Short Term Firm Point to Point Transmission Service as specified in Schedule 7 of this Schedule 21-NHT without any discount, if one is in place at the time, for any capacity exceeding the amount reserved.

8) Resale: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section I.11.a of Schedule 21.

SCHEDULE 8A

Local Non-Firm Contract Demand Service and

Local Interim Contract Demand Service

Each Large Load Transmission Customer who takes Local Non-Firm Contract Demand Service or Local Interim Contract Demand Service shall pay NHT each month on the basis of their hourly usage during the hour that is coincident with NHT's monthly system peak demand. Except as provided otherwise below, the charges will be re-determined annually in accordance with the Transmission Formula Rate Protocols reflected in Appendix C to Attachment F of the OATT. The rate per kilowatt for each month is one-twelfth of the annual rate determined by dividing the Local Annual Transmission Revenue Requirement by NHT's average monthly Local Network Transmission System Load (as defined in Section 22.3) for the prior calendar year.

Each Large Load Transmission Customer taking Local Non-Firm Contract Demand Service or Local Interim Contract Demand Service shall pay a Demand Charge as set forth below:

Monthly Demand Charge shall equal one-twelfth of the annual rate per kilowatt of Contract Demand, where the annual rate per contract demand is determined as follows:

a. Annual Rate Per Contract Demand = Local Annual Transmission Revenue Requirement divided by the sum of: i) the 12-month average of the monthly coincident peak demand usage of all Transmission Customers taking Local Network Service, ii) the Capacity Reservations of all Transmission Customers taking Local Long-Term Firm Point to Point Transmission Service, and iii) the contract demand of all Transmission Customers taking Local Firm Contract Demand Service;

where the Local Annual Transmission Revenue Requirement is determined in accordance with Attachment F of the OATT

Large Load Transmission Customers taking Local Interim Contract Demand Service will revert to paying the rates for Local Firm Contract Demand Service at the time their requested Local Firm Contract Demand Service commences.

ATTACHMENT C

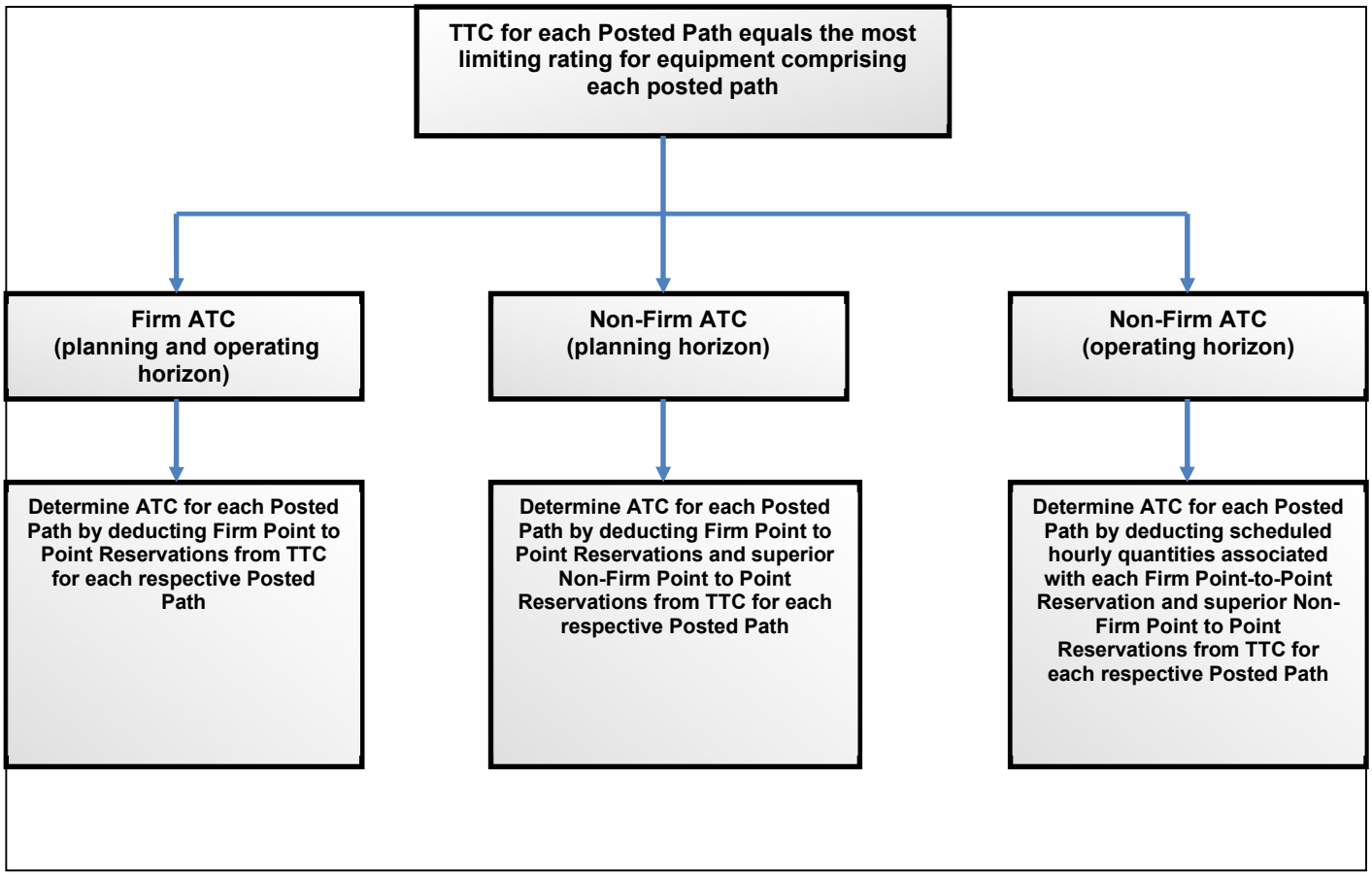
Methodology To Assess Available Transmission Capability

NHT will respond to a valid request for Local Network and Local Point-To-Point Transmission Service by determining whether sufficient transfer capability is available to grant the request. All valid requests will be assigned a priority as set forth in the OATT. The Available Transmission Capability will be calculated based on a Contract Path Methodology, taking into account Total Transfer Capability, Transmission Reliability Margin, capacity reserved by NHT to serve projected native load, existing and confirmed long-term firm transactions and all other requests consistent with the Tariff.

Total Transfer Capacity will be forecasted by NHT and/or the Control Area Operator for posted paths using system models, load flow analysis and other engineering analyses, and in accordance with the NHT Facilities Rating Methodology posted on the NHT OASIS.

In determining Available Transmission Capacity NHT will use Good Utility Practice, comply with applicable Control Area Operator criteria, rules and standards, utilize NPCC and NERC criteria and guidelines, and guidelines established by NHT. The process used by NHT to determine its Available Transmission Capacity is depicted by the following process flow diagram.

Process Used by NHT to Calculate the TCC and ATC for Posted Paths



Notes:

1. TCC and ATC are calculated in accordance with NHT's Facilities Ratings Methodology as posted on NHT's OASIS.
2. NHT has provided its Facilities Ratings Methodology and Facilities Ratings to ISO-NE.
3. TCC and ATC for Posted Paths relate to Point to Point Transmission Service taken over NHT's Non-Pool Transmission Facilities.
4. TCC and ATC are not calculated and posted over Pool Transmission Facilities because Point-to-Point Transmission Service internal to New England is part of Regional Network Service and was eliminated from the ISO-NE Tariff as a stand-along distinct service
5. ISO-NE administers transmission service over all Pool Transmission Facilities.

The algorithm used by NHT to calculate its Available Transmission Capacity is as follows:

NHT Local Service Available Transfer Capability (ATC)

Firm/Non-Firm ATC = TTC (Total Transfer Capability); minus CBM (Capacity Benefit Margin); minus TRM (Transmission Reliability Margin); minus Transmission Service Capacity Reservation(s).

Calculation of TTC shall equal: √3; times (operating voltage); times (ampere rating of the transmission facility).

No Local Service capacity reservation is set aside on any non-PTF path for CBM or TRM.

Local Service on non-Pool Transmission Facilities is currently provided for Seabrook Station Service only when there is no net generation out of the Seabrook Plant or upon failure of Generation Step Up Transformer (GSU).

Total Existing Local Service Capacity Reservations for Seabrook Station Service: 6/1/04 through current = 50 MW. Such Local Service is provided over non-PTF paths: Path 1) Seabrook 345 kV Bus No. 5 to Seabrook Station Service; and Path 2) Seabrook 345 kV Bus No. 3 to 345 kV-GSU. These non-PTF paths are not available for additional Point-to-Point Service Requests, except to meet the needs of the Seabrook Station (e.g., increase in Station Service Requirements) due to the physical limitations of access to these specific 345 kV transmission facilities.

Firm TTC (Total Transfer Capability)/Non-Firm TTC (hourly, daily, weekly, monthly, yearly) over each Path 1 and Path 2, respectively, is: 1793 MWA/1793 MW [TTC = √3 X 345 kVX 3000A]

Firm ATC/Non-Firm ATC (hourly, daily, weekly, monthly, yearly) over each Path 1 and Path 2, respectively, is: 1743 MVA/1743 MW [ATC = TTC (√3 X 345 kV X 3000A); minus CBM (0); minus TRM (0); minus Transmission Service Capacity Reservations (50 MW)]

Paths available for non-PTF Point-to-Point Service are:

Path 3) Seabrook 345 kV Switch Nos. 2201-2901 to Future Unit #2; and
Path 4) Seabrook Sub. 345 kV Bus 1 to Future Tie – RAT Transformer

Firm TTC/Non-Firm TTC over each path , respectively, (3 & 4, above) (hourly, daily, weekly, monthly, yearly) is: 1793 MVA/1793 MW [TTC = √3 X 345 kV X 3000A]

Firm ATC/Non-Firm ATC (hourly, daily, weekly, monthly, yearly) over each path, respectively, (3 & 4, above) is: 1793 MVA/1793 MW [ATC = TTC (√3 X 345 kV X 3000A) – CBM (0) – TRM (0) – Transmission Service Capacity Reservations (0)]

Note: At present, there are no Transmission Service Capacity Reservations over Path 3) or Path 4).

ATTACHMENT D

Methodology for Completing a System Impact Study

NHT (or its designated agent) may require System Impact Studies for the purpose of determining the feasibility of providing Transmission Service under this Tariff. All System Impact Studies will be coordinated with the Control Area Operator and completed using the same method employed by NHT to provide Transmission Service to its affiliated customers. System Impact Studies associated with a request from an Eligible Customer for Interconnection Service shall be performed at the direction of the Control Area Operator pursuant to Schedule 22 of the ISO OATT for generators with generating capacity of more than 20MW, and Schedule 23 of the ISO OATT for generators with generating capacity of 20MW or less. System Impact Studies will be performed by applying NPCC Criteria and the "Reliability Standards of the New England Power Pool," or its successor, while assuring that NHT's Native Load Customers and those loads directly interconnected to the Local Network Transmission System that are receiving transmission service can be served economically and reliably. All of the criteria, standards, and guidelines referenced above are included as part of the annual FERC Form 715 filing.

ATTACHMENTS E, F, G, H, I and K

[RESERVED FOR FUTURE USE]

ATTACHMENT L TO SCHEDULE 21
NHT CREDITWORTHINESS GUIDE

A. Credit Review: For the purpose of determining the ability of a Transmission Customer to fulfill its financial obligations pursuant to the Tariff, the Transmission Provider shall require commercially reasonable credit review procedures. A creditworthiness review shall be conducted for each Transmission Customer upon its initial request for Transmission Service, and thereafter generally annually, or upon the anniversary of the Transmission Customer's Service Commencement Date, or upon reasonable request by the Transmission Customer. Provided, however, any time that a Transmission Customer experiences any credit downgrade that may place it below the standards specified in Section B, the Transmission Provider reserves the right to re-evaluate the Transmission Customer's creditworthiness pursuant to this Attachment L. Further, if in accordance with Section C.3, the Transmission Provider determines that financial assurances that a Transmission Customer has previously provided pursuant to this Attachment L have become insufficient to protect the Transmission Provider against the risk of non-payment, Transmission Provider can require the Transmission Customer to increase such financial assurances.

B. Creditworthiness: Both new and existing Transmission Customers that, upon their application for Transmission Service and throughout the term of their Service Agreements, satisfy the criteria delineated in this Section B will be considered creditworthy by the Transmission Provider. Such Transmission Customers will not be required to submit financial assurances (including, with respect to new customers, the application deposits that would otherwise be required pursuant to either Sections 17.3 or 29.2 of the Tariff) in order to protect the Transmission Provider from the risk of non-payment. Pursuant to this Section B, if applicable, a Transmission Customer is creditworthy if it has not, pursuant to Section 7.3, Defaulted more than once in the last twelve (12) months and:

B.1. has a Standard and Poor's ("S&P") Long-Term Issuer Credit Rating of BBB- (or better); or a Moody's Investor Service, Inc. ("Moody's") Long-Term Issuer Credit Rating of Baa3 (or better). In the event that a Transmission Customer or its guarantor is rated by both S&P and Moody's, then the Transmission Provider will use the lower of the two ratings; or

B.2. is a borrower from the Rural Utilities Service ("RUS") and has a "Times Interest Earned Ratio" of 1.05 (or better) and a "Debt Service Coverage Ratio" of 1.00 (or better) in the most recent calendar year, or is maintaining the Times Interest Earned Ratio and Debt Service Coverage Ratio as established in the Transmission Customer's RUS Mortgage. The Transmission

Customer must provide appropriate documentation annually, or as agreed-upon by both parties; or

B.3. is a federal agency and its financial obligations under the Tariff are backed by the full faith and credit of the United States; or

B.4. is a municipal or state agency, or a rural electric cooperative (without RUS Debt) that:

B.4.i. if applicable, has been taking Transmission Service for one (1) year and has provided documentation that its financial obligations under the Tariff are backed by the full faith and credit of the municipality or state in which it is established; or

B.4.ii. has provided documentation that under the applicable laws of the state in which it is established, that its financial obligations under the Tariff are deemed to be operating expenses and that the agency or the electric cooperative is required by such applicable laws to devote its revenues first to the payment of its operating and maintenance expenses and the principal and interest of its outstanding obligations prior to payment of all other obligations; or

B.5. the Transmission Customer provides a letter of unconditional and continuing guaranty from its parent company. Such letter of guaranty must be acceptable to the Transmission Provider as to form and substance and can be used only if the guarantor meets, at the time of execution and maintains during the life of the applicable Service Agreement, a minimum credit rating as stated in Section B1. However, to the extent that the guarantor is placed on watch for possible downgrade and has: i) a S&P Long-Term Issuer Credit Rating of BBB (or below); or ii) a Moody's Long- Term Issuer Credit Rating of Baa2 (or below), then the Transmission Customer will be required to provide additional financial assurances as provided in this Attachment L. A draft, acceptable form of a continuing guaranty shall be posted on OASIS; or

B.6. the Transmission Customer has been in business for at least one (1) year and provides its most recent audited financial statements to the Transmission Provider which demonstrate that the Transmission Customer meets standards that are at least equivalent to the standards underlying a S&P Long-Term Issuer Credit Rating of BBB- (or better) or a Moody's Long-Term Issuer Credit Rating Baa3 (or better); provided that if the Transmission Customer is not found to be creditworthy pursuant to this Section B.6, then pursuant to Section C.5, the Transmission

Provider will inform the Transmission Customer of the reasons for that determination.

C. Creditworthiness Procedures: The Transmission Provider shall require financial assurances in accordance with the procedures set forth below:

C.1. New Transmission Service: Upon its execution of a Transmission Service Agreement, a new Transmission Customer (or an existing Transmission Customer requesting new service) that does not meet the creditworthiness requirements established in Section B shall either:

C.1.i. provide an unconditional and irrevocable standby letter of credit, or an alternative form of security identified in Section E, in an amount equal to two (2) times the estimated charges for transmission and ancillary services including losses (rounded to the nearest thousand dollar increment) for an average month for that type of service.

C.1.i.a. Provided, however, uncreditworthy customers applying for Non-Firm Point-to-Point Transmission Service shall provide an unconditional and irrevocable standby letter of credit, or an alternative form of security identified in Section E, in an amount equal to three (3) times the estimated charges for transmission and ancillary services including losses (rounded to the nearest thousand dollar increment) for an average month for that type of service.

C.1.i.b. The estimated average monthly charge for Long-Term Firm Point-to-Point and Network Integration Transmission Service shall be based on the Long-Term Firm Point-to-Point Transmission Service rate for the reserved capacity or the load being served, respectively. Any letter of credit provided by a Transmission Customer must be acceptable to the Transmission Provider and consistent with the Commercial practices established by the Uniform Commercial Code. All costs associated with the issuance and maintenance of a letter of credit shall be paid by the Transmission Customer. A draft, acceptable form of a letter of credit shall be posted on OASIS; or

C.1.ii. arrange to prepay for Transmission Service as follows:

C.1.ii.a. For requests with a term greater than one month, the prepayment for the first month must be made when the Transmission Customer makes its reservation for that Transmission Service request, and no later than five (5) business days before the commencement

of service. Prepayments for the subsequent months of service must be made no later than five (5) business days prior to the beginning of each month;

C.1.ii.b. For service for one (1) month or less, the Transmission Customer shall pay the total charge for service when it makes the request, and no later than five (5) business days prior to the commencement of service. For Network Integration Transmission Service customers, the advance payment for each month shall be based on a reasonable estimate by the Transmission Provider of the charge for that month. The Transmission Provider shall pay interest on any prepayments made pursuant to this Section C.1(ii) at the rates established in 18 C.F.R.§ 35.19a(2)(iii).

Where applicable, all uncreditworthy customers applying for new service that fail to meet Section B's creditworthiness criteria shall also pay the application deposits required by either Sections 17.3 or 29.2 of the Tariff.

C.2. Existing Transmission Customers: Any Transmission Customer that originally meets the creditworthiness requirements of Section B and subsequently fails to meet those requirements after it requests Transmission Service but before termination of that service shall:

C.2.i. Within five (5) business days of receipt of a notice from the Transmission Provider, provide the Transmission Provider an acceptable form of financial assurance permitted by this Attachment L that is equal to the Transmission Customer's average monthly Transmission Services charge for the applicable Transmission Service; and

C.2.ii. Within thirty-five (35) calendar days of such notification, provide the Transmission Provider either: (a) an unconditional and irrevocable letter of credit that is equal to two (2) times the Transmission Customer's average monthly Transmission Services charge for the applicable Transmission Service, including losses; or (b) an equivalent alternate form of financial assurance pursuant to Section E; or

C.2.iii. arrange to prepay for Transmission Service in accordance with the procedures set forth in Section C.1(ii). Provided, however, the Transmission Customer must provide the Transmission Provider payment for all outstanding Transmission Service charges no later than five (5) business days prior to the beginning of the next month.

C.3. The average monthly Transmission Service charge for Sections C.2 (i) and (ii) will be based on the Transmission Customer's charges during the preceding twelve (12) months for the applicable Transmission Service. If the Transmission Customer has not yet been purchasing service for twelve (12) months, then the average will be the higher of either: (a) the average of the monthly cost of service to date; or (b) the average value specified in Section C.1.

C.4. Right to Protect Against Additional Risk of Non-payment: All financial assurances calculated and collected pursuant to Sections C.1 and C.2 must be sufficient to protect the Transmission Provider from the risk of non-payment with respect to an uncreditworthy Transmission Customer during the entire term of such customer's Transmission Service Agreement. Accordingly, after an uncreditworthy customer has provided the Transmission Provider financial assurances pursuant to Sections C.1 or C.2, the Transmission Provider will monitor the amount of such customer's Transmission Services charges to ensure that it has provided a sufficient amount of security to protect the Transmission Provider against the risk of non-payment. If a Transmission Customer is not in Default pursuant to Section 7.3, then the Transmission Customer shall provide the adjusted amount of financial assurances required pursuant to this Section C.3 within thirty-five (35) calendar days of receipt of a notice from the Transmission Provider. A Transmission Customer will not be required to adjust its financial assurances pursuant to this Section C.3 more than twice every twelve (12) months.

C.4.i. Adjustment of Financial Assurances Provided Pursuant to Section C.1: If a Transmission Customer provided security when initially applying for service pursuant to Section C.1 and the Transmission Provider determines that the Transmission Customer's actual average monthly Transmission Services charges over any subsequent twelve (12) month period exceed the original average estimated charges for transmission and ancillary services upon which a financial assurance initially was based, then the Transmission Customer must increase its financial assurance to be equal to three (3) times its current actual average monthly purchases of Transmission Service. The value of the actual average monthly purchases of Transmission Services evaluated pursuant to this Section C.3.i will be based on the preceding twelve (12) month period as measured from the date immediately prior to the Transmission Provider's credit re-evaluation. Pursuant to Section C.1, the sum of any required security will include, where applicable, any application deposits required pursuant to Sections 17.3 or 29.2.

C.4.ii. Adjustment of Financial Assurances Provided Pursuant to Section C.2: If a Transmission Customer provided security pursuant to Section C.2 and the Transmission Provider determines that the customer's actual average monthly purchases of Transmission Services over a subsequent twelve (12) month period exceed the original monthly average for charges for transmission and ancillary services upon which the amount of a financial assurance initially was based, then the Transmission Customer must increase the amount of its financial assurance to be equal to three (3) times its actual average purchases of Transmission Service. The value of the actual average monthly purchases of Transmission Services evaluated pursuant to this Section C.3.ii will be based on the preceding twelve (12) month period as measured from the date immediately prior to the Transmission Provider's credit reevaluation.

C.4.iii. Transmission Customer Right To Request A Credit Reevaluation: Transmission Customers may make reasonable requests for the Transmission Provider to re-evaluate their creditworthiness pursuant to the relevant standard established in either Section C.4.i or C.4.ii. Based on such a re-evaluation, if appropriate, the Transmission Provider will reduce the amount of financial security requested from a Transmission Customer if an analysis of its transmission usage over the preceding twelve (12) month period indicates that the customer has provided security in excess of that required by this Attachment L.

C.4.iv. Right to Draw Upon Financial Assurances Upon Default: The Transmission Provider has the right to liquidate, or draw upon, all or a portion of a Transmission Customer's form of financial assurance(s) in order to satisfy a Transmission Customer's total net obligations to the Transmission Provider upon a Default pursuant to Section 7.3 of the Tariff. A Transmission Customer shall replace any liquidated, or drawn-upon, financial assurances pursuant to the timeframe delineated in Section C.2.

C.5. Notice: The Transmission Provider's notification to a Transmission Customer will inform the Transmission Customer:

C.5.i. that it is not creditworthy pursuant to this Attachment L, or in accordance with Section C.3, that it must adjust previously provided financial assurances;

C.5.ii. why it is not creditworthy or why it must adjust previously provided financial assurances;

C.5.iii. that it must provide any required financial assurances by the deadlines specified in the notice; and

C.5.iv. that the Transmission Provider may take corrective actions, including suspension of service pursuant to Section D, if the Transmission Customer fails to provide the required financial assurances by the specified deadlines.

All notices sent to a Transmission Customer pursuant to this Section C.5 shall be in writing and shall be sent to the Transmission Customer by telefax or overnight courier at the respective telephone number or courier address specified in the Transmission Customer's application for Transmission Service (or such other address as the Transmission Customer may have designated in writing to the Transmission Provider) and shall become effective upon actual receipt as evidenced by telefax confirmation sheet or tracking information provided by the overnight courier, as the case may be.

D. Suspension of Service: The Transmission Provider may suspend Transmission Service if:

D.1. a Transmission Customer that is not in Default pursuant to Section 7.3 of this Tariff fails to provide the entirety of three (3) months of required financial assurances (or the entirety of any additional financial assurances required pursuant to Section C.3 or C.4) within thirty-five (35) calendar days after Transmission Provider's notification to such Transmission Customer pursuant to Section C.3. Transmission Provider will provide at least thirty (30) calendar days written notice to the Commission before suspending Transmission Service; or

D.2. a Transmission Customer that is in Default pursuant to Section 7.3 of this Tariff fails to provide the entirety of the one month's requested financial assurance within five (5) business days after the Transmission Provider's notification to such Transmission Customer pursuant to Section C. Transmission Provider will provide five (5) calendar days written notice to the Commission before suspending Transmission Service. Any notices sent to the Transmission Customer and to the Commission pursuant to this Section D may be telefaxed/mailed concurrently. The suspension of service shall continue only for as long as the circumstances that entitle the Transmission Provider to suspend service continue. A Transmission Customer is not obligated to pay for Transmission Service that is not provided as a result of a suspension of service.

E. Alternative Forms of Financial Assurance: Transmission Customer may provide the following as acceptable alternative forms of financial assurance in the amounts specified in Sections C.1 or C.2:

E.1. Cash Deposit: The Transmission Customer may provide a cash deposit that will be retained during the term of (and until full and final payment and performance of) any relevant Service Agreement. If a Transmission Customer has submitted multiple requests for Transmission Service, then the Transmission Provider may require a cash deposit for each Service Agreement. Cash deposits submitted as a form of financial assurance will be held by the Transmission Provider and the Transmission Customer will be paid an interest rate that is equal to the interest rate earned on the escrow account in which the cash deposit is held. The cash deposit can be made by wiring immediately available funds to the Transmission Provider's account.

E.2. Surety Bond: The Transmission Customer may provide, and maintain in effect during the term of (and until full and final payment and performance of) the applicable Service Agreement, a surety bond issued by a financial institution acceptable to Transmission Provider. If a Transmission Customer has submitted multiple requests for Transmission Service, then the Transmission Provider may require a surety bond for each Service Agreement. All costs associated with the issuance and maintenance of a surety bond shall be paid by the Transmission Customer. A draft, acceptable form of a surety bond shall be posted on OASIS.

F. Return of Financial Assurances upon Re-establishment of Creditworthiness: If a Transmission Customer re-establishes creditworthiness pursuant to Section B, then upon verification by Transmission Provider, all financial assurances will be returned (or terminated, if applicable) to the Transmission Customer with interest (if applicable), upon payment of all past due balances to the Transmission Provider pursuant to the Tariff.

SCHEDULE 21-UI

The United Illuminating Company Local Service Schedule

Contents

I. Preamble: 1

II. Definitions: 1

III. Sections Supplementing The Body Of The Tariff 5

A. Preamble 5

B. Sections Supplementing Section I: General Terms and Conditions ~~6~~5

1. Creditworthiness: ~~6~~5

C. Sections Supplementing Section II of the Tariff: Open Access Transmission Tariff ("OATT") ~~6~~5

1. Common Service Provisions 6

D. Sections Supplementing Schedule 21 Of The OATT 8

1. Local Point-To-Point Service Over the Local Network Owned by UI 8

2. Local Network Service Using Local Service Plant Owned by UI 11

3. Local Contract Demand Service Over the Local Service Plant Owned by UI 14

~~3~~4. Schedule 12C Facilities Rates and Charges ~~15~~18

SCHEDULE 1 — Local Scheduling, System Control and Dispatch Service ~~17~~20

SCHEDULE 1 Appendix A — Schedule 1 Rate Calculation ~~19~~22

SCHEDULE 1, Appendix A, Exhibit 1 — Schedule 1 Revenue Requirement ~~21~~24

SCHEDULE 8 — Local Point-to-Point Service ~~27~~30

SCHEDULE 9 — Non-Firm Local Point-to-Point Service ~~29~~32

SCHEDULE 12 — Local Network Service for Load Connected to Local Service Plant ~~31~~34

SCHEDULE 13 — Local Network Service for Load Connected to the PTF ~~32~~35
SCHEDULE 14 — Native Load Customer Revenue Requirement Responsibility ~~33~~36
SCHEDULE 14, Appendix A, Exhibit 1 — Annual Native Load Customer Revenue Requirement ~~34~~37
ATTACHMENT A – ATC Methodology ~~37~~39
ATTACHMENT B – System Impact Study Methodology ~~46~~47
ATTACHMENT C — Monthly Transmission Rate ~~47~~48
ATTACHMENT D – Annual Primary Transmission Revenue Requirement ~~49~~50
ATTACHMENT E – Load Methodologies ~~50~~52
ATTACHMENT F – Annual True-Up ~~52~~53
ATTACHMENT G ~~53~~54
ATTACHMENT L - Creditworthiness ~~55~~56

I. Preamble:

The United Illuminating Company ("UI") is a participant under the TOA and the Tariff and has agreed to provide transmission and ancillary services over PTF pursuant to the Tariff. The services provided under this Schedule 21-UI apply only to Non-PTF or PTF that is not Pool Supported. Schedule 21-UI includes provisions to recover expenses for PTF and Local Service Plant to the extent that these expenses are not recovered through regional revenues. Provisions of this Schedule 21-UI shall have priority over any conflicting provisions in the Tariff.

II. Definitions:

1. Annual True Up:

The reconciliation of estimated data to actual data used in the APTRR as specified in Appendix C to Attachment F of the Tariff.

2. Category A Monthly Network Load:

The Category A Network Load of a Transmission Customer coincident with UI's Local Monthly Network Load, as determined in Section III.D.2.e of this Schedule 21-UI. For a Transmission Customer taking Firm Local Contract Demand Service under the OATT, the Customer's Category A Monthly Network Load is the Customer's Firm Local Contract Demand.

3. Category A Network Load:

The Network Load that is connected to the Local Service Plant of UI, excluding the Native Load Customers of UI.

4. Category B Load Ratio Share:

Ratio of a Transmission Customer's Category B Monthly Network Load for an area or state in which Schedule 12C Facilities are located to the monthly transmission system peak load for the area or state calculated on a rolling twelve month basis.

5. Category B Monthly Network Load:

The Category B Network Load of a Transmission Customer coincident with UI's Local Monthly Network Load, as determined in Section III.D.2.e of this Schedule 21-UI. For a Transmission Customer

taking Firm Local Contract Demand Service under the OATT, the Customer's Category B Monthly Network Load is the Customer's Firm Local Contract Demand.

6. Category B Network Load:

The Regional Network Load for an area or state in which Schedule 12C Facilities are located, excluding the Native Load Customers of UI.

7. Coincident Point-To-Point Load:

The load of a Transmission Customer taking Local Point-To-Point Service coincident with UI's Local Monthly Network Load, as determined in Section III.D.2.e of this Schedule 21-UI.

8. Curtailment:

A reduction in Firm or Non-Firm service in response to a transfer capability shortage as a result of system reliability conditions.

9. Gross Earnings Tax Factor ("GETF"):

The factor used to account for Connecticut Gross Earnings Tax liability in transmission rates when not explicitly included in the relevant cost of service. The GETF shall equal the number one divided by the quantity equal to the number one minus the Connecticut Gross Earnings Tax Rate as given by the Connecticut General Statutes § 12-264(c)(1), or its successor.

10. Local Network:

The transmission facilities owned, controlled, or operated by UI that are used to provide Local Service under Schedule 21 of the OATT.

11. Local Network Parties:

Local Network Parties are, with respect to this Schedule 21-UI, UI and the Transmission Customer receiving Local Service under this Schedule 21-UI.

12. Local Point-To-Point Coincident Load:

The load coincident with UI's Monthly Peak of a Transmission Customer taking service under Schedule 8 of this Schedule 21-UI with yearly or monthly delivery.

13. Local Service Plant:

Local Service Plant is (i) PTF which is neither Pool Supported PTF, the costs of which are recovered regionally under Attachment F of the OATT, nor Schedule 12C Facilities; or (ii) non-PTF.

14. Schedule 12C Facilities:

PTF the cost of which the ISO has determined, pursuant to Schedule 12C of the OATT, are Localized Costs and should not be included in the Pool Supported PTF costs recoverable under Attachment F of the OATT.

15. Mid Year Rate Calculation:

The calculation of rates to become effective on July 1 of a year that is provided in a Transmission Adjustment Clause Filing with the Public Utility Regulatory Authority of Connecticut. Actual rates and estimated rates for all transmission services provided under this Schedule 21-UI may be calculated in the Mid Year Rate Calculation. Additionally, a true-up may be calculated in the Mid Year Rate Calculation.

16. Local Monthly Network Load:

The maximum coincident load during a calendar month of all Category A Network Loads, Coincident Point-To-Point Loads, and all load of UI's Native Load Customers, calculated pursuant to Section III.D.2.e of this Schedule 21-UI.

17. Monthly Network Load:

The Network Load of a Transmission Customer coincident with UI's Local Monthly Network Load, calculated pursuant to Section III.D.2.e of this Schedule 21-UI.

18. Monthly Schedule 1 Rate ("MS1R"):

The cost per month for local Scheduling, System Control and Dispatch Service per unit of transmission service taken by Transmission Customers under Schedules 8, 9, 12, or 13 of this Schedule 21-UI. The MS1R is assessed in addition to the MTR. The magnitude of the MS1R may vary among the Schedules identified above. Transmission Customers shall be billed the MS1R based on estimated costs and revenues subject to Annual True Up. Transmission Customers take local Scheduling, System Control and Dispatch Service under Schedule 1 of this Schedule 21-UI.

19. Monthly Transmission Rate ("MTR"):

The cost per month per unit of transmission service taken by Transmission Customers under Schedules 8, 9, 12, or 13 of this Schedule 21-UI. The value of the MTR may vary among the Schedules identified above.

20. Network Load:

The load that a Network Customer designates for Local Network Service under Schedule 21 of the OATT. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer (including losses). A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Schedule 21 of the OATT for any Local Point-To-Point Service that may be necessary for such non-designated load.

21. Network Upgrades:

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

22. New Year Rate Calculation:

The calculation of rates to be effective between January 1 and December 31 of a year.

23. Open Access Transmission Tariff ("OATT"):

Section II of the Tariff

24. PTF:

PTF means Pool Transmission Facilities as defined in Section I of the Tariff.

25. Primary Transmission Service:

Local Network Service ~~or~~, Local Point-To-Point Service, Firm Local Contract Demand Service, Non-Firm Local Contract Demand Service, and Interim Local Contract Demand Service over the PTF, Schedule 12C Facilities, and/or Local Service Plant of the UI Local Network.

26. Tariff:

The ISO New England Transmission, Markets and Services Tariff,

27. Transmission Investment Category:

All transmission facilities in the Local Network shall be classified into one of three categories for the purposes of assessing charges under this Schedule 21-UI. The three categories of transmission investment are:

1. Pool Transmission Facilities (PTF)
2. Schedule 12C Facilities
3. Local Service Plant

28. UI:

The United Illuminating Company, a Transmission Owner, which will provide Local Service over its Local Network pursuant to this Schedule 21-UI.

29. Use:

For a Transmission Customer which has exercised its option to take Local Point-To-Point Service to serve all or a portion of its load at any Point of Delivery, the greatest for the hour of the maximum amount that it will receive in the hour, as determined from the meters and adjusted for losses, at that Point of Delivery from the resources covered by its Completed Applications and from Interchange Transactions. Use shall be expressed in terms of whole kilowatts on a sixty-minute interval (commencing on the clock hour) basis.

III. Sections Supplementing The Body Of The Tariff

A. Preamble

The following provisions supplement the provisions of the Tariff. Provisions of this Schedule 21-UI shall have priority over any conflicting provisions in the Tariff.

B. Sections Supplementing Section I: General Terms and Conditions

1. Creditworthiness:

UI's Creditworthiness Procedures are specified in Attachment L to this Schedule 21-UI.

C. Sections Supplementing Section II of the Tariff: Open Access Transmission Tariff ("OATT")

1. Common Service Provisions

a. Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. UI is required to provide (or offer to arrange with the ISO as discussed below) and the Transmission Customer is required to purchase the following Ancillary Service: Local Scheduling, System Control and Dispatch Service.

In the event of an unauthorized use of Local Scheduling, System Control and Dispatch Service by the Transmission Customer, the Transmission Customer will be required to pay 200 percent of the charge which would otherwise be applicable.

b. OASIS

In the event available transfer 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 Schedule 21-UI.

c. Invoicing and Payment

(i) Invoicing

Within a reasonable time after the first day of each month, UI shall submit an invoice to the Transmission Customer for the charges for all Local Services furnished under the OATT 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 UI, or by wire transfer to a bank named by UI. Upon mutual agreement between UI and the Transmission Customer, the frequency of billing and payments may be adjusted to accommodate Transmission Customer preferences. Billing hereunder shall be based on cost estimates made by UI subject to Annual True Up pursuant to

Attachment F of this Schedule 21-UI. The Annual True Up will include interest on any refunds or surcharges calculated in accordance with Section 35.19a of the Commission's regulations.

(ii) **Customer Default:**

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to UI on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after UI 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, UI 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 UI and the Transmission Customer, UI will continue to provide service under the Local Service Agreement (Attachment A to Schedule 21 of the OATT) 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 UI may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. Neither party shall have the right to challenge any monthly bill or to bring any court or administrative action of any kind questioning the propriety of any bill after a period of twenty four (24) months from the date the bill was due; provided, however, that in the case of a bill based on estimates, such twenty-four month period shall run from the due date of the final adjusted bill. If the Transmission Customer is taking Firm Local Contract Demand Service, Non-Firm Local Contract Demand Service, or Interim Local Contract Demand Service, the terms of the applicable Large Load Cost Recovery Agreement shall govern.

(iii) **Transmission Customer Right to Audit**

UI shall keep complete and accurate accounts and records with respect to its performance under this Tariff and shall maintain such data for a period of at least two (2) years after final billing for audit by a Transmission Customer. The Transmission Customer shall provide thirty (30) days' written notice to UI to request an audit of all such accounts and records relevant to service provided to the Transmission Customer for a specific time period. The Transmission Customer shall have the right, during normal business hours and at its own expense, to examine, inspect and make copies of all such accounts and records relevant to service provided to the Transmission Customer at such offices where such accounts and records are maintained, insofar as may be necessary for the purpose of ascertaining the reasonableness and accuracy of all relevant data, estimates or statements of charges submitted hereunder

to the Transmission Customer. The records made available to a Transmission Customer for auditing purposes hereunder shall not include information pertaining to the loads of or charges to an individual customer other than the Transmission Customer unless the Transmission Customer requests that the Commission order that such information be made available to the Transmission Customer and the Commission so orders. Nothing in this section shall be interpreted as limiting the Transmission Customer's access to system-wide load or charge data.

D. Sections Supplementing Schedule 21 Of The OATT

1. Local Point-To-Point Service Over the Local Network Owned by UI

a. Preamble

In addition to the provisions set forth in Schedule 21 of the OATT, the provisions of this Schedule 21-UI shall govern Local Point-To-Point transactions using the Local Network owned by UI. Provisions of this Schedule 21-UI shall have priority over any conflicting provisions in the Tariff.

b. Nature of Firm Local Point-To-Point Service

(i) Classification of Firm Service:

The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 8 of this Schedule 21-UI. Scheduling of Firm Local Point-To-Point Service: Schedules for the Transmission Customer's Firm Local Point-To-Point Service under Schedule 8 of this Schedule 21-UI must be submitted in accordance with applicable criteria, rules, standards and operating procedures.

(ii) Scheduling of Firm Local Point-To-Point Service:

Schedules for the Transmission Customer's Firm Local Point-To-Point Service under Schedule 8 of this Schedule 21-UI must be submitted in accordance with applicable criteria, rules, standards and operating procedures

c. Nature of Non-Firm Local Point-To-Point Service

(i) **Classification of Non-Firm Local Point-To-Point Service:**

The Transmission Customer will be billed for its Reserved Capacity under the terms of Schedule 9 of this Schedule 21-UI.

(ii) **Scheduling of Non-Firm Local Point-To-Point Service:**

Schedules for Non-Firm Local Point-To-Point Service under Schedule 9 of this Schedule 21-UI must be submitted in accordance with applicable criteria, rules, standards, and operating procedures.

(iii) **Curtailment or Interruption of Service:**

In the event UI exercises its right to effect a Curtailment, in whole or in part, of Non-Firm Local Point-To-Point Service, no credit or other adjustment shall be provided as a result of the Curtailment, with respect to the charge payable by the Customer. In the event UI exercises its right to effect an Interruption, in whole or part, of Non-Firm Local Point-To-Point Service, the charge payable by the Customer shall be computed as if the term of service actually rendered were the term of service reserved; provided that an adjustment of the charge be made only when the Interruption is initiated by UI, not when the Customer fails to schedule energy.

d. **Service Availability**

(i) **Determination of Available Transmission Capability:**

A description of UI's specific methodology for assessing available transmission capability posted on UI's page on the OASIS is contained in Attachment A of this Schedule 21-UI. In the event sufficient transmission capability may not exist to accommodate a service request, UI will respond by performing a System Impact Study.

(ii) **Real Power Losses:**

The Transmission Customer is responsible for replacing losses associated with all transmission service. UI will calculate the Real Power Losses and will base this calculation upon average system losses. The applicable Real Power Loss factors are as follows:

Losses in Percent	
Bulk Transmission	1.28
Bulk Substation	2.68
Distribution	1.67

(iii) **Load Shedding:**

To the extent that a system contingency exists on UI's or the New England Transmission System the Local Control Center and UI or the ISO determines that it is necessary to shed load, the Local Network Parties shall shed load in accordance with the procedure under the ISO New England Operating Documents or TOA, and the rules adopted thereunder, or in accordance with other mutually agreed to provisions.

e. **Procedures for Arranging Firm Local Point-To-Point Service**

(i) **Application:**

Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Local Network Parties within the time constraints provided in Section I(5)(e) of Schedule 21 of the OATT.

f. **Procedures for Arranging Non-Firm Local Point-To-Point Service**

(i) **Determination of Available Transmission Capability:**

A description of UI's specific methodology for assessing available transmission capability posted on UI's page on the OASIS is contained in Attachment A of this Schedule 21-UI. In the event sufficient transmission capability may not exist to accommodate a service request, UI will respond by performing a System Impact Study. Following receipt of a tendered schedule, UI will make a determination on a non-discriminatory basis of available transmission capability. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service: (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

g. **Metering and Power Factor Correction at Receipt and Delivery Points**

(i) **Transmission Customer Obligations:**

Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and/or energy being transmitted under Schedule 21 of the OATT and to communicate the information to UI.

h. **Compensation for Local Point-To-Point Service**

Rates for Firm Local and Non-Firm Local Point-To-Point Service are provided in the Schedules appended to this Local Service Schedule: Firm Local Point-To-Point Service (Schedule 8 of this Schedule 21-UI); Non-Firm Local Point-To-Point Service (Schedule 9 of this Schedule 21-UI).

UI shall use Schedule 21 of the OATT to make its Third-Party Sales. UI shall account for such use at the applicable OATT rates, pursuant to Section II.8.5 of the OATT.

2. Local Network Service Using Local Service Plant Owned by UI

a. **Preamble**

In addition to the provisions set forth in Schedule 21 of the OATT, the provisions of this Schedule 21-UI shall govern Local Network Service using Local Service Plant owned by UI. Provisions of this Schedule 21-UI shall have priority over any conflicting provisions in the Tariff.

Local Network 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 UI utilizes its Local Service Plant to serve its Native Load Customers. Local Network 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.

b. **Availability of Local Network Service**

(i) **Real Power Losses:**

The Network Customer is responsible for replacing losses associated with all transmission service. UI will calculate the Real Power Losses and will base the calculation upon average system losses. The applicable Real Power Loss factors are as follows:

Losses in Percent	
Bulk Transmission	1.28
Bulk Substation	2.68
Distribution	1.67

c. **Load Shedding and Curtailments**

(i) **Procedures:**

Prior to the Service Commencement Date, UI and the Network Customer shall establish Load Shedding and Curtailment procedures pursuant to Section II.20 of the Tariff, with the objective of responding to contingencies on the Local Service Plant. The Local Network Parties will implement such programs during any period when the ISO, the Local Control Center or UI determines that a system contingency exists and such procedures are necessary to alleviate such contingency. UI will notify all Network Customers in a timely manner of any scheduled Curtailment.

(ii) **Curtailments of Scheduled Deliveries:**

If a transmission constraint on UI's Local Network cannot be relieved through the implementation of least-cost redispatch procedures and UI determines that it is necessary to curtail scheduled deliveries, the Local Network Parties shall curtail such schedules in accordance with Section II.20 of the Tariff.

(iii) **Allocation of Curtailments:**

The ISO or UI shall, on a non-discriminatory basis, curtail transaction(s) that effectively relieve the constraint. However, to the extent practicable and consistent with Good Utility Practice, UI shall curtail service to Network Customers on a basis comparable to the Curtailment of service to UI's Native Load Customers. Neither the ISO nor UI shall direct the Network Customer to curtail schedules to an extent greater than either would curtail UI's schedules under similar circumstances.

(iv) **Load Shedding:**

To the extent that a system contingency exists on UI's Local Network and the ISO or UI determines that it is necessary for UI and the Network Customers to shed load, the Local Network Parties shall shed load in accordance with previously established procedures in accordance with Section II.20 of the Tariff, the then-current ISO New England Operating Documents, or the TOA, and the rules adopted thereunder.

(v) **System Reliability:**

Notwithstanding any other provisions of this Schedule, UI reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to curtail Local Network Service without liability on the part of UI for the purpose of making necessary adjustments to, changes in, or repairs on UI's 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 conditions or disturbances on UI's Local Service Plant or on any other system(s) directly or indirectly interconnected with UI's Local Service Plant, UI, 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. UI will give the Network Customer as much advance notice as is practicable in the event of such Curtailment. Any Curtailment of Local Network Service will not be unduly discriminatory relative to UI's use of its Local Service Plant on behalf of its Native Load Customers. UI 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.

d. **Rates and Charges**

In addition to the above sections that correspond to sections in Schedule 21, the following additional provisions shall apply to Local Network Service over UI's Local Network.

(i) **Monthly Demand Charge:**

The Network Customer shall pay a Monthly Demand Charge which shall be determined as specified in Schedule 12 to this Schedule 21-UI.

(ii) **Native Load Customer Revenue Requirement Responsibility:**

The Native Load Customers of UI shall be responsible for paying charges pursuant to Schedule 14 of this Schedule 21-UI~~, the total of all transmission related expenses, less the total of all transmission revenue received under the OATT, the ISO Self Funding Tariff, or received from Schedules 8, 9, 12, or 13 of this Schedule 21-UI~~.

e. **Determination of Network Customer's Monthly Network Load:**

The Network Customer's Local Monthly Network Load is its hourly load coincident with UI's Monthly Peak. In addition to the above sections that correspond to sections in Schedule 21, the following two additional provisions shall apply to Local Network Service over UI's Local Network.

(i) **Determination of UI's Local Monthly Network Load:**

UI's monthly Local Network Load is UI's Monthly Peak minus the coincident peak usage of all Firm Local Point-To-Point Service ~~customers~~Customers and Firm Local Contract Demand Service Customers (except for any separately metered exempt demand) pursuant to Schedule 21 of this OATT plus the Reserved Capacity of all Firm Local Point-To-Point Service Customers and Contract Demand of all Firm Local Contract Demand Service Customers.

(ii) **Redispatch Charge:**

The Network Customer shall pay any redispatch costs allocated between the Network Customer and UI pursuant to Section II(8) of Schedule 21 in the proportion of the Network Customer's Monthly Network Load to UI's Local Monthly Network Load. To the extent that UI incurs an obligation to the Network Customer for redispatch costs in accordance with Section II(8) of Schedule 21, such amounts shall be credited against the Network Customer's bill for the applicable month.

3. Local Contract Demand Service Over the Local Service Plant Owned by UI

a. **Preamble**

In addition to the provisions set forth in Schedule 21 of the OATT, the provisions of this Schedule 21-UI shall govern Local Contract Demand Service using the Local Service Plant owned by UI. Provisions of this Schedule 21-UI shall have priority over any conflicting provisions in the Tariff.

b. **Nature of Local Contract Demand Service**

(i) **Nature of Firm Local Contract Demand Service**

Firm Local Contract Demand Service shall be provided in accordance with Schedule 21 Common and Sections II.58 through II.63 of the OATT, and this Local Service Schedule. Firm Local Contract Demand Service permits a Local Large Load Transmission Customer to serve a Large Load through the UI Local Network on a firm basis.

(ii) **Nature of Non-Firm Local Contract Demand Service**

Non-Firm Local Contract Demand Service shall be provided pursuant to Schedule 21 Common, the OATT, and this Local Service Schedule. Non-Firm Local Contract Demand Service is provided on an as-available basis and is subject to redispatch, interruption, curtailment, and load shedding.

(iii) **Nature of Interim Local Contract Demand Service**

Interim Local Contract Demand Service is temporary, non-firm transmission service provided prior to completion of required Large Load Network Upgrades and prior to satisfaction of designated capacity requirements applicable to Firm Local Contract Demand Service. A Local Large Load Transmission Customer receiving Interim Local Contract Demand Service shall comply with all applicable provisions of Schedule 21 Common, the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

c. **Availability of Local Contract Demand Service**

(i) **Real Power Losses:**

The Local Large Load Transmission Customer is responsible for replacing losses associated with all transmission service. UI will calculate the Real Power Losses and will base this calculation upon average system losses. The applicable Real Power Loss factors are as follows:

Losses in Percent	
Bulk Transmission	1.28
Bulk Substation	2.68
Distribution	1.67

d. **Load Shedding and Curtailments:**

(i) **Procedures for Firm Local Contract Demand Service:**

To the extent that a system contingency exists on UI's or the New England Transmission System the Local Control Center and UI or the ISO determines that it is necessary to shed load, the Local Large

Load Transmission Customers receiving Firm Local Contract Demand Service shall comply with the procedures set forth in Section III.D.2.c, above.

(ii) **Procedures for Non-Firm Local and Interim Local Contract Demand Service:**

In addition to any obligations on curtailment and redispatch under Part II.J of the OATT for Non-Firm Local and Interim Local Contract Demand Service, to the extent that a system contingency exists on UI's or the New England Transmission System the Local Control Center and UI or the ISO determines that it is necessary to shed load, the Local Large Load Transmission Customers receiving Non-Firm Local or Interim Local Contract Demand Service shall comply with the procedures set forth in Section IV.7 of Schedule 21-Common.

e. **Operating Agreement**

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 Common, Sections II.61 through II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with UI. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

f. **Cost Responsibility**

The Local Large Load Transmission Customer shall be responsible for all costs associated with the provision of Firm Local Contract Demand Service, including study costs, Direct Assignment Facilities, Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21 Common, the OATT, and any applicable Cost Recovery Agreement

g. **Rates and Charges**

The rate for Firm Local Contract Demand Service, Non-Firm Local Contract Demand Service, and Interim Local Contract Demand Service shall be the rate for Local Network Service. In addition to the above sections that correspond to sections in Schedule 21, the following additional provisions shall apply to Local Contract Demand Service over UI's Local Service Plant.

(i) **Firm Local Contract Demand Service:**

The Firm Local Contract Demand Service Customer shall be charged rates consistent with the terms of Section II.62 of the OATT, but as applied to UI's local transmission. As such, the Firm Local Contract Demand Transmission Service Customer shall pay a monthly charge determined by multiplying the amount of Firm Contract Demand Service requested by the Large Load Eligible Customer on its Large Load Transmission Service Application times one twelfth (1/12) of UI's Local Service Annual Transmission Revenue Requirement, except that any exempt demand which transitions to Firm Contract Demand Service pursuant to provisions of Part II.J of the OATT and Firm Local Contract Demand Service pursuant to Schedule 21 Common that can be separately metered by UI from any additional demand above the exempt demand shall be billed at the rate established for such exempt demand as of June 18, 2026, as later amended or revised. UI's Local Service Annual Transmission Revenue Requirement is calculated pursuant to Attachment F of the OATT and Schedule 14 of this Schedule 21-UI.

(ii) **Non-Firm Local and Interim Local Contract Demand Service:**

(a) **Monthly Demand Charge:**

The Non-Firm Local and Interim Local Contract Demand Service Customers shall pay a Monthly Demand Charge which shall be determined as specified in Schedule 12 to this Schedule 21-UI.

(b) **Native Load Customer Revenue Requirement Responsibility:**

The Non-Firm Local and Interim Local Contract Demand Service Customers of UI shall be responsible for paying charges pursuant to Schedule 14 of this Schedule 21-UI.

(iii) **Determination of Non-Firm Local and Interim Local Contract Demand Service Customers' Monthly Network Load:**

The Non-Firm Local and Interim Local Contract Demand Service Customers' Local Monthly Network Load is its hourly load coincident with UI's Monthly Peak. In addition to the above sections that correspond to sections in Schedule 21, the following two additional provisions shall apply to Non-Firm Local and Interim Local Contract Demand Service over UI's Local Service Plant.

(a) **Determination of UI's Local Monthly Network Load:**

UI's monthly Local Network Load is UI's Monthly Peak minus the coincident peak usage of all Firm Local Point-To-Point Service Customers and Firm Local Contract Demand Service Customers (except for any separately metered exempt demand) pursuant to Schedule 21 of this OATT plus the Reserved Capacity of all Firm Local Point-To-Point Service Customers and Contract Demand of all Firm Local Contract Demand Service Customers.

(iv) **Redispatch Charge:**

The Non-Firm Local and Interim Local Contract Demand Service Customers shall pay any redispatch costs allocated between the Non-Firm Local and Interim Local Contract Demand Service Customers and UI pursuant to Section II(8) of Schedule 21 in the proportion of the Non-Firm Local and Interim Local Contract Demand Service Customers' Monthly Network Load to UI's Local Monthly Network Load. To the extent that UI incurs an obligation to the Non-Firm Local and Interim Local Contract Demand Service Customers for redispatch costs in accordance with Section II(8) of Schedule 21, such amounts shall be credited against the Non-Firm Local and Interim Local Contract Demand Service Customers' bill for the applicable month. Otherwise, all costs associated with redispatch of resources shall be charged and allocated in accordance with the Tariff and any Control Area Operator rules and procedures including, without limitation, Market Rule 1.

~~3~~4. Schedule 12C Facilities Rates and Charges

This section provides for the recovery of expenses for Schedule 12C Facilities from customers taking Regional Network Service under the ISO Tariff in an area or state in which Schedule 12C Facilities are located, which customers are not otherwise subject to the charges for Local Network Service under this Schedule 21-UI.

a. Rates and Charges

Any customer taking Regional Network Service, Firm Local Contract Demand Service, Non-Firm Local Contract Demand Service, or Interim Local Contract Demand Service under the ISO Tariff in an area or state in which Schedule 12C Facilities are located and which is not subject to the charges set forth in Schedules 8, 9, 12 and Schedule 13 of this Local Service Schedule shall pay to UI, an amount equal to the rate for such service times the customer Category B Network Load ("Schedule 12C Facilities Charge"). The rate will be calculated using the methodology referenced in Attachment D. Each month,

The United Illuminating Company shall bill the ~~transmission~~Transmission Customer for Schedule 12C Costs and the ~~transmission~~Transmission Customer shall be obligated to pay The United Illuminating Company the charges as set forth in this Attachment D.

Upon mutual agreement between UI and the customer, the frequency of billings and payments may be adjusted to accommodate customer preferences. UI shall file a Schedule Facilities Costs Sharing Agreement (formerly "Localized Facilities Costs Sharing Agreement") under this Local Service Schedule, in the form set forth in Attachment G, to recover such charges from such customer. UI shall not charge any such customer any such costs until such Schedule 12C Costs Sharing Agreement has been accepted by the Commission, or a Localized Facilities Costs Sharing Agreement with such charges previously has been accepted by the Commission. To the extent that UI has not recovered from each customer the full amount of its Schedule 12C Facilities Charge for each Schedule 12C Facility listed in Section III.D.~~3~~4.b of this Schedule 21-UI (1) from the effective date of the Commission's acceptance of the revision of Section III.D.~~3~~4.b to add such Schedule 12C Facility to the date of the ISO's final determination that the facility or a portion thereof is a Schedule 12C Facility, or (2) from the date of such ISO final determination to the effective date of the Commission's acceptance of the revision of Section III.D.~~3~~4.b to add such Schedule 12C Facility, UI shall recover its revenue requirement due either as a lump sum in the first month after the ISO's final determination or the Commission's acceptance of the addition of the Schedule 12C Facility, as applicable, or in equal monthly installments beginning in such month through December of that year.

b. Identification of Area or State

The following identifies the Schedule 12C Facilities and the area or state in which the Schedule 12C Facilities are located:

New Haven Harbor Crossing Corridor Project (Connecticut)

Trumbull Substation Project (Connecticut)

Middletown to Norwalk Project (Connecticut)

Pootatuck Substation (Connecticut)

Pequonnock Substation (Connecticut)

SCHEDULE 1 — Local Scheduling, System Control and Dispatch Service

This service is required to schedule the movement of power through, out of, within, or into UI's Local Network. Local Scheduling, System Control and Dispatch Service is to be provided by UI and the ISO. The Transmission Customer must purchase this service from UI. The charges for UI's Local Scheduling, System Control and Dispatch Service are based on the rates set forth below.

All Transmission Customers taking service under Schedules 8 or 9 of this Schedule 21-UI shall compensate UI each month for Reserved Capacity at the sum of the applicable demand charges set forth below:

1) Yearly delivery:

The MS1R as determined in Appendix A of this Schedule 1 of this Schedule 21-UI per kW of Firm Reserved Capacity per year. Yearly delivery is not available for Non-Firm Reserved Capacity.

2) Monthly delivery:

The MS1R specified in section (1) above per kW of Reserved Capacity per month.

3) Weekly delivery:

The MS1R specified in section (1) above multiplied by 12 months per year and divided by 52 weeks per year, per kW of Reserved Capacity per week. The total demand charge in any month, pursuant to a reservation for weekly delivery, shall not exceed the rate specified in section (2) above times the highest amount in kilowatts of Reserved Capacity in any week during such month.

4) Daily delivery:

The MS1R specified in section (3) above divided by 7 days per week, per 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 (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) Hourly delivery:

Daily delivery charge specified in section (4) above divided by 24 hours per day, per kW of Non-Firm Reserved Capacity per day. The total demand charge in any day, pursuant to a reservation for hourly delivery, in no event shall exceed the daily charge divided by 24. The total demand charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the rate specified in section (4) above times the highest amount in kilowatts of Non-Firm 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 (3) above times the highest amount in kilowatts of Non-Firm Reserved Capacity in any hour during such week. Hourly delivery is not available for Firm Reserved Capacity.

Each Transmission Customer taking service under Schedules 12 or 13 of this Schedule 21-UI must pay a monthly demand charge for Local Scheduling, System Control and Dispatch Service equal to the MS1R as determined in Appendix A of this Schedule 1 of this Schedule 21-UI per kW of its Monthly Network Load.

SCHEDULE 1 Appendix A — Schedule 1 Rate Calculation

Calculation of the Monthly Schedule 1 Rate for Local Scheduling, System Control and Dispatch Service for Service Under this Schedule 21-UI

The Monthly Schedule 1 Rate (MS1R) assessed for service under this Schedule 21-UI shall be calculated pursuant to this Appendix A and shall be calculated in units of $ per kW per month. The MS1R shall be calculated separately for service over the PTF and over Schedule 12C Facilities and Local Service Plant. Transmission Customers taking service under Schedules 8, 9, and 12 of the Schedule 21-UI shall be required to pay the MS1R over the PTF, Schedule 12C Facilities and Local Service Plant. Transmission Customers taking service under Schedule 13 of this Schedule 21-UI shall be required to pay the MS1R only over the Local Service Plant.

The MS1R used in the Annual True Up shall be calculated, as described below pursuant to this Appendix A, based on the Annual Schedule 1 Revenue Requirements as calculated pursuant to Exhibit 1 of this Appendix A. In the Mid-Year Rate Calculation, the estimated MS1R shall be set equal to the actual MS1R calculated in that same Mid-Year Rate Calculation. The estimated MS1R shall not be re-calculated or revised in the New Year Rate Calculation.

All loads used in the denominator of the MS1R calculation are pursuant to Attachment E of this Schedule 21-UI. These loads include 12CP, 12CPB, 12CPRC, 12CPLP.

The MS1R for Schedule 12C shall equal (A) Schedule 12C Annual Schedule 1 Revenue Requirement, divided by (B) the quantity equal to (1) 12CP, plus (2) 12CPRC, and minus (3) 12CPLP, divided by (C) twelve months per year, and multiplied by (D) GETF.

The MS1R for Local Service Plant shall equal (A) Local Service Plant Annual Schedule 1 Revenue Requirement, divided by (B) the quantity equal to (1) 12CP, plus (2) 12CPB, plus (3) 12CPRC, and minus (4) 12CPLP, divided by (C) twelve months per year, and multiplied by (D) GETF.

The MS1R for PTF shall equal (A) PTF Annual Schedule 1 Revenue Requirement, divided by (B) the quantity equal to (1) 12CP, plus (2) 12CPRC, and minus (3) 12CPLP, divided by (C) twelve months per year, and multiplied by (D) GETF.

SCHEDULE 1, Appendix A, Exhibit 1 — Schedule 1 Revenue Requirement

Determination of the Annual Schedule 1 Revenue Requirements

I. Definitions

Capitalized terms not otherwise defined in the Tariff and as used in this formula have the definitions shown in Section I.A of this Exhibit, below. All other revenue and costs shall be taken from the previous calendar year.

A. Terms

Annual Schedule 1 Revenue Requirements shall refer to any, or collectively to all of the annual Schedule 1 revenue requirements calculated pursuant to this Appendix A Exhibit 1.

Gross Earning Tax for Local Service Plant Schedule 1 Revenue for Crediting shall equal the amount of Connecticut Gross Earnings Tax paid on Local Service Plant Schedule 1 Revenue for Crediting.

Gross Earning Tax for Schedule 12C Facilities Schedule 1 Revenue for Crediting shall equal the amount of Connecticut Gross Earnings Tax paid on Schedule 12C Facilities Schedule 1 Revenue for Crediting.

Gross Earning Tax for PTF Schedule 1 Revenue for Crediting shall equal the amount of Connecticut Gross Earnings Tax paid on PTF Schedule 1 Revenue for Crediting.

Local Service Plant Annual Schedule 1 Revenue Requirement shall equal UI's revenue requirement for providing System Control, Scheduling and Dispatch Service over the Non-PTF portion of UI's transmission system.

Local Service Plant Schedule 1 Cash Working Capital shall equal the amount of cash working capital for providing System Control, Scheduling and Dispatch Service over the Non-PTF portion of UI's transmission system.

Local Service Plant Schedule 1 Expense shall equal the cost of providing System Control, Scheduling and Dispatch Service over the Local Service Plant portion of UI's transmission system.

Local Service Plant Schedule 1 Revenue for Crediting shall equal the sum of all revenue booked to FERC Account 456 received through Schedule 1 demand charges assessed for service over UI's Local Service Plant to Transmission Customers taking service under Schedule 9 of this Schedule 21-UI, or taking Short-Term service under Schedule 8 of this Schedule 21-UI.

Schedule 12C Facilities Annual Schedule 1 Revenue Requirement shall equal UI's revenue requirement for providing System Control, Scheduling and Dispatch Service over the Schedule 12C Facilities portion of UI's transmission system.

Schedule 12C Facilities Schedule 1 Cash Working Capital shall equal the amount of cash working capital for providing System Control, Scheduling and Dispatch Service over the Schedule 12C Facilities portion of UI's transmission system.

Schedule 12C Facilities Schedule 1 Expense shall equal the cost of providing System Control, Scheduling and Dispatch Service over the Schedule 12C Facilities portion of UI's transmission system.

Schedule 12C Facilities Schedule 1 Revenue for Crediting shall equal the sum of all revenue booked to FERC Account 456 received through Schedule 1 demand charges assessed for service over UI's Schedule 12C to Transmission Customers taking service under Schedule 9 of this Schedule 21-UI, or taking Short-Term service under Schedule 8 of this Schedule 21-UI.

PTF Annual Schedule 1 Revenue Requirement shall equal UI's revenue requirement for providing System Control, Scheduling and Dispatch Service over the PTF portion of UI's transmission system.

PTF Schedule 1 Cash Working Capital shall equal the amount of cash working capital for providing System Control, Scheduling and Dispatch Service over the PTF portion of UI's transmission system.

PTF Schedule 1 Expense shall equal the cost of providing System Control, Scheduling and Dispatch Service over the PTF portion of UI's transmission system.

PTF Schedule 1 Revenue for Crediting shall equal the sum of all revenue booked to FERC Account 456 received from the ISO to UI's provision of service to enable the ISO to provide OATT Schedule 1 service and through Schedule 1 demand charges assessed for service over UI's PTF to Transmission Customers taking service under Schedule 9 of this Schedule 21-UI, or taking Short-Term service under Schedule 8 of this Schedule 21-UI.

Regional Non-RNS Load Schedule 1 Expense shall equal the sum of all expenses booked to FERC 561 for UI's participation in the New England RTO that are not specifically identified elsewhere.

RNS Load Schedule 1 Expense shall equal the sum of UI's expenses booked to FERC Account 561 that are incurred due to charges assessed by ISO for UI taking Regional Network Service under the OATT or ISO Self Funding Tariff.

Schedule 1 Expense Cash Working Capital Allowance shall be 12.5% (45 days/360 days).

Schedule 1 Total Cost shall equal UI's total expense booked to FERC Account 561.

Total Annual Schedule 1 Revenue Requirement (S1RR) shall equal UI's total revenue requirement for providing System Control, Scheduling and Dispatch Service over the UI Transmission System, including the Local Service Plant, Schedule 12C Facilities, and PTF portions.

UI Transmission System Schedule 1 Expense shall equal the total of UI's expenses that are not RNS Load Schedule 1 Expense or Regional Non-RNS Load Schedule 1 Expense that were booked to FERC Account 561.

II. Calculation of Schedule 1 Revenue Requirements

1. Local Service Plant Annual Schedule 1 Revenue Requirement shall equal (A) Local Service Plant Schedule 1 Expense, plus (B) Local Service Plant Schedule 1 Cash Working Capital, less (C) Local Service Plant Schedule 1 Revenue for Crediting, plus (D) Gross Earnings Tax for Local Service Plant Schedule 1 Revenue for Crediting.

A. Local Service Plant Schedule 1 Expense shall equal (i) Schedule 1 Total Cost, less (ii) RNS Load Schedule 1 Expense, less (iii) PTF Schedule 1 Expense, and less (iv) Schedule 12C Facilities Schedule 1 Expense.

B. Local Service Plant Schedule 1 Cash Working Capital shall equal the product of (i) Local Service Plant Schedule 1 Expense, (ii) Schedule 1 Expense Cash Working Capital Allowance, and (iii) Local Service Plant Before Tax Cost of Capital.

C. Local Service Plant Schedule 1 Revenue for Crediting shall equal the Local Service Plant Schedule 1 revenue assessed to transmission customers taking service under Schedule 9 of this Schedule 21-UI, or taking Short-Term service under Schedule 8 of this Schedule 21-UI.

D. Gross Earnings Tax for Local Service Plant Schedule 1 Revenue for Crediting shall equal the product of (i) Local Service Plant Schedule 1 Revenue for Crediting and (ii) Gross Earnings Tax Rate.

2. Schedule 12C Facilities Annual Schedule 1 Revenue Requirement shall equal (A) Schedule 12C Facilities Schedule 1 Expense, plus (B) Schedule 12C Facilities Schedule 1 Cash Working Capital, less (C) Schedule 12C Facilities Schedule 1 Revenues for Crediting, plus (D) Gross Earnings Tax for Schedule 12C Facilities Schedule 1 Revenues for Crediting.

A. Schedule 12C Facilities Schedule 1 Expense shall equal the product of (i) UI Transmission System Schedule 1 Expense and (ii) Schedule 12C Facilities Allocation Factor.

i. UI Transmission System Schedule 1 Expense shall equal (a) Schedule 1 Total Cost, less (b) RNS Load Schedule 1 Expense, and less (c) Regional Non-RNS Load Schedule 1 Expense.

b. RNS Load Schedule 1 Expense shall equal the sum of the specific expenses identified on the worksheet used to calculate S1RR.

c. Regional Non-RNS Load Schedule 1 Expense shall equal the sum of the specific expenses identified on the worksheet used to calculate S1RR.

ii. Schedule 12C Facilities Allocation Factor shall equal the ratio of: (a) UI's plant balance as

recorded in FERC Account Nos. 350-359 (or "direct transmission plant in service); and (b) UI's plant balance as recorded in FERC Account Nos. 350-359 that is Schedule 12C Facilities.

B. Schedule 12CFacilities Schedule 1 Cash Working Capital shall equal the product of (i) Schedule 12C Facilities Schedule 1 Expense, (ii) Schedule 1 Expense Cash Working Capital Allowance, and (iii) Schedule 12C Facilities Before Tax Cost of Capital.

C. Schedule 12CSchedule 1 Revenue for Crediting shall equal the Schedule 12C Facilities Schedule 1 revenue assessed to transmission customers taking service under Schedule 9 of this Schedule 21-UI, or taking Short-Term service under Schedule 8 of this Schedule 21-UI.

D. Gross Earnings Tax for Schedule 12C Facilities Schedule 1 Revenue for Crediting shall equal the product of (i) Schedule 12C Facilities Schedule 1 Revenue for Crediting and (ii) Gross Earnings Tax Rate.

3. PTF Annual Schedule 1 Revenue Requirement shall equal (A) PTF Schedule 1 Expense, plus (B) PTF Schedule 1 Cash Working Capital, less (C) PTF Schedule 1 Revenues for Crediting, plus (D) Gross Earnings Tax for PTF Schedule 1 Revenues for Crediting.

A. PTF Schedule 1 Expense shall equal (i) Regional Non-RNS Load Schedule 1 Expense, plus the product of (ii) UI Transmission System Schedule 1 Expense and (iii) PTF Allocation Factor.

iii. PTF Allocation Factor shall equal the ratio of: (a) UI's plant balance as recorded in FERC Account Nos. 350-359 (or "direct transmission plant in service); and (b) UI's plant balance as recorded in FERC Account Nos. 350-359 that is PTF and is not Schedule 12C Facilities.

B. PTF Schedule 1 Cash Working Capital shall equal the product of (i) PTF Schedule 1 Expense, (ii) Schedule 1 Expense Cash Working Capital Allowance, and (iii) PTF Before Tax Cost of Capital.

C. PTF Schedule 1 Revenue for Crediting shall equal the sum of (1) the Schedule 1 revenues received from ISO under Schedule 1 of the OATT and (2) PTF Schedule 1 revenue assessed to transmission customers taking service under Schedule 9 of this Schedule 21-UI, or taking Short-Term service under Schedule 8 of this Schedule 21-UI. The specific regional revenues received from ISO

under the OATT shall be identified on the worksheet used to calculate S1RR.

D. Gross Earnings Tax for PTF Schedule 1 Revenue for Crediting shall equal the product of (i) PTF Schedule 1 Revenue for Crediting and (ii) Gross Earnings Tax Rate.

4. Total Annual Schedule 1 Revenue Requirement ("S1RR") shall equal the sum of (A) PTF Annual Schedule 1 Revenue Requirement, (B) Schedule 12C Facilities Annual Schedule 1 Revenue Requirement, and (C) Local Service Plant Annual Schedule 1 Revenue Requirement.

SCHEDULE 8 — Local Point-to-Point Service

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

The Transmission Customer shall compensate UI each month for Firm Local Point-To-Point Service at the sum of the applicable demand charges set forth below:

1) Yearly delivery:
The MTR specified in section (6) below per kW of Firm Reserved Capacity per year.

2) Monthly delivery:
The MTR specified in section (6) below per kW of Firm Reserved Capacity per month.

3) Weekly delivery:
The MTR specified in section (6) below multiplied by 12 months per year and divided by 52 weeks per year, per kW of Firm Reserved Capacity per week.

4) Daily delivery:
The MTR specified in section (6) below, multiplied by 12 months per year, divided by 52 weeks per year, and divided by 7 days per week, per kW of Firm Reserved Capacity per day. The total demand charge in any week, pursuant to a reservation for daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in kilowatts of Firm Reserved Capacity in any day during such week.

5) Discounts:
Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by UI must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, UI must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on UI’s Local Network.

6) MTR for billing:

The MTR for billing shall be the MTR as determined in Attachment C Schedule 21-UI. The MTR shall equal the sum of (1) MTR for service over the PTF, (2) MTR for service over the Schedule 12C Facilities, and (3) MTR for service over the Local Service Plant.

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 Section I.11 (a) of Schedule 21.

SCHEDULE 9 — Non-Firm Local Point-to-Point Service

The Transmission Customer shall compensate UI for Non-Firm Local Point-To-Point Service at the sum of the applicable demand charges set forth below:

1) Monthly delivery:

The monthly delivery charge as set forth in section (2) of Schedule 8 of Schedule 21-UI per kW of Non-Firm Reserved Capacity per month.

2) Weekly delivery:

The weekly delivery charge as set forth in section (3) of Schedule 8 of Schedule 21-UI per kW of Non-Firm Reserved Capacity per week.

3) Daily delivery:

The daily delivery charge as set forth in section (4) of Schedule 8 of Schedule 21-UI per kW of Non-Firm 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 Non-Firm Reserved Capacity in any day during such week.

4) Hourly delivery:

The basic charge shall be that agreed upon by the Local Network Parties at the time this service is reserved and in no event shall exceed the daily charge divided by 24. 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 Non-Firm 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 Non-Firm Reserved Capacity in any hour during such week.

5) Discounts:

Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by UI must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated,

details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, UI must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on UI's Local Network.

6) Resales:

The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by Section I.11 (a) of Schedule 21.

SCHEDULE 12 — Local Network Service for Load Connected to Local Service Plant

The Transmission Customer shall compensate UI for Local Network Service each month at an amount equal to the MTR multiplied by the Transmission Customer's Category A Monthly Network Load. The MTR for billing shall be the MTR as determined in Attachment C of this Schedule 21-UI. The MTR shall equal the sum of (1) MTR for service over the PTF, (2) MTR for service over the Schedule 12C Facilities, and (3) MTR for service over the Local Service Plant.

SCHEDULE 13 — Local Network Service for Load Connected to the PTF

The Transmission Customer with a Category B Network Load shall compensate UI for Local Network Service each month at an amount equal to the MTR multiplied by the Transmission Customer's Category B Monthly Network Load. The MTR for billing shall be the MTR as determined in Attachment C of this Schedule 21-UI. The MTR shall equal the MTR for service over the Schedule 12C Facilities.

If a Transmission Customer has both Category A Network Load and Category B Network Loads, that Transmission Customer shall be assessed individually for each Network Load under the appropriate Schedule.

SCHEDULE 14 — Native Load Customer Revenue Requirement Responsibility

The Native Load Customers of UI shall compensate UI on a monthly basis for the total of all transmission related expenses less the total revenue received under the OATT and under Schedules 1, 8, 9, 12, and 13 of this Schedule 21-UI, plus any gross earnings tax UI pays for revenues received, and less the total revenue received under Schedule 20A-UI.

SCHEDULE 14, Appendix A, Exhibit 1 — Annual Native Load Customer Revenue Requirement

Determination of the Annual Native Load Customer Revenue Requirement ("ANLCRR")

The ANLCRR shall be calculated pursuant to this exhibit. The ANLCRR shall be calculated in units of $ per year. All charges incurred by UI under the OATT that are billed based on Monthly Network Load shall be recovered under Schedule 14 of this Schedule 21-UI, unless recovered under a Connecticut state jurisdictional tariff.

Estimated values utilized in the ANLCRR may be updated semiannually in a Mid Year Rate Calculation, as necessary to ensure accuracy in the ANLCRR charged to Native Load Customers, based on updated data for the service year. Estimated values will be supported and trued-up to actual costs incurred over the applicable time period in Transmission Adjustment Clause ("TAC") filings to the Public Utility Regulatory Authority of Connecticut.

II. Definition of the ANLCRR

The ANLCRR shall equal (A) the sum of the APTRRs defined in Attachment D, plus (B) S1RR, plus (C) Transmission of Electricity by Others, minus (D) Phase I/II HVDC-TF Revenue, plus (E) Phase I/II HVDC-TF Gross Earnings Tax and plus (F) Schedule 12C Facility Charges for Native Load Customers.

SCHEDULE 14

Annual Native Load Customer Revenue Requirement ("ANLCRR")

Line No.		(A) **Amount**	(B) **Reference**
1	Total Local Service ATRR	$ -	Attachment 2 to Appendix B Local Service, Worksheet 1, Line 9 (A)
2	Total Annual Schedule 1 Revenue Requirement		Defined in Schedule 1 Appendix A Exhibit 1
3	Transmission of Electricity by Others		FF1 Page 332.1 FN
4	Phase I/II HVDC-TF Revenue (enter credit)		Appendix A to Attachment F, Revenue Credits, Attachment 2, Line 16 (J)
5	Phase I/II HVDC-TF Gross Earnings Tax		Attachment _
6	Schedule 12C Facility Charges for Native Load Customers		Attachment _
7	Total Schedule 14 Annual Native Load Customer Revenue Requirement	$ -	
8	12CP		Attachment _
9	Annual Schedule 14 Native Load Customer Rate	#DIV/0!	Line 7 / Line 8

ATTACHMENT A – ATC Methodology
of Schedule 21-UI

Methodology to Assess Available Transfer Capability

1. Introduction

ISO New England Inc. ("ISO") is the regional transmission organization ("RTO") for the New England Control Area. The ISO is responsible for the development, oversight, and fair administration of New England's wholesale market, management of the bulk electric power system and the wholesale markets' planning processes. The ISO serves as the Balancing Authority for the New England Control Area. The New England Control Area is interconnected to three neighboring Balancing Authority Areas: New Brunswick System Operator Area, New York Independent System Operator Area, and Hydro-Quebec TransÉnergie Area.

Pursuant to CFR § 37.6(b) of the FERC Regulations Transmission Provider's are obligated to calculate and post TTC and ATC for each Posted Path. While the ISO is the Transmission Service Provider ("TSP") for Regional Transmission Service associated with PTF, the PTOs are the TSPs for Local Service over Non-PTF within the RTO footprint and are responsible for calculating TTC and ATC associated with Local Service provided under Schedule 21 to the ISO Tariff pursuant to the TOA.

Pursuant to the terms of the TOA executed between ISO and the PTOs, as a PTO, The United Illuminating Company (UI) , UI is a TSP, who is obligated to calculate and post TTC and ATC for each Posted Path (Non-PTF Posted Path) over which Local Point-To-Point Service is provided under Schedule 21-UI of the ISO Tariff. These Non-PTF Posted Paths are primarily radial paths that provide Local Service to generators or load directly connected to PTF through Non-PTF (Direct Assignment Facilities).

Pursuant to CFR § 37.6(b), Posted Path is defined as 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 the purposes of this definition, an hour includes any part of any hour during which service was denied, curtained or interrupted.

Based on this definition, UI does not own any Posted Paths. However, to the extent that UI does, in the future, UI will follow NERC Standard MOD-029-1 (Rated System Path Methodology), as outlined below.

1.1 Scope

The scope of this Attachment A is limited to the following functions that, in the future, may be performed or utilized by UI as the TSP for LPTP Service under Schedule 21-UI over its Non-PTF pursuant to the TOA and the ISO Tariff:

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

As explained below, TTC and ATC are required to be calculated by UI only for certain Non-PTF internal Posted Paths over which Local Point-To-Point Service is provided under Schedule 21-UI. UI does not currently own any Posted Paths.

1.2 Definitions

Capitalized terms used and defined in this Attachment A to Schedule 21-UI shall have the meaning given them under this Attachment. Capitalized terms used and not defined in this Schedule 21-UI but defined in other sections of Schedule 21 or the ISO Tariff shall have the meaning given them under those sections. Capitalized terms used in this Attachment A to Schedule 21-UI that are not defined in it or elsewhere in Schedule 21 or the ISO Tariff shall have the meanings customarily attributed to applicable criteria, rules, standards and operating procedures.

Operating Horizon (OH): For the purpose of this Attachment A, the OH is noon through midnight of the next day for a total of 36 hours. As time progresses the total hours remaining in the OH decreases each hour until noon the following day when the OH is once again reset to 36 hours.

Planning Horizon (PH): For the purpose of this Attachment A, PH is any time before the OH.

Scheduling Horizon (SH): For the purpose of this Attachment A, SH is Real-Time and the hour before.

2. Transmission Service in the New England Markets

Since the inception of the ISO Tariff for New England, the process by which generation located inside New England supplies energy to the 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 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 in the New England Control Area.

Additionally, entities may submit energy 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 energy transactions based on forecast LMPs and the transfer capability of the associated external interfaces. With those External Transactions in place, the Real-Time Energy Market dispatches generation in an economic, security constrained manner to meet Real-Time load within the New England Control Area.

The process for submitting External Transactions (ETs) 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 the economic ETs is greater than the transfer capability of associated external interface, the ETs selected to flow are based on the ISO New England Operating Documents. For any ETs that are scheduled to flow in Real-Time based on the economics of the New England Control Area, a transmission reservation for Regional Transmission Service is created after-the-fact to satisfy the transparency needs of the market.

The process described above is only applicable to the PTF within the New England Control Area, and Non-PTF internal paths where utilized for LNS by generation or load. However, UI owns Non-PTF internal paths over which an advance transmission service reservation for Firm or Non-Firm LPTP Service may be required pursuant to Schedule 21 and Schedule 21-UI. On such Non-PTF internal paths, the Transmission Customer may obtain a transmission service reservation from UI under Schedule 21-UI prior to delivery of energy into the Real-Time Energy Market. This Attachment A addresses the calculation of ATC and TTC for these Non-PTF internal paths.

3. Total Transfer Capability (TTC)

TTC is the amount of electric power that can be transferred reliably from one area to another area of the interconnected systems by way of all transmission lines (or paths) between those areas under specified system conditions. For UI, the TTC on any future Non-PTF internal paths that may require LPTP Service reservations will be relatively static values. UI would thus calculate TTC for any radial Non-PTF Posted Path as the rating of the limiting element of such path.

4. Capacity Benefit Margin (CBM)

CBM is defined as the amount of firm transmission transfer capability set aside by a TSP for use by Load Serving Entities (LSEs). The ISO does not set aside any CBM for use by LSEs for the Non-PTF modeled by ISO; consistent with ISO's economic, security constrained dispatch methodology the ISO will only dispatch an amount of generation interconnected to such Non-PTF path so as not to incur a reliability or stability violation on the subject path.

Wherever applicable, the administration of Schedule 21-UI is consistent with the services provided under the ISO Tariff by ISO. UI provides LPTP Service and LNS over its Non-PTF that are only connected to the New England system and do not interconnect with other systems. Therefore, since UI does not have any Posted Paths it does not reserve any CBM. If, in the future, UI does have a Non-PTF Posted Path the CBM will be set to zero (0).

5. Transmission Reliability Margin (TRM)

TRM is the amount of the TTC necessary 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. In the New England Control Area TRM is used only for external interfaces under the New England market design. UI provides Local Point-To-Point Service over its Non-PTF that are connected only to the internal New England system. Therefore, since UI does not and will not have any Non-PTF Posted Paths that are also external interfaces it does not reserve any TRM. If, in the future, UI does have a Non-PTF Posted Path the TRM will be zero (0).

6. Calculation of Schedule 21-UI Existing Transmission Commitments (ETCs)

ETCs are committed uses of Non-PTF Posted Paths considered when determining ATC. The purpose of the ETC components in UI's ATC equation is to ensure that all ETCs on UI's Non-PTF Posted Paths are considered when determining ATC. As stated above UI does not currently own any Non-PTF Posted Paths. If, in the future, UI does have a Non-PTF Posted Path the ETCs would be applied to the ATC

equation for such path in the following manner:

6.1 Existing Transmission Commitments, Firm (ETC_F)

ETC_F are those confirmed Firm transmission reservations (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) or other Firm service(s), contract(s) or agreement(s) (OS_F) to be considered in the ETC_F calculation.

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

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 Non-Firm service(s), contract(s) or agreement(s) (OS_{NF}) to be considered in the ETC_{NF} calculation.

7. Calculation and Posting of Schedule 21-UI, ATC

7.1 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 TSP's ATC methodology. As a practical matter, the rating of any radial UI Non-PTF would always be higher than the transmission requirements of the Transmission Customers connected to that path. As such, transmission services over these Non-PTF are considered to be always available.
Transmission Customers are not restricted from reserving Firm or Non-Firm LPTP Service on UI's Non-PTF. Common practice is not to calculate or post Firm and Non-Firm ATC values for the Non-PTF assets described above, as ATC is positive and listed as 9999. Thus, UI has posted the ATC as 9999, consistent with industry practice and to reflect the fact that there are no restrictions on UI's Non-PTF for LPTP Service.

7.2 Calculation of Firm ATC (ATC_F)

7.2.1 Calculation of ATC_F in the PH

For purposes of this Attachment A, PH is any period before the OH. Consistent with the NERC

definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for TTC, TRM, CBM, ETC_F, Firm Postbacks ($Postbacks_F$), and Firm counterflows ($counterflows_F$). As discussed above CBM and TRM are zero. Firm Transmission Service under Schedule 21-UI that is available in the PH includes: Yearly, Monthly, Weekly and Daily. $Postbacks_F$ and $counterflows_F$ of Schedule 21-UI transmission reservations are not considered in the PH. Therefore ATC_F in the PH is equal to the TTC minus ETC_F.

7.2.2 Calculation of ATC_F in the OH

Consistent with the NERC definition, ATC_F is the capability for Firm transmission reservations that remain after allowing for TTC, TRM, CBM, ETC_F, Firm Postbacks ($Postbacks_F$), and Firm counterflows ($counterflows_F$). As discussed above CBM and TRM are zero. Daily Firm Transmission Service is the only service that is offered in the OH. $Postbacks_F$ and $counterflows_F$ of transmission reservations are not considered in the ATC_F OH. Therefore ATC_F in the OH is equal to the TTC minus ETC_F.

7.2.3 Calculation of ATC_F in the SH

Firm transmission service is not offered in the SH. Therefore ATC_F in the SH is equal to zero.

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

7.3.1 Calculation of ATC_{NF} in the PH

ATC_{NF} is the capability for Non-Firm transmission reservations that remain after allowing for TTC, 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, TRM and CBM are zero. $Postbacks_{NF}$ and $counterflows_{NF}$ of Schedule 21-UI 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}.

7.3.2 Calculation of ATC_{NF} in the OH

ATC_{NF} is the capability for Non-Firm transmission reservations that remain after allowing for TTC, ETC_F, ETC_{NF}, scheduled CBM (CBM_U), unreleased TRM (TRM_U), Non-Firm Postbacks ($Postbacks_{NF}$), and Non-Firm counterflows ($counterflows_{NF}$). ATC_{NF} available in the OH includes: Daily and Hourly. As discussed above, TRM and CBM are zero. $Counterflows_{NF}$, are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F, and ETC_{NF} plus $Postbacks_{NF}$.

7.3.3 Calculation of ATC_{NF} in the SH

ATC_{NF} in the SH is equal to the ATC_{NF} in the OH for the designated hour. With this simplified version of ATC, there is no detailed algorithm or flow chart to be described or posted other than: ATC_{NF} in the SH equals ATC_{NF} in the OH.

7.4 Posting of ATC

ATC values for UI Non-PTF Posted Paths will be posted on the UI page of ISO's OASIS site.

7.4.1 Updates to the ATC

When any of the variables in the ATC equations change, the ATC values for UI Non-PTF Posted Paths will be recalculated and reposted.

7.4.2 Negative ATC

As stated above, the ratings of radial Non-PTF transmission paths will always higher than the transmission requirements of Transmission Customers connected to such path. Therefore, ATC over UI Non-PTF Posted Paths are considered to be always available and will not be negative.

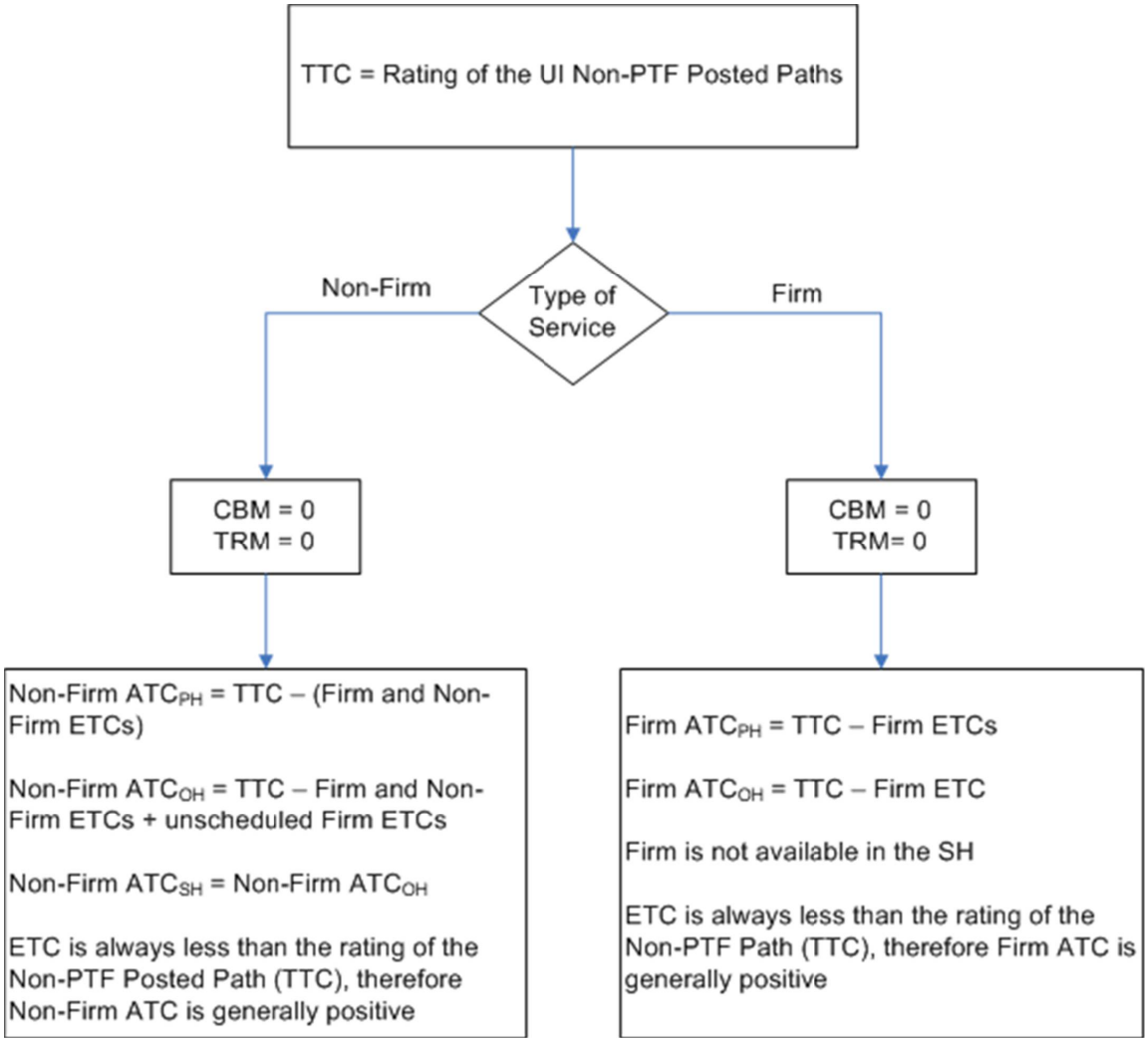
7.5 Coordination of ATC Calculations

UI does not have any Non-PTF external interfaces. Therefore it is not necessary to coordinate UI ATC calculations.

7.5.1 Mathematical Algorithms

A link to the mathematical algorithms to be used for the calculation of ATC for any future UI Non-PTF Posted Paths are located under UI's FERC Order 890 Postings at:
<http://www.uinet.com/wps/wcm/connect/db103700450b48c0a4a7befca51ac10c/Schedule+21-UI+Mathematical+Algorithm+for+the+Calculation+of+ATC.pdf?MOD=AJPERES&CACHEID=db103700450b48c0a4a7befca51ac10c>

7.6 ATC Process Flow Diagram_



ATTACHMENT B – System Impact Study Methodology
of Schedule 21-UI

Methodology for Completing a System Impact Study

If UI must perform a System Impact Study to determine the feasibility of providing Firm Local Point-To-Point Service, Local Contract Demand Service, or Local Network Service under the OATT, it will complete the study using the same method employed by UI to provide the requested service to itself. UI (or its Designated Agent) will perform the System Impact Study by applying UI's transmission planning criteria. The design standards outlined in UI's transmission planning criteria are in accordance with applicable criteria, rules, standards, and operating procedures. These criteria and standards referenced above, along with other assumptions and guidelines used in the analysis of UI's system, are ~~included as part of~~consistent with the information in the annual FERC Form 715 filings of UI.

ATTACHMENT C — Monthly Transmission Rate

Determination of the Monthly Transmission Rate ("MTR") for Primary Transmission Service

The MTR assessed for Primary Transmission Service under this Schedule 21-UI shall be calculated pursuant to this attachment. The MTR shall be calculated in units of $ per kW per month. The MTR shall be calculated separately for service over the PTF, Schedule 12C Facilities, and Local Service Plant. Transmission Customers taking service under Schedules 8, 9, and 12 of the Schedule 21-UI shall be required to pay the MTR over the PTF, Schedule 12C Facilities and Local Service Plant. Transmission Customers taking service under Schedule 13 of this Schedule 21-UI shall be required to pay the MTR only over the Schedule 12C Facilities.

The MTR shall be calculated, as described below pursuant to this Attachment C of this Schedule 21-UI, based on the Annual Primary Transmission Revenue Requirements described in Appendix D, and as calculated pursuant to Attachment F of the ISO New England OATT.

All loads used in the denominator of the MTR calculation are pursuant to Attachment E of this Schedule 21-UI. These loads include 12CP, 12CPB, 12CPRC, 12CPLP.

The MTR for Local Service Plant shall equal (A) the sum of (1) the Annual Projected Revenue Requirement Total of Worksheet 1 of Attachment 2 of Appendix B of Attachment F of the ISO New England OATT and (2) Annual Direct Transmission CWIP in Rate Base Revenue Requirement, divided by (B) the quantity equal to (1) 12CP, plus (2) 12CPRC, and minus (3) 12CPLP, divided by (C) twelve months per year.

The MTR for Schedule 12C Facilities shall equal (A) the Total Schedule 12C Revenue Requirement of Worksheet 1 of Attachment 3 of Appendix B to Attachment F of the ISO New England OATT, divided by (B) the quantity equal to (1) 12CP, plus (2) 12CPB, plus (3) 12CPRC, and minus (4) 12CPLP, divided by (C) twelve months per year.

The MTR for PTF shall equal (A) the Annual Projected Revenue Requirement Total of Worksheet 1 of Attachment 3 of Appendix B to Attachment F of the ISO New England OATT, divided by (B) the

quantity equal to (1) 12CP, plus (2) 12CPRC, and minus (3) 12CPLP, divided by (C) twelve months per year.

ATTACHMENT D – Annual Primary Transmission Revenue Requirement of Schedule 21-UI

Annual Primary Transmission Revenue Requirement ("APTRR")

This formula sets forth the method that UI will use to determine its APTRR for each Transmission Investment Category. The sum of the APTRRs for each of the Transmission Investment Categories equals UI's total cost to own, operate and maintain the Local Network used for providing Transmission Service to Transmission Customers under this Schedule 21-UI. All other calculations shall be based on the previous calendar year's FERC Form 1 data. The calculations shall be based on actual data, in lieu of allocated data, if specifically identified in the FERC Form 1, or detailed in a worksheet reconcilable to published values in the FERC Form 1.

I. Attachment D Calculations

The APTRRs shall be calculated for each of the following Transmission Investment Categories as follows:

PTF, recovered pursuant to Attachment F of the OATT, as calculated in Line No. 9 of Worksheet 1 of Attachment 1 to Appendix B of Attachment F of the ISO New England OATT
Schedule 12C Facilities, recoverable pursuant to Schedule 12C of the OATT, as calculated in Line No. 8 of Worksheet 1 of Attachment 3 to Appendix B of Attachment F of the ISO New England OATT
Local Service Plant, as calculated in Line No. 9 of Worksheet 1 of Attachment 2 to Appendix B of Attachment F of the ISO New England OATT.

Transmission Charges

The Schedule 12C Costs charges provide for recovery of the costs of the transmission facilities of The United Illuminating Company.

Schedule 12C Costs rates will be calculated in accordance with the formula provided below.

		(A) **Amount**	(B) **Reference**
1	**Schedule 12C Costs ATRR**	**$**	Attachment 3 of Appendix B to Attachment F, Worksheet 1, Line 8 (A)
2	12CP	-	Attachment
3	Annual Schedule 12C Costs Rate	#DIV/0!	Line 1 / Line 2

ATTACHMENT E – Load Methodologies
of Schedule 21-UI

Actual and Estimated Loads

The methodologies used to compute the actual and estimated coincident peak loads for use in calculating rates are contained in this Attachment E.

I. Definitions

Capitalized terms not otherwise defined in the Tariff and as used in this formula have the following definitions:

12CP is the average for the twelve months of the most recent calendar year for which data is available, of UI's Local Monthly Network Load.

12CPB is the average for the twelve months of the most recent calendar year for which data is available, of the sum of all Category B Monthly Network Loads excluding the Load of ISO RNS customers that are assessed Schedule 12C Facilities costs.

12CPLP is the average for the twelve months of the most recent calendar year for which data is available, of the sum of all Coincident Point-To-Point Loads.

12CPRC is the average for the twelve months of the most recent calendar year for which data is available, of the sum of the Reserved Capacity of all Transmission Customers taking monthly or annual delivery under Schedule 8 of this Schedule 21-UI.

ATTACHMENT F – Annual True-Up
of Schedule 21-UI

Estimated Rate Calculation and Annual True Up Re-billing
Additional Procedures Descriptions

The reconciliation of estimated data to actual data used in the APTRR for service beginning on January 1 of each year will be conducted pursuant to the procedures in Appendix C to Attachment F of the Tariff. For each bill rendered to each Transmission Customer the previous calendar year, the difference between the total charge based on actual rates and the total charge based on estimated rates shall be calculated. Interest charges shall be applied to all balances owed by the Transmission Customer to UI or owed by UI to the Transmission Customer in accordance with Section III.C.1.c(i) of this Schedule 21-UI. The date interest charges begin for the Annual True Up on any individual bill is the date that the bill was due pursuant to Section III.C.1.c(i) of this Schedule 21-UI. For interest charges owed to UI by the Transmission Customer, the date interest charges end for the Annual True Up on any individual bill is 20 days after receipt by the Transmission Customer of the Annual True Up bill. For interest charges owed to the Transmission Customer by UI, the date interest charges end for the Annual True Up on any individual bill is the day the Annual True Up refund is mailed to the Transmission Customer. Estimated data and actual data used in a Mid Year Rate Calculation will be supported in TAC filings to PURA, as discussed in Schedule 14 and the Mid-Year Rate Calculation shall not be subject to the procedures in Appendix C to Attachment F.

ATTACHMENT G

Schedule 12C Costs Sharing Agreement

This Schedule 12C Costs Sharing Agreement ("Agreement"), dated as of _____, is entered into by and between The United Illuminating Company ("UI or "COMPANY") and _____ ("Transmission Customer").

The Transmission Customer is taking Regional Network Service, Firm Local Contract Demand Service, Non-Firm Local Contract Demand Service, or Interim Local Contract Demand Service under the ISO Tariff in an area or state in which Schedule 12C Facilities are located and is not subject to the charges set forth in Schedules 8, 9, 12 or 13 of Schedule 21-UI on file with, and as may be revised from time to time in accordance with the rules of, the Federal Energy Regulatory Commission ("Commission"). Transmission Customer agrees to pay the charges as provided in Section III.1 of Schedule 21-UI for its portion of the cost of Schedule 12Cas listed in Section III.2 of Schedule 21-UI. The charges under this Agreement shall commence at 0001 hours on such date as they are permitted to become effective by the Commission (the "Effective Date"). Charges under this Agreement shall terminate at the earlier of (1) 2400 hours on the date forty (40) years after the Effective Date or (2) the date upon which the Transmission Customer no longer takes Regional Network Service, Firm Local Contract Demand Service, Non-Firm Local Contract Demand Service, or Interim Local Contract Demand Service under the ISO Tariff in an area or state in which UI Schedule 12C Facilities are located.

Other special provisions (if any):

_____.

Any notice or request made to or by UI or Transmission Customer regarding this Agreement shall be made in writing and shall be telecommunicated or delivered either in person, or by prepaid mail (return receipt requested) to the representative of UI or Transmission Customer as indicated below. Such representative and address for notices or requests may be changed from time to time by notice by UI or Transmission Customer to the other.

COMPANY:

_____

_____

TRANSMISSION CUSTOMER:

_____

_____

Nothing in this Agreement shall be construed as affecting in any way the right of UI to file with the Commission under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms, or conditions of this Agreement. Nothing in this Agreement shall be construed as affecting in any way the ability of the Transmission Customer to file with the Commission under Section 206 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder for a change in any rates, terms, or conditions of this Agreement.

IN WITNESS WHEREOF, UI and Transmission Customer have caused this Agreement to be executed by their respective authorized officials as of the date first above written.

THE UNITED ILLUMINATING COMPANY

By:

Title:

TRANSMISSION CUSTOMER

By:

Title:

ATTACHMENT L - Creditworthiness

SCHEDULE 21-UI

Creditworthiness Procedures

I. Overview

For the purpose of determining the ability of the Transmission Customer (Customer) to meet its obligations related to service hereunder, The United Illuminating Company (UI) may require reasonable credit review procedures. All Customers requesting or taking service provided under Schedule 21 and 21-UI, for service over UI's Local Network or any Federal Energy Regulatory Commission (FERC)-regulated interconnection service from UI, collectively referred to as (Service), must meet the creditworthiness of this Schedule 21-UI Attachment L. The creditworthiness of each Customer must be established prior to receiving Service and applies to new Customers requesting Service and existing Customers. The intention of this Attachment L is to make UI's credit practices more transparent and comprehensive to Customers while protecting UI against the risk of non-payment. If the Customer relies on the creditworthiness of a parent company, the Customer's parent company (referred to herein as Guarantor) must provide to UI a written guarantee that it will be unconditionally responsible for all financial obligations associated with the Customer's receipt of Service from UI.

UI shall make this credit review in accordance with procedures based on specific quantitative and qualitative criteria to determine the level of secured and unsecured credit required from the Customer. Quantitative factors may include, among other items, Customer's history, management, and credit exposures. Qualitative factors may include, among other items, financial statements, capital structure and cash flow. UI's creditworthiness requirements are described below in this Attachment L.

Customers requesting Service under Schedule 21 and Schedule 21-UI should send the necessary information for creditworthiness approval to UI's contact identified on UI's transmission website, via the link on UI's OASIS website, https://oasis.iso-ne.com/oasis/uico.

Upon receipt of a Customer's information, UI will evaluate it for completeness and will notify the Customer if additional information is required. Upon completion of its evaluation, UI will provide a determination letter to the Customer notifying the Customer of their status. If the Customer is required to

provide Financial Assurance, as described in Section IV, an estimate of the total payment obligations that the Customer would be expected to pay UI for the first three months of the Service will be included in the determination letter.

II. Financial Information

Customers requesting Service must submit, if available, the following information:

All current credit rating reports from commercially accepted credit rating agencies including, Standard and Poor's, Moody's Investors Service, and Fitch Ratings.

The most current audited financial statements by a registered independent auditor.

III. Creditworthiness Requirements

The Customer must meet at least one of the following criteria:

(1) If rated, the Customer's or Guarantor's lowest rating on its senior unsecured long-term debt is at least:

- BBB from Standard and Poor's or Fitch Ratings, or
- Baa2 from Moody's Investors Service.

(2) If un-rated or if rated below BBB/Baa2, as described in (1) above, the Customer must meet all of the following:

- A Current Ratio of at least 2.0 (current assets divided by current liabilities);
- A Total Capitalization Ratio of less than 60% debt: total debt (including all short-term borrowing) divided by the sum of total shareholders' equity plus total debt plus preferred securities;
- EBITDA-to-Interest Expense Ratio of at least 2.0 (earnings before interest, taxes, depreciation and amortization in the most recent fiscal quarter divided by expense for interest); and
- An unqualified audit opinion in the most recent audited annual financial statement.

If the Customer does not qualify for unsecured credit, the Customer will still qualify for unsecured credit equivalent to three months of payment obligations if it has 12 consecutive months of payments to UI with no missed, late or defaults in payment.

IV. Financial Assurance Requirement

If the Customer does not meet the applicable requirements of creditworthiness set forth in Section III, then not less than five business days in advance of the commencement of Service, the Customer must provide either:

(1) Advance payment of an amount equivalent to 3 months of Service. UI will pay interest to the Customer in accordance with the Commission's regulations at 18 CFR § 35.19a (a)(2)(iii); or

(2) Provide UI a letter of credit in an amount equivalent to 3 months of Service. The cost of the letter of credit shall be paid by the Customer. Letter of credit means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a U.S. branch of a foreign bank provided that such Customer or Guarantor is not an affiliate with such bank, the bank has at least ten billion dollars ($10,000,000,000) in assets, and the bank's lowest credit rating is at least A2 from Moody's Investor's Service or A from Standard & Poor's or Fitch Ratings. If at any time the bank falls below these requirements then within 5 business days the Customer must obtain another letter of credit from a bank that does meet these requirements.

V. Credit Levels

If the Customer meets the applicable criteria outlined in Section III, that Customer may receive unsecured credit from UI equivalent to three months of payment obligations.

VI. Contesting Creditworthiness Determination

The Customer may contest UI's determination of creditworthiness by submitting a written request for re-evaluation within 15 calendar days of receiving the creditworthiness determination letter. Such request should provide information supporting the basis for a request to re-evaluate a Customer's creditworthiness. UI will evaluate and respond to the request within 15 calendar days.

VII. Process for Changing Credit Requirements

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

General Notification Process:

UI shall provide written notification to ISO 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 this Attachment L.

UI shall consult with interested stakeholders upon request.

Following FERC acceptance of such filing and upon the effective date, UI shall revise its Attachment L Creditworthiness Policy and an updated version of Schedule 21-UI shall be posted to the ISO website.

VIII. Posting Collateral Requirements

A. Change in Customer Financials

During the term of Service, the Customer must inform UI, in writing, within 5 business days of any material change in its, their Guarantor's or their letter of credit provider's financial condition. A material change in financial condition may include, but is not limited to, the following:

- Change in ownership by way of a merger, acquisition or substantial sale of assets;
- A downgrade by a major rating agency;
- Being placed on a credit watch with negative implications by a major rating agency;
- A bankruptcy filing;
- A declaration of or acknowledgement of insolvency;
- Any action requiring filing of a Form 8-K;
- A report of a significant quarterly loss or decline in earnings;

- The issuance of a regulatory order and/or the filing of a lawsuit that could materially adversely impact current or future financial results.
- A suspension from the ISO marketplace that is not cured within 5 business days.

B. Change in Creditworthiness Status

A credit review and a recalculation of the three month payment obligation amount shall be conducted for each Customer not less than annually or upon reasonable written request by the Customer. After conducting the review UI will notify the Customer, in writing if there is a change in their creditworthiness status and the reason for the change. If the Customer is now required to post financial assurance, or additional financial assurance, they will receive a written notice from UI and have 5 business days after receipt of such notice to provide such assurance. Such additional financial assurance may be the result of, but not limited to, the following conditions:

- The Customer no longer meets the applicable criteria for creditworthiness:
- UI determines that a material change notification in Section VIII A. will have an adverse effect on the Customer's ability to make future payments;
- The Customer's payment obligations exceed the amount of credit extended by UI, in which case financial assurance equal to the amount of excess must be provided; or
- The Customer has not paid or has been late in two or more payments in the last 12 months.

IX. Ongoing Financial Information Requirement

If the Customer has met the applicable criteria for creditworthiness and takes Service with UI, then during the term of the Service the Customer or their Guarantor is required to submit to UI, when issued:

Current rating agency reports; and
Current audited annual financial statements from a registered independent auditor.

X. Suspension of Service

UI may immediately suspend Service to a Customer if the Customer does not meet either of the following:

the terms described in this Schedule 21-UI Attachment L ; or

despite a written notice from UI as specified in Section VIII, after 5 business days the Customer's payment obligations to UI still exceed the amount of credit to which it is entitled under this Attachment L.

SCHEDULE 21-VTransco

Local Service Schedule

Vermont Transco LLC

I. COMMON SERVICE PROVISIONS

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

1 Definitions

Whenever used in this Schedule 21-VTransco, 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-VTransco 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 Annual Transmission Revenue Requirement: The total actual cost of VTransco's Transmission System for purposes of Local Service shall be the amount determined each year pursuant to Attachment F of the ISO-NE OATT until amended by VTransco or modified by the Commission.

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

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

~~**1.4 Load Ratio Share:** Ratio of a Transmission Customer's~~**1.4 Large Load Transmission Customer:** For purposes of this Schedule 21-VTransco, a Large Load Transmission Customer is a customer taking Local Firm Contract Demand Service, Local Interim Contract Demand Service, or Local Non-Firm Contract Demand Service under this Schedule 21-VTransco.

1.5 Local Firm Contract Demand Service: Local Firm Contract Demand Service is provided to a Large Load Transmission Customer to serve a Large Load through VTransco's Transmission System on a firm basis for a specific contracted MW value not to be exceeded.

1.6 Local Interim Contract Demand Service: A temporary, non-firm transmission service provided to a Large Load Transmission Customer requesting Local Firm Contract Demand Service on VTransco's Transmission System before the conditions precedent for Firm Contract Demand Service and Local Firm Contract Demand Service, set forth in Part II.J of the OATT and Schedule 21 Common respectively, are satisfied. The rates, terms, and conditions for Local Interim Contract Demand Service shall be identical to those for Local Non-Firm Contract Demand Service.

1.7 Local Non-Firm Contract Demand Service: Local Non-Firm Contract Demand Service is provided to a Large Load Transmission Customer to serve a Large Load on VTransco's Transmission System on an as-available basis and subject to redispatch, curtailment, interruption and load shedding in accordance with the Tariff, the OATT and applicable operating procedures, to serve up to a specific contracted MW value not to be exceeded.

1.8 Load Ratio Share: For a Local Network Customer, the Load Ratio Share is the ratio of that Local Network Customer's Local Network Load to VTransco's total load computed in accordance with this Schedule 21-VTransco and calculated on a rolling twelve-month basis. For a Large Load Transmission Customer, the Load Ratio Share is the ratio of that Large Load Transmission Customer's load to VTransco's total load computed in accordance with this Schedule 21-VTransco and calculated on a rolling twelve-month basis.

1.~~5~~9 Local Network Customer: An entity receiving Local Network Service pursuant to the terms of this Schedule 21.

1.~~6~~10 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.~~7~~11 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.~~8~~12 Local Reserved Capacity: The maximum amount of capacity and energy that VTransco agrees to transmit for the Transmission Customer over VTransco's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under this Schedule 21. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

~~1.9~~ **1.13 Monthly Local Firm Contract Demand:** The amount of Local Firm Contract Demand Service requested by the Large Load Transmission Customer as reflected in a Local Service Agreement for Local Firm Contract Demand Service.

1.14 Monthly Local Interim Contract Demand: Monthly Local Interim Contract Demand shall be calculated in the same manner as Monthly Non-Firm Contract Demand.

1.15 Monthly Local Non-Firm Contract Demand: The Large Load Transmission Customer's hourly load associated with the provision of Non-Firm Contract Demand Service coincident with VTransco's Monthly Transmission System Peak.

1.16 Non-Firm Local Point-To-Point Transmission Service: Point-To-Point Transmission Service on VTransco'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.~~10~~17 Parties: VTransco and the Transmission Customer receiving service under this Schedule 21-VTransco.

1.~~11~~18 Receiving Party: The entity receiving the capacity and energy transmitted by VTransco to Point(s) of Delivery under this Schedule 21.

1.~~12~~19 Service Commencement Date: The date that VTransco begins to provide service pursuant to the terms of an executed Service Agreement, or the date that VTransco begins to provide service in accordance with this Schedule 21.

1.~~13~~20 Short-Term Firm Local Point-To-Point Transmission Service: Firm Local Point-To-Point Transmission Service under this Schedule 21-VTransco with a term of less than one year.

1.~~14~~ 21 Transmission Customer: A Transmission Customer for purposes of this Schedule 21-VTransco includes any customer taking Local Network Service or Local Point-to-Point Transmission Service, or a Large Load Transmission Customer under this Schedule 21-VTransco.

1.22 VTransco: Vermont Transmission Company, LLC.

1.~~15~~23 VTransco's Monthly Transmission System Peak: The maximum firm usage of VTransco's Transmission System in a calendar month. For the avoidance of doubt, calculation of VTransco's Monthly Transmission System Peak includes the Monthly Local Firm Contract Demand for Large Load Customers taking Local Firm Contract Demand Service.

1.~~16~~24 VTransco's Transmission System: The Non-PTF facilities owned, controlled or operated by VTransco that are used to provide transmission service under this Schedule 21.

2 [RESERVED]

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service. VTransco offers to arrange with the ISO, and the Transmission Customer is required to purchase or otherwise obtain, the following Ancillary Services: (i) Scheduling, System Control and Dispatch. VTransco does not offer or provide any other ancillary services.

3.1 Scheduling, System Control and Dispatch Service: The rates and/or methodology are described in Schedule 1 of this Schedule 21-VTransco.

4 Billing and Payment

4.1 Billing Procedure: Within a reasonable time after the first day of each month, VTransco shall submit an invoice to the Transmission Customer for the charges for all services furnished under this Schedule 21-VTransco 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 VTransco, or by wire transfer to a bank named by VTransco.

4.2 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. § 35.19a(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 VTransco.

4.3 Customer Default: In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to VTransco on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after VTransco 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, VTransco 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 VTransco and the Transmission Customer, VTransco 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 VTransco may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy. If the Transmission Customer is taking Local Firm Contract Demand Service, Local Non-Firm Contract Demand Service, or Interim Contract Demand Service, the default provisions of the applicable Large Load Cost Recovery Agreement shall also apply.

5 Accounting for VTransco's Use of the Tariff

VTransco shall record the following amounts, as outlined below.

5.1 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.

5.2 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 VTransco 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.

6 Regulatory Filings

Except for the moratorium in Attachment F, 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 VTransco 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-VTransco 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. Except for the moratorium in Attachment F, 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 VTransco or any Transmission Customer receiving service under the Tariff to exercise any right under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

7 Force Majeure and Indemnification

7.1 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 VTransco 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.

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

8 Creditworthiness

VTransco's Creditworthiness Policy is provided in Attachment L of this Schedule 21-VTransco.

9 Dispute Resolution Procedures

This Section 9 shall apply to matters covered by the moratorium in Attachment F after the expiration of the moratorium period.

9.1 Internal Dispute Resolution Procedures: Any dispute between a Transmission Customer and VTransco involving service under this Schedule 21 (excluding disputes arising from filings or rate changes or other changes to this Schedule 21-VTransco, or to any Service Agreement entered into under this Schedule 21-VTransco, which disputes shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of VTransco and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days (or such other period as the Parties may agree upon), such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below if the Parties in dispute agree to the use of such procedures.

9.2 External Arbitration Procedures: Any arbitration initiated under this Schedule 21-VTransco shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) 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 twenty (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 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 Rules of the American Arbitration Association and any applicable Commission regulations or ISO rules.

9.3 Arbitration Decisions: Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of this Schedule 21 and any Service Agreement relevant to the dispute entered into under this Schedule 21 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 Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

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

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

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

9.5 Rights Under The Federal Power Act: Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

10 Real Power Losses

Real Power Losses are associated with all transmission service. VTransco is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service provided over VTransco's Transmission System under this Schedule 21 as calculated by VTransco. The

applicable Real Power Loss factor shall be determined based on VTransco's average system losses as calculated by VTransco. Alternatively, VTransco and the Transmission Customer may calculate the appropriate loss compensation applied to the Transmission Customer's meter. In cases where a Real Power Loss factor is not calculated, the applicable Real Power Loss Factor is 3.9 percent of the amount of energy to be transmitted.

11 Stranded Cost Recovery

VTransco 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, VTransco 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

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

12 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-VTransco. 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-VTransco. VTransco shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third-Party Sales by VTransco) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery.

13. 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-VTransco. VTransco shall specify the rate treatment and all related terms and conditions applicable in the event that a Transmission Customer (including Third Party Sales by VTransco) exceeds its non-firm local capacity reservation. Non-Firm Local 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.

14 Response to a Completed Application

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, VTransco shall make a determination of available transfer capability consistent with Attachment A of this Schedule 21-VTransco. VTransco shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application. Responses by VTransco 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.

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

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

16.1 Transmission Customer Obligations: Unless otherwise agreed, the Transmission Customer shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under this Schedule 21 and to communicate the information to VTransco. Such equipment shall remain the property of the Transmission Customer.

16.2 Power Factor: Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as VTransco. The power factor requirements are specified in the Service Agreement where applicable.

17 Compensation for Transmission Service

Rates for Firm and Non-Firm Local Point-To-Point Transmission Service are provided in the Schedules appended to this Schedule 21-VTransco: 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). VTransco shall use this Schedule 21 to make its Third-Party Sales. VTransco shall account for such use at the applicable rates described herein.

III. LOCAL NETWORK SERVICE

18 Secondary Service

The Local Network Customer may use VTransco'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-VTransco.

19 Network Resources

19.1 Transmission Arrangements for Network Resources Not Physically Interconnected With VTransco: The Local Network Customer shall be responsible for any arrangements necessary to deliver capacity and energy from a Network Resource not physically interconnected with VTransco's Transmission System. VTransco 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.

19.2 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.

19.3 Use of Interface Capacity by the Network Customer: With the exception of any of interfaces with other transmission systems that are designated as constrained interfaces under VTransco's FERC Rate Schedule No. 1, as supplemented, there is no limitation upon a Local Network Customer's use of VTransco'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, a Local Network Customer's use of VTransco's total interface capacity with other transmission systems may not exceed the Local Network Customer's Load.

19.4 Network Customer Owned Transmission Facilities: The Local Network Customer that owns existing transmission facilities that are integrated with VTransco'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 VTransco 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 VTransco. Calculation of the credit shall be addressed in either the Local Network Customer's Service Agreement or any other agreement between the Parties.

20 Local Network Load Not Physically Interconnected with VTransco

This section applies to both the initial designation and the subsequent addition of new Local Network Load not physically interconnected with VTransco. To the extent that the Local Network Customer desires to obtain transmission service for a load not connected to VTransco'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.

21 Load Shedding and Curtailment

21.1 Procedures: Prior to the Service Commencement Date, VTransco 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 VTransco's Transmission System. The Parties will implement such programs during any period when the ISO or VTransco determines that a system contingency exists and such procedures are necessary to alleviate such contingency. If not otherwise notified by the ISO, VTransco will notify all affected Local Network Customers in a timely manner of any scheduled Curtailment.

21.2 Transmission Constraints: During any period when VTransco determines that a transmission constraint exists on VTransco'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 VTransco's Transmission System, VTransco will take whatever actions, consistent with Good Utility Practice, that are reasonably necessary to maintain the reliability of VTransco's Transmission System. To the extent VTransco determines that the reliability of VTransco's Transmission System can be maintained by redispatching resources, VTransco will work with the ISO to initiate procedures pursuant to the Local Network Operating Agreement to redispatch all Network Resources and VTransco'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 VTransco's use of VTransco's Transmission System on behalf of its Native Load Customers and any Network Customer's use of VTransco's Transmission System to serve its designated Local Network Load.

21.3 Cost Responsibility for Relieving Transmission Constraints: Whenever VTransco implements least-cost redispatch procedures in response to a transmission constraint, VTransco and Local Network Customers will each bear a proportionate share of the total redispatch cost based on their respective Load Ratio Shares.

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

21.5 Allocation of Curtailments: Working with the ISO, VTransco 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 VTransco and Local Network Customer in proportion to their respective Load Ratio Shares. VTransco shall not direct the Local Network Customer to Curtail schedules to an extent greater than VTransco would Curtail its own schedules under similar circumstances.

21.6 Load Shedding: To the extent that a system contingency exists on VTransco's Transmission System or the New England Transmission System and VTransco or the ISO determines that it is necessary for VTransco 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.

21.7 System Reliability: Notwithstanding any other provisions of the Tariff, VTransco reserves the right, consistent with Good Utility Practice and on a not unduly discriminatory basis, to Curtail Local Network Service without liability on VTransco'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 VTransco's Transmission System or on any other system(s) directly or indirectly interconnected with VTransco's Transmission System, VTransco, 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. VTransco 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 VTransco's use of VTransco's Transmission System on behalf of its Native Load Customers. VTransco 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.

22 Rates and Charges

The Local Network Customer shall pay VTransco 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:

22.1 Monthly Demand Charge: The Local Network Customer shall pay a monthly Demand Charge, which shall be determined each month by multiplying its Monthly Local Network Load for that month times one-twelfth of VTransco's LNS rate per kilowatt-year ($/kW-yr.). VTransco's LNS rate ($/kW-yr.) shall equal its Annual Transmission Revenue Requirement as determined pursuant to Attachment F of the ISO-NE OATT divided by the twelve-month average of VTransco's Monthly Transmission System Load for the same calendar year.

22.2 Determination of Network Customer's Monthly Local Network Load: VTransco's monthly Local Network Load is its hourly load (including its designated Local Network Load not physically interconnected) coincident with VTransco's Monthly Transmission System Peak.

22.3 Determination of VTransco's Monthly Transmission System Load: VTransco's monthly transmission system load is VTransco'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-VTransco plus the Local Reserved Capacity of all Firm Local Point-To-Point Transmission Service customers.

22.4 Redispatch Charge: The Local Network Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Local Network Customer, any Large Load Transmission Customer, and VTransco. To the extent that VTransco incurs an obligation to the Local Network Customer for redispatch costs, such amounts shall be credited against the Local Network Customer's bill for the applicable month.

23 Operating Arrangements

23.1 Operation under The 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.

23.2 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 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 VTransco's Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between VTransco and the Local Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside VTransco'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 this Schedule 21, 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 VTransco for Ancillary Service No. 1 , and with the ISO for Ancillary Service Nos. 2 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. VTransco shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Local Network Operating Agreement is included in Attachment C.

IV. LOCAL FIRM CONTRACT DEMAND SERVICE

24 Nature of Service: VTransco shall provide Local Firm Contract Demand Service in accordance with Schedule 21 Common, Part II.J of the OATT, and this Local Service Schedule. Local Firm Contract Demand Service permits a Large Load Transmission Customer to serve a Large Load through VTransco's Transmission System on a firm basis for a specific contracted MW value not to be exceeded.

25 Rates and Charges:

25.1 Monthly Charge: Local Firm Contract Demand Service shall be subject to a monthly charge calculated as follows:

Monthly Charge: (LNS rate per kilowatt-year ($/kW-yr.) x (Local Firm Contract Demand) x (1/12))

25.2 Redispatch Charge: The Large Load Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Large Load Customer, any Local Network Customer, and VTransco. To the extent that VTransco incurs an obligation to the Large Load Transmission Customer for redispatch costs, such amounts shall be credited against the Large Load Transmission Customer's bill for the applicable month.

26 Real Power Losses: Real Power Losses associated with Local Firm Contract Demand Service shall be calculated in the same manner as set forth in Section 10 of this Schedule 21-VTransco.

27 Load Shedding and Curtailment: To the extent that a system contingency exists on the VTransco Transmission System or the New England Transmission System and the ISO, Local Control Center, or VTransco determines that load shedding or curtailment is necessary, Large Load Transmission Customers receiving Local Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

28 Operating Agreement: The Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 Common, Sections II.61 and II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with VTransco. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

29 Cost Responsibility: The Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Firm Contract Demand Service, including study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21 Common, the OATT, and any applicable Cost Recovery Agreement.

V. LOCAL NON-FIRM CONTRACT DEMAND SERVICE

30 Nature of Service: VTransco shall provide Local Non-Firm Contract Demand Service pursuant to Schedule 21 Common, Part II.J of the OATT, and this Local Service Schedule. Local Non-Firm Contract Demand Service is provided on an as-available basis and is subject to redispatch, interruption, curtailment, and load shedding.

31 Rates and Charges:

31.1 Monthly Charge: Local Firm Contract Demand Service shall be subject to a monthly charge calculated as follows:

Monthly Charge: (LNS rate per kilowatt-year ($/kW-yr.) x (Local Non-Firm Contract Demand) x (1/12))

31.2 Redispatch Charge: The Large Load Customer shall pay a Load Ratio Share of any redispatch costs allocated between the Large Load Customer, any Local Network Customer, and VTransco. To the extent that VTransco incurs an obligation to the Large Load Transmission Customer for redispatch costs, such amounts shall be credited against the Large Load Transmission Customer's bill for the applicable month.

32 Real Power Losses: Real Power Losses associated with Local Firm Contract Demand Service shall be calculated in the same manner as set forth in Section 10 of this Schedule 21-VTransco.

33 Redispatch, Load Shedding, and Curtailment: In addition to any obligations on curtailment and redispatch under Part II.J of the OATT for Non-Firm Contract Demand Service, to the extent that a system contingency exists on the VTransco Transmission System or the New England Transmission System and the ISO, Local Control Center, or VTransco determines that load shedding or curtailment is necessary, Large Load Transmission Customers receiving Local Non-Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Local Service Schedule.

34 Operating Agreement: The Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 Common, Sections II.61 and II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement

with VTransco. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

35 Cost Responsibility: The Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Firm Contract Demand Service, including study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21 Common, the OATT, and any applicable Cost Recovery Agreement.

VI. LOCAL INTERIM CONTRACT DEMAND SERVICE

The rates, terms, and conditions for Local Interim Contract Demand Service shall be identical to those for Local Non-Firm Contract Demand Service.

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 is to be provided by VTransco making arrangements with the ISO to perform this service for VTransco's Transmission System. The Transmission Customer must purchase this service from VTransco. To the extent the ISO performs this service for VTransco; charges to the Transmission Customer are to reflect only a pass-through of the costs charged to VTransco by the ISO. The Load Dispatching Revenue Requirement, as defined in this Schedule 1, will reflect VTransco's costs for its Load Dispatching. No subtransmission or distribution costs may be included in the Load Dispatching Revenue Requirement. The Load Dispatching Revenue Requirement will be an annual calculation effective June 1 based on actual costs from the most recent FERC Form I report as set forth below:

The Load Dispatching Revenue Requirement shall equal VTransco's (A) Load Dispatching Cost less (B) Regional Schedule 1 Revenue.

A. Load Dispatching Cost shall equal VTransco's total load dispatching expense as recorded in FERC Account Nos. 561.1 – 561.4.

B. Regional Schedule 1 Revenue shall equal the amounts that VTransco receives from ISO-NE under Schedule 1 of the OATT as recorded in FERC Account No. 456.1.

The Local Network Customer shall pay a monthly Schedule 1 charge which shall be determined each month by multiplying its Monthly Local Network Load for that month times one-twelfth of the annual rate per kilowatt-year ($/kW-yr.). The annual rate shall equal the Load Dispatching Revenue Requirement calculated above divided by the twelve-month average of VTransco's Monthly Transmission System Load for the same calendar year.

Each Large Load Transmission Customer taking Local Firm Contract Demand Service shall pay a monthly Schedule 1 charge which shall be determined each month by multiplying its Monthly Local Firm Contract Demand times one-twelfth of the annual rate per kilo-watt year ($/kW-yr.).

Each Large Load Transmission Customer taking Local Non-Firm Contract Demand Service shall pay a monthly Schedule 1 charge which shall be determined each month by multiplying its Monthly Local Non-Firm Contract Demand times one-twelfth of the annual rate per kilo-watt year ($/kW-yr.).

The monthly Schedule 1 charge for a Large Load Transmission Customer taking Local Interim Firm Contract Demand Service shall be calculated in the same manner as the monthly Schedule 1 charge for Local-Non-Firm Contract Demand Services.

Each Transmission Customer taking Local Point to Point Transmission Service shall pay the Schedule 1 rate on the basis of the highest amount of Local Reserved Capacity as follows:

For Monthly Service - Annual rate divided by 12 months
For Weekly Service - Annual rate divided by 52 weeks
For Daily Service - Weekly rate divided by 7 days
For Hourly Service - Daily rate divided by 24 hours

SCHEDULE 7

Long-Term Firm and Short-Term Firm

Local Point-To-Point Transmission Service

The Transmission Customer shall compensate VTransco each month for Local Reserved Capacity at the sum of the applicable charges set forth below:

The annual rate per megawatt shall equal one-twelfth of VTransco's Annual Transmission Revenue Requirement determined each year pursuant to Attachment F of the ISO-NE OATT divided by the twelve-month average of VTransco's Monthly Transmission System Load (MW) for the same calendar year.

1) **Yearly delivery charge:** one-twelfth of the annual rate per MW of Local Reserved Capacity per year.

2) **Monthly delivery charge:** one-twelfth of the annual rate per MW of Local Reserved Capacity per month.

3) **Weekly delivery charge:** the charge for monthly delivery multiplied by twelve (12) and divided by fifty-two (52) per MW of Local Reserved Capacity per week.

4) **Daily delivery charge:** the charge for weekly delivery divided by five (5) per MW of Local Reserved Capacity per day. The total demand charge in any week, pursuant to a reservation for daily delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Local Reserved Capacity in any day during such week.

5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by VTransco must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, VTransco must offer the same discounted transmission

service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on VTransco's Transmission System.

6) **Resales:** The rates and rules governing charges and discounts shall not apply to resales of transmission service, compensation for which shall be governed by § I.11(a) of Schedule 21.

SCHEDULE 8

Non-Firm Local Point-To-Point Transmission Service

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

The annual rate per megawatt shall equal one-twelfth of VTransco's Annual Transmission Revenue Requirement determined each year pursuant to Attachment F of the ISO-NE OATT divided by the twelve-month average of VTransco's Monthly Transmission System Load (MW) for the same calendar year.

1) **Monthly delivery charge:** one-twelfth of the annual rate per MW of Local Reserved Capacity per month.

2) **Weekly delivery charge:** the charge for monthly delivery multiplied by twelve (12) and divided by fifty-two (52) per MW of Local Reserved Capacity per week.

3) **Daily delivery charge:** the charge for weekly delivery divided by five (5) per MW of Local Reserved Capacity per day. The total demand charge in any week, pursuant to a reservation for daily delivery, shall not exceed the rate specified in section (2) above times the highest amount in megawatts of Reserved Capacity in any day during such week.

4) **Hourly delivery charge:** The basic charge shall be that agreed upon by the Parties at the time this service is reserved and in no event shall exceed the charge for daily delivery divided by sixteen (16) per MWH. The total demand charge in any day, pursuant to a reservation for hourly delivery, shall not exceed the rate specified in section (3) above times the highest amount in megawatts of Local Reserved Capacity in any hour during such day. In addition, the total demand charge in any week, pursuant to a reservation for hourly delivery, shall not exceed the rate specified in section (2) above times the highest amount in megawatts of Local Reserved Capacity in any hour during such week.

5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows (1) any offer of a discount made by VTransco must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details

must be immediately posted on the OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, VTransco must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on VTransco's Transmission System.

6) **Resales:** The rates and rules governing charges and discounts shall not apply to resales of transmission service, compensation for which shall be governed by § I.11(a) of Schedule 21.

ATTACHMENT A

Available Transfer Capability Methodology

Introduction and Background:

ISO is the regional transmission organization (RTO) for the New England Control Area. The New England Control Area includes the transmission system located in the states of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. The New England Control Area 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.

Pursuant to CFR § 37.6(b)[1] of the FERC Regulations Transmission Providers are obligated to calculate and post TTC and ATC for each Posted Path.

Posted Path is defined as 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.

1 §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.

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

Basic information on ATC and TTC may be found on VT Transco's website at: http://www.vermonttransco.com/ATCTTC/Pages/default.aspx .

Capacity Benefit Margin (CBM):

CBM is defined as the amount of firm transmission transfer capability set aside by a TSP for use by the Load Serving Entities. The ISO does not set aside any CBM for use by the Load Serving Entities, because of the New England approach to capacity planning requirements in the ISO New England Operating Documents. Load Serving Entities operating within the New England Control Area are required to arrange for their Capacity Requirements prior to the beginning of any given month in accordance with 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 that their capacity needs are met; therefore, CBM is not applicable within the New England market design. Accordingly, for purposes of ATC calculation, as long as this market design is in place in New England, the CBM is set to zero (0). VTransco provides local transmission service over its non-PTF facilities that are connected to ISO-NE and the Vermont distribution utilities. VTransco does not reserve CBM for these paths, and the CBM is presently set to zero.

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_{NF}):

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):

The Transmission Reliability Margin (TRM) is the portion of the TTC that cannot be used for the reservation of firm transmission service because of uncertainties in system operation 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. Since VTRANSCO provides transmission service over its non-PTF facilities that are connected only to the internal New England system, VTRANSCO does not reserve TRM for these paths, and the TRM is presently set to zero.

Calculation of ATC for VTransco's Local Facilities – General Description:

NERC Standards MOD-001-1 – Available Transmission System Capability and MOD-029-1 – Rated System Path Methodology defines the required items to be identified when describing a transmission provider's ATC methodology.

As a practical matter, 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.

Common practice is not to calculate or post firm and non-firm ATC values for the non-PTF assets described above, as ATC is positive and listed as 9999. Transmission customers are not restricted from reserving firm or non-firm transmission service on non-PTF facilities.

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-PTF 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 that serve as a path for the VTransco Schedule 21-Vermont Transco Point-to-Point Transmission Customers, VTransco 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 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, $ATC_{\mathbf{F}}$ is the capability for Firm transmission reservations that remain after allowing for TRM, CBM, $ETC_{\mathbf{F}}$, $Postbacks_{\mathbf{F}}$ and $counterflows_{\mathbf{F}}$.

As discussed above, TRM and CBM are zero. Firm Transmission Service over Schedule 21-Vermont Transco that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_{\mathbf{F}}$ and $counterflows_{\mathbf{F}}$ of Schedule 21-Vermont Transco transmission reservations are not considered in the ATC calculation. Therefore, $ATC_{\mathbf{F}}$ in the PH is equal to the TTC minus $ETC_{\mathbf{F}}$

Calculation of ATC_F in the Schedule 21-Vermont Transco Operating 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. At that 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, $ATC_{\mathbf{F}}$ is the capability for Firm transmission reservations that remain after allowing for ETC_F, CBM, TRM, $Postbacks_F$ and $counterflows_{\mathbf{F}}$**.**

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

Because Firm Schedule 21-Vermont Transco transmission service is not offered in the Scheduling Horizon (SH): $ATC_{\mathbf{F}}$ in the SH is zero.

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-Vermont Transco are zero. Non-Firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U, $Postbacks_{NF}$ and $counterflows_{NF}$ of Schedule 21-

Vermont Transco 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 ATC_{NF} in the OH:

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

As discussed above TRM and CBM for Schedule 21-Vermont Transco are zero. TRM_U, counterflows and ETC_{NF} are not considered in this calculation. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F, plus postbacks of PTP_F in OH as PTP_{NF} ($Postbacks_{NF}$)

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.

For those non-PTF Vermont Transco facilities that 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, but will not become negative.

Posting of ATC Related Information - ATC Values:

As described above, the ATC values for VTransco's non-PTF utilized for internal Point-to-Point transmission service are always positive, and are thus set at 9999. The ATC values for these internal posted paths are posted in accordance with NAESB standards on VTransco's provider page of the ISO-NE OASIS website Common practice is not to calculate or post firm and non-firm ATC values for the non-PTF assets described above, as ATC is positive and listed as 9999. Transmission customers are not restricted from reserving firm or non-firm transmission service on non-PTF facilities.

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-Vermont Transco non-PTF has no external interfaces. Therefore it is not necessary to coordinate the values.

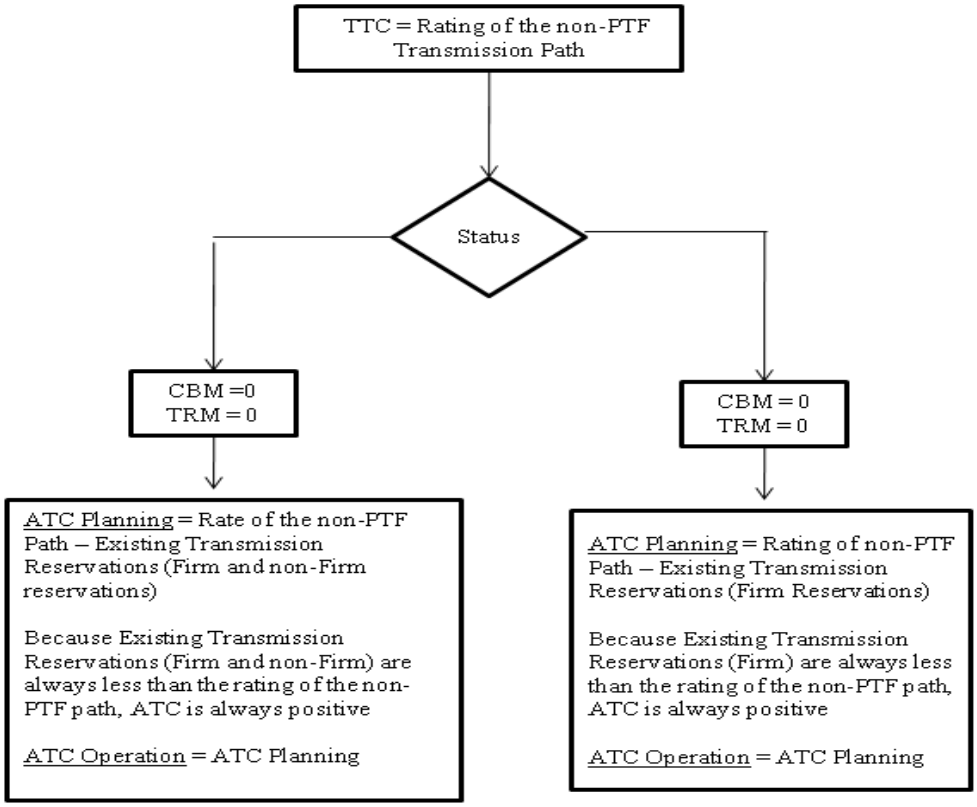
Mathematical Algorithms:

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

http://www.vermonttransco.com/ATCTTC/Pages/default.aspx

Non-PTF Transmission Path ATC Process Flow Diagram

The process flow diagram illustrates the steps through which ATC is calculated both on an operating and planning horizon.



ATTACHMENT B

Methodology for Completing a System Impact Study

VTransco (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 Tariff. All System Impact Studies performed by VTransco will be completed using the same method employed by VTransco to provide firm transmission service to Purchasers under VTransco's FERC Rate Schedule No. 1, as supplemented. Specifically, System Impact Studies will be performed by applying NPCC Criteria and the "Reliability Standards of the New England Power Pool" while assuring that those loads fully dependent on VTransco's Transmission System that are receiving firm transmission service can be served reliably in accordance with VTransco's applicable reliability standards. The criteria, standards and guidelines referenced above are included as part of VTransco's annual FERC Form 715 filing.

ATTACHMENT C

Local Network Operating Agreement

This Local Network Operating Agreement is made this _____day of _____, 20__, by and between Vermont Transco LLC. ("VTransco"), and _____ ("Local Network Customer").

WHEREAS, VTransco has determined that the Local Network Customer has made a valid request for Local Network Service in accordance with Schedule 21 of the 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 VTransco's Tariff and is subject to the Tariff, as the Tariff is in effect at the time this Agreement is executed or as the Tariff thereafter may be amended. The Tariff as it currently exists or is hereafter amended is incorporated herein by reference. In the case of any conflict between this Local Network Operating Agreement and the Tariff, the Local Network Operating Agreement shall control.

VTransco 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 VTransco, 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: VTransco shall consult with the Local Network Customer regarding timing of scheduled maintenance of VTransco's Transmission System. In the event of a curtailment of service or the implementation of load shedding procedures, VTransco shall use due diligence to resume delivery of electric power as quickly as possible.

2. Reporting Obligations

a. The Local Network Customer shall be responsible for providing all information required by the ISO and NPCC and by VTransco's dispatching functions. The Local Network Customer shall respond promptly and completely to VTransco'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 VTransco regarding metered values for MW, MVAR, volt, amp, frequency, breaker status indication, and all other information deemed necessary by VTransco 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 VTransco.

3. Operational Obligations

The Local Network Customer shall request permission from VTransco 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 VTransco, VTransco'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 VTransco.

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

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

d. The Local Network Customer shall operate all of its equipment and facilities connected to VTransco's system in a safe and efficient manner and in accordance with manufacturers' recommendations, Good Utility Practice, applicable regulations, and requirements of VTransco, 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 VTransco'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, VTransco may discontinue transmission service until the condition has been corrected. Unless VTransco perceives that an emergency exists or the risk of an emergency is imminent, VTransco 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. VTransco'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, VTransco 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 VTransco 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. VTransco 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 VTransco to the Point(s) of Delivery as specified by the Local Network Customer in accordance with the Tariff.

7. Maintenance of Equipment

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

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

c. VTransco 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. The Transmissions Provider 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 VTransco's system.

e. The Local Network Customer, at VTransco's request, shall supply VTransco 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 VTransco's system.

f. VTransco 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 VTransco'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 VTransco to operate in an interconnected transmission network.

b. VTransco reserves the right to take whatever actions or inactions it deems necessary during emergency operating conditions to: (i) preserve the integrity of VTransco's 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 VTransco 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 VTransco.

10. Additional Operational Obligations of Local Network Customer

a. Voltage or Reactive Control Requirements:

i. Unless directed otherwise by VTransco, 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 VTransco, VTransco's agent

or the ISO.

ii. At the discretion of VTransco, VTransco'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 VTransco, VTransco'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 VTransco, or if Network Resources fail to operate at such capacity, VTransco or VTransco'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 as defined elsewhere in this Tariff and applicable 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. VTransco retains the right to require reduced generation at times when system conditions present transmission restrictions or otherwise adversely affect VTransco's other customers. VTransco shall use due diligence to resolve the problems to allow the generator to return to the operating level prior to VTransco's notice to reduce generation.

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

e. Coordination of Operations:

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

ii. VTransco 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 VTransco at the Local Network Customer's expense.

iii. If the generator is not dispatchable by the ISO, the Local Network Customer shall notify VTransco 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 VTransco 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 VTransco 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 ISO load. The Local Network Customer agrees to maintain Load Power Factor and reactive power requirements within the range specified by VTransco or the ISO, as appropriate for the sub-area based on total ISO 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, VTransco 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 VTransco, 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 VTransco's or other's interconnected systems and complies with all applicable VTransco, 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 VTransco Controlled Service Restoration Following Supply Delivery Contingencies on VTransco Facilities.

11. Failure to perform

If the Local Network Customer fails to carry out its obligations under this Agreement, the matter shall be subject to the dispute resolution procedures of the Tariff.

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

VERMONT TRANSCO LLC

By:
Title:
Dated:

(Name of Local Network Customer)

By:
Title:
Dated:

ATTACHMENT L

Creditworthiness Procedures

I. Overview

This provision is applicable to any Transmission Customer taking transmission or interconnection service (referred to as "Service" or "Services") under ISO New England Inc., ISO New England Inc. Transmission, Markets and Services Tariff, Section II—Open Access Transmission Tariff Schedule 21-VTransco (the "Tariff"). The creditworthiness of each Transmission Customer must be established before receiving Service from VTransco. A credit review shall be conducted for each Transmission Customer not less than annually or upon reasonable request by the Transmission Customer. VTransco shall make this credit review in accordance with procedures based on specific quantitative and qualitative criteria to determine the level of secured and unsecured credit required from the Transmission Customer. A summary of VTransco's Creditworthiness Requirements are described in this Attachment L, and posted on its website at http://www.velco.com/Files/about%20velco/Creditworthiness.pdf.

Upon receipt of a customer's information, VTransco will review it for completeness and will notify the customer if additional information is required. Upon completion of an evaluation of a customer under this Policy, VTransco will forward a written evaluation if the customer is required to provide Financial Assurance.

II. Financial Information:

A) Transmission Customers requesting Service may be required to submit, if available, the following information:

1) All current credit rating reports from commercially accepted credit rating agencies including Standard and Poor's, Moody's Investors Service, and Fitch Ratings, and

2) Audited financial statements by a registered independent auditor for the two most recent years, or the period of its existence, if shorter than two years.

III. Quantitative and Qualitative Standards for Creditworthiness Determination:

A) Transmission Customers, rated and un-rated, will be required to meet specific quantitative creditworthiness requirements, as detailed below:

1) To qualify for unsecured credit, the Transmission Customer must meet at least one of the following criteria:

(i) the Transmission Customer must not be in default of any payment obligation under the Tariff; and

(ii) if rated, the Transmission Customer must meet 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 & Poors); 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 Service.

(iii) if unrated or if rated below the BBB+/Baa1, as stated in (ii), the Transmission Customer must meet all of the following for the last 4 quarters, or the last 2 years if quarterly information is not available:

(a) A Current Ratio of at least 2.0 times (current assets divided by all current liabilities);

(b) A Total Capitalization Ratio of less than 55% debt, defined as total debt (including all capitalized leases and all short-term borrowings) divided by the sum of total shareholders' equity plus total debt;

(c) EBITDA-to-Fixed Charge Ratio of at least 3.0 times, defined as earnings before interest, taxes, depreciation and amortization divided by fixed charges (interest on debt as defined in Total Capitalization Ratio above plus preferred dividends on any outstanding preferred equity); and

(d) Unqualified audit opinions in audited financial statements provided; or

(e) The Transmission Customer's parent company meets the criteria set out in (a) through (d) 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 Service.

B) Qualitative Standards for Creditworthiness Determination:

In conjunction with the quantitative standards above, VTransco will consider qualitative standards when determining creditworthiness, such as:

1) Years in business: a company in business fewer than five years will be considered a greater risk.

2) Management's experience in the industry: a management team with an average of less than five years' experience will be considered a greater risk.

3) Market risk: consideration of pricing exposure, credit exposures, and operational exposures.

4) Litigation Risk: a pending legal action with potential monetary damages approaching 3% of gross revenues will be considered as significantly increasing company risk.

5) 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.

6) 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 lesser risk.

IV. Financial Assurance:

A) If the Transmission Customer does not meet the Creditworthiness Requirements, then VT Transco may require the Transmission Customer to provide additional Financial Assurance by complying with one of the following:

1) for Service for one month or less, the Transmission Customer shall pay to VTransco or place in an escrow account that is accessible to VTransco 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 Service; or

2) for Service of greater than one month, the Transmission Customer shall pay to VTransco or place in an escrow account that is accessible to VTransco 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 VTransco of the charge for that month.

3) not less than five days prior to the commencement of Service, the Transmission Customer shall provide an unconditional and irrevocable Letter of Credit (as defined below) from a financial institution reasonably acceptable to VTransco or an alternative form of security proposed by the Transmission Customer and acceptable to VTransco 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.

(i) "Letter of Credit" means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a U.S. branch of a foreign bank provided that such Transmission Customer is not an affiliate of such bank, and provided that such bank has an issuer and/or corporate credit rating of at least A2 from Moody's or A from Standard and Poor's or Fitch Ratings. In the event of different ratings from the rating agencies, the lowest rating shall apply.

(ii) Costs of a Letter of Credit shall be borne by the customer.

(iii) If the credit rating of the bank issuing the Letter of Credit falls below the specified rating, the customer shall notify VTransco in writing within five business days of such event and shall have two business days following written notice to provide other appropriate Financial Assurance.

V. Credit Levels:

A) Transmission Customers meeting the Creditworthiness Requirements in Section III will be extended unsecured credit equivalent to 3 months of transmission charges or, for interconnections, the credit equivalent of 3 months of the annual facilities charges and other ongoing charges.

B) Transmission Customers not meeting the Creditworthiness Requirements above in Sections III and IV may not receive unsecured credit from VTransco.

VI. Ongoing Financial Review:

Each Transmission Customer is required to submit to VTransco annually or when issued, as applicable:

A) Current rating agency report;

B) Audited financial statements from a registered independent auditor; and

C) 10-Ks and 8-Ks, promptly on their issuance.

VII. Contesting Creditworthiness Determination:

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

VIII. Procedures for Changes in Credit Levels and Collateral Requirements:

VTransco shall issue reasonable advance notice of changes to the credit levels and/or collateral requirements. A Transmission Customer may request that VTransco provide an explanation of the reasons for the change by contacting VTransco at:

Chief Financial Officer

366 Pinnacle Ridge Rd.
Rutland, VT 05701

The specific procedures for changes in credit levels and collateral requirements are as follows:

A) General Notification process

1) VTransco shall provide written notification to ISO-NE and stakeholders of any filing described above, at least 30 days in advance of such filing.

2) Filing notifications shall include a detailed description of the filing, including a redlined document containing revised change(s) to the Creditworthiness Policy.

3) VTransco shall consult with interested stakeholders upon request.

4) Following Commission acceptance of such filing and upon the effective date, VTransco shall revise its Attachment L Creditworthiness Policy and an updated version of Schedule 21-VTransco shall be posted the ISO-NE website.

B) Transmission Customer Responsibility

When there is a change in requirements, it is the responsibility of the Customer to forward updated financial information to VTransco and indicate whether the change affects the customer's ability to meet the requirements of the Creditworthiness Policy. In such cases where the customer's status has changed, the Customer must take the steps necessary to comply with the revised requirements of the Creditworthiness Policy by the effective date of the change.

C) Notification for Active Customers

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

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

IX. Posting Requirements

A) Changes in Customer's Financial Condition

Each customer must inform VTransco, 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 may include, but is not limited to, the following:

1) Change in ownership by way of a merger, acquisition, or substantial sale of assets;

2) A downgrade of long- or short-term debt rating by a major rating agency;

3) Being placed on a credit watch with negative implications by a major rating agency;

4) A bankruptcy filing;

5) A declaration of or acknowledgement of insolvency;

6) A report of a significant quarterly loss or decline in earnings;

7) The resignation of key officer(s);

8) The issuance of a regulatory order and/or the filing of a lawsuit that could materially adversely impact current or future financial results

B) Change in Creditworthiness Status:

A customer who has been extended unsecured credit under this policy must comply with the terms of Financial Assurance in item IV if one or more of the following conditions apply:

1) The customer no longer meets the applicable criteria for Creditworthiness in item III;

2) The customer exceeds the amount of unsecured credit extended by VTransco, in which case Financial Assurance equal to the amount of excess must be provided within 5 business days; or

3) The customer has missed two or more payments for any of the Services offered by VTransco in the last 12 months.

X. Suspension of Service:

VTransco may suspend service under this Schedule 21-VTransco to a Transmission Customer under the following circumstances;

A) If a Transmission Customer that qualifies for service as a result of providing a Letter of Credit or alternative form of security does not pay its bill within 20 days of receipt of the invoice as required by this Schedule 21-VTransco, and it has not complied with the billing dispute provisions of this Schedule 21-VTransco, VTransco may suspend service 30 days after notice to the Transmission Customer and the Commission that service will be suspended unless the Transmission Customer makes payment.

B) If a Transmission Customer that qualifies for service as a result of committing to prepay for service to or place the payment in an escrow account pursuant to Section IV A 1 or Section IV A 2 fails to prepay for service or place the amount in escrow as provided in such section, VTransco may suspend service immediately upon notice to the Transmission Customer and the Commission.

C) If a Transmission Customer to whom the provisions of Sections III through XI applies fails to meet any applicable requirements, VTransco may suspend service immediately upon notice to the Transmission Customer and the Commission. The suspension of service shall continue only for as long as the circumstances that entitle VTransco to suspend service continue. A Transmission Customer is not obligated to pay for Transmission Service that is not provided as a result of a suspension of service.

SCHEDULE 21 - VP

VERSANT POWER
BANGOR HYDRO DISTRICT
LOCAL SERVICE SCHEDULE

SCHEDULE 21-VP

I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 [Reserved].

1.2 BHD or Bangor Hydro District: Versant Power's electric assets consisting of and/or directly interconnected with the BHD Transmission System.

1.2A BHD Transmission System: The facilities owned, controlled or operated by Versant Power *and*, in accordance with the Transmission Operating Agreement, subject to the Operating Authority of the ISO, that are used to provide transmission service under Schedule 21 and Schedule 21-VP of the OATT.

1.3 Designated Agent: Any entity that performs actions or functions on behalf of Versant Power, an Eligible Customer, or the Transmission Customer required under Schedule 21 and Schedule 21-VP of the OATT.

1.4 Direct Assignment Facilities: Facilities or portions of facilities that are constructed by Versant Power for the sole use/benefit of a particular Transmission Customer requesting service under Schedule 21 and Schedule 21-VP of the OATT. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.5 Distribution Facilities: Facilities or portions of facilities directly interconnected with the BHD Transmission System but not reflected in transmission rates.

1.5A [Reserved].

1.5B ISO: ISO New England Inc.

1.5C Monthly BHD Transmission System Peak: The maximum firm usage of the BHD Transmission System in a calendar month.

1.6 Network Load: The load that a Network Customer designates for Local Network Service, the Firm Contract Demand that a Local Firm Contract Demand Service customer requests, and/or the load associated with provision of Local Non-Firm Contract Demand Service and Local Interim Contract Demand Service under this Schedule 21-VP. A Network Customer's Network Load shall include all load served by the output of any Local Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where an Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under this Schedule 21-VP for any Local Point-To-Point Service or Local Contract Demand Service that may be necessary for such non-designated load.

1.6A Local Contract Demand Service: See Part IV, Preamble. Local Contract Demand Service may be firm ("Local Firm Contract Demand Service"), non-firm ("Local Non-Firm Contract Demand Service"), or interim ("Local Interim Contract Demand Service"), and may be provided to wholesale or retail customers.

1.7 Local 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 Local Network Service under Schedule 21 and Schedule 21-VP of the OATT.

1.8 Local Network Operating Committee: A group made up of representatives from the Network Customer(s) and Versant Power established to coordinate operating criteria and other technical considerations required for implementation of Local Network Service

1.9 Local Network Resource: Any designated generating resource owned, purchased or leased by a Network Customer under the Local Network Service provisions of Schedule 21 and Schedule 21-VP of the OATT. Local 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.

1.9A Local Network Service: See Part III, Preamble. Local Network Service is firm, may be short-term or long-term, and may be provided to wholesale or retail customers.

1.10 Local Network Upgrades: Modifications or additions to transmission-related facilities that are integrated with and support the overall BHD Transmission System for the general benefit of all users of the BHD Transmission System.

1.10A Local Point-To-Point Service: See Part II, Preamble. Local Point-To-Point Service may be short-term or long-term, firm ("Firm Local Point-To-Point Service") or non-firm ("Non-Firm Local Point-To-Point Service"), and may be provided to wholesale or retail customers.

1.11 Parties: Versant Power and the Transmission Customer receiving service under Schedule 21-VP of the OATT.

1.12 Point(s) of Delivery: Point(s) on the BHD Transmission System where capacity and energy transmitted by Versant Power will be made available to the Receiving Party under the local point-to-point service provisions of Schedule 21-VP of the OATT. The Point(s) of Delivery shall be specified in the Service Agreement for Local Point-To-Point Service.

1.13 Point(s) of Receipt: Point(s) of interconnection on the BHD Transmission System where capacity and energy will be made available to Versant Power by the Delivering Party pursuant to the local point-to point service provisions of Schedule 21-VP of the OATT. The Point(s) of Receipt shall be specified in the Service Agreement for Local Point-To-Point Service.

1.14 [Reserved].

1.15 Reserved Capacity: The maximum amount of capacity and energy that Versant Power agrees to transmit for the Transmission Customer over the BHD Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Schedule 21

and Schedule 21-VP of the OATT. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.15A Retail Firm Local Point-To-Point Service: Firm Local Point-To-Point Service provided to retail customer(s).

1.15B Retail Local Network Service: Local Network Service provided to retail customer(s).

1.15C Retail Non-Firm Local Point-To-Point Service: Non-Firm Local Point-To-Point Service provided to retail customer(s).

1.16 Transmission Customer: Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that Versant Power file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of this Schedule 21-VP. 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 Schedule 21-VP.

1.17 [Reserved].

1.18 Transmission Service: Local Point-To-Point Service, Local Network Service, or Local Contract Demand Service provided over the BHD Transmission System under Schedule 21 and Schedule 21-VP of the OATT.

1.19 Versant Power: Versant Power, formerly named Bangor Hydro Electric Company. Except where the context clearly indicates otherwise, all references herein to Versant Power shall be understood to refer to the BHD Transmission System as that term is defined herein, also known as the Versant Power - Bangor Hydro District.

2 Initial Allocation and Renewal Procedures

2.1 Initial Allocation of Available Transfer Capability: For purposes of determining whether existing capability on the BHD Transmission System is adequate to accommodate a request for firm service under Schedule 21 and Schedule 21-VP of the

OATT, all Completed Applications for new firm transmission service received during the initial sixty (60) day period commencing with the effective date of the OATT will be deemed to have been filed simultaneously. A lottery system conducted by an independent party shall be used to assign priorities for Completed Applications filed simultaneously. All Completed Applications for firm transmission service received after the initial sixty (60) day period shall be assigned a priority pursuant to Section I.1.b. of Schedule 21 of the OATT.

3 Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Control Areas affected by the transmission service and are provided pursuant to the OATT. Versant Power is required to provide (or offer to arrange with the local Control Area operator as discussed below), and the Transmission Customer is required to purchase, the following Ancillary Service: (i) Scheduling, System Control and Dispatch.

A Transmission Customer that exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or an Eligible Customer that uses Local Point-To-Point Service at a Point of Receipt or Point of Delivery that it has not reserved is required to pay for the Ancillary Service identified in this section that was provided by Versant Power associated with the unreserved service. The Transmission Customer or Eligible Customer will pay for the Ancillary Service based on the amount of transmission service it used but did not reserve.

Versant Power shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of the Ancillary Service by the Transmission Customer. In the event of an unauthorized use of the Ancillary Service by the Transmission Customer, Versant Power may require the Transmission Customer to pay a penalty up to 200% of the Ancillary Service charge for the entire length of the reserved period but not exceeding one month.

The specific Ancillary Service, prices and/or compensation methods are described on Schedule 1-VP and Attachment P-VP that are attached to and made a part of this Schedule 21-VP. Three principal requirements apply to discounts for Ancillary Service provided by Versant Power in conjunction with its provision of transmission service as follows: (i) any offer of a discount

made by Versant Power must be announced to all Eligible Customers solely by posting on the ISO OASIS, (ii) any customer-initiated request for a discount (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the ISO OASIS, and (iii) once a discount is negotiated, details must be immediately posted on the ISO OASIS. A discount agreed upon for the Ancillary Service must be offered for the same period to all Eligible Customers on the BHD Transmission System.

4 Billing and Payment

4.1 Billing Procedure: Within a reasonable time after the first day of each month, Versant Power shall submit an invoice to the Transmission Customer for the charges for all services furnished under Schedule 21 and Schedule 21-VP of the OATT 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 Versant Power, or by wire transfer to a bank named by Versant Power.

4.2 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. § 35.19a(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 Versant Power.

4.3 Customer Default: In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to Versant Power on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after Versant Power 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, Versant Power 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 Versant Power and the Transmission Customer, Versant Power 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 Versant Power may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

5 Accounting for Versant Power's Use of the Tariff: Versant Power shall record the following amounts, as outlined below.

5.1 Transmission Revenues: Include in a separate operating revenue account or subaccount the revenues it receives from Local Point-To-Point Service when making Third-Party Sales under Schedule 21 and Schedule 21-VP of the OATT.

6 Regulatory Filings: Nothing contained in the Tariff (including this Schedule 21-VP of the OATT) or any Service Agreement shall be construed as affecting in any way the right of Versant Power to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, rule or regulation under Section 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

Nothing contained in the OATT (including this Schedule 21-VP) or any Service Agreement shall be construed as affecting in any way the ability of any Party receiving service under this Schedule 21-VP to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.

7 Creditworthiness: The applicable creditworthiness procedures are specified in Attachment Q-VP.

8 Dispute Resolution Procedures

8.1 Internal Dispute Resolution Procedures: Any dispute between a Transmission Customer and Versant Power involving transmission service under Schedule 21 and Schedule 21-VP of the OATT (excluding applications for rate changes or other changes to Schedule 21-VP, or to any Service Agreement entered into under Schedule 21-VP, which

shall be presented directly to the Commission for resolution) shall be referred to a designated senior representative of Versant Power and a senior representative of the Transmission Customer for resolution on an informal basis as promptly as practicable. In the event the designated representatives are unable to resolve the dispute within thirty (30) days [or such other period as the Parties may agree upon] by mutual agreement, such dispute may be submitted to arbitration and resolved in accordance with the arbitration procedures set forth below.

8.2 External Arbitration Procedures: Any arbitration initiated under Schedule 21-VP shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) 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 twenty (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 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 Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

8.3 Arbitration Decisions: Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of Schedule 21 and Schedule 21-VP of the OATT and any Service Agreement entered into under Schedule 21-VP 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 Federal Arbitration Act and/or the Administrative Dispute Resolution Act.

The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

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

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

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

8.5 Rights Under The Federal Power Act: Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

II. LOCAL POINT-TO-POINT SERVICE

Preamble

Versant Power will provide Firm Local Point-To-Point Service and Non-Firm Local Point-To-Point Service pursuant to the applicable terms and conditions of Schedule 21 and Schedule 21-VP of the OATT. To the extent any terms of Schedule 21-VP conflict with any other provisions of the OATT, the terms of Schedule 21-VP shall control. Local Point-To-Point 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. Service Agreements for Local Point-To-Point Service shall be based on the standard form service agreement in Attachment A of Schedule 21. Service Agreements for Local Retail Point-To-Point Service shall be based on the standard form service agreements in Attachment L-VP and Attachment M-VP of this Schedule 21-VP.

9 Nature of Firm Local Point-To-Point Service

9.1 Service Agreements: Versant Power shall offer a standard form Service Agreement (Attachment A of Schedule 21) to an Eligible Customer when it submits a Completed Application for long-term Firm Local Point-To-Point Service. Versant Power

shall offer a standard form Service Agreement (Attachment A of Schedule 21) to an Eligible Customer when it first submits a Completed Application for short-term Firm Local Point-To-Point Service pursuant to Schedule 21 and Schedule 21-VP of the OATT. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission if necessary to comply with applicable Commission regulations. An Eligible Customer that uses Local Point-To-Point Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement.

If Versant Power determines that it cannot accommodate a Completed Application for Firm Local Point-To-Point Service because of insufficient capability on the BHD Transmission System, Versant Power will offer the Firm Local Point-To-Point Service with the condition that Versant Power may curtail the service prior to the curtailment of other Firm Local Point-To-Point Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, Versant Power will use due diligence to provide the service until: (i) Network Upgrades are completed for the Transmission Customer, (ii) Versant Power determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in above, Versant Power shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, Versant Power shall provide the Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

9.2 Versant Power Penalties Applicable to Curtailment of Firm Local Service. Pursuant to Schedule 21, Part I.1.f of the OATT, in the event the Transmission Customer fails to curtail service in response to a directive by Versant Power, the Transmission Customer shall pay any applicable charges and the following penalty at the election of Versant Power: up to 200% of the Firm Local Point-To-Point Service charge for the entire length of the reserved period but not exceeding one month. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive. If the Curtailment is for reliability purposes, Versant Power may assess the penalty charge for failure to curtail if the Transmission Customer does not make the required reductions within 10 minutes of the Curtailment directive. If the Curtailment is for economic purposes, Versant Power may assess the penalty charge for failure to curtail if the Transmission Customer does not make the required reductions within 20 minutes of the Curtailment directive.

9.3 Versant Power Penalties for Exceeding Firm Reserved Capacity: Pursuant to Schedule 21, Part I.1.g of the OATT, in the event that a Transmission Customer (including Third-Party Sales by Versant Power) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery, the Transmission Customer shall pay the following penalty at the election of Versant Power: up to 200% of the Firm Local Point-To-Point Service charge for the period during which the Transmission Customer exceeded its firm reserved capacity.

The penalty for one or more hours of exceeding firm reserved capacity within a given day will be based on the rate for daily Firm Local Point-To-Point Service; the penalty for exceeding firm reserved capacity for a period of one or more days within a given week will be based on the rate for weekly Firm Local Point-To-Point Service; the penalty for exceeding firm reserved capacity for a period equal to one or more weeks within a given month will be based on the rate for monthly Firm Local Point-To-Point Service; and the penalty for exceeding firm reserved capacity for a period equal to one or more months within a given year will be based on the rate for annual Firm Local Point-To-Point Service.

More than one assessment for a given duration (e.g., daily) shall result in an increase of the penalty period to the next longest duration (e.g., weekly).

For the amounts exceeding firm reserved capacity, the Transmission Customer also must replace losses as required by this Schedule 21-VP.

All penalties collected under this provision shall be allocated equally to all Transmission Customers under this Schedule 21-VP that have not exceeded their firm reserved capacity.

10 Nature of Non-Firm Local Point-To-Point Service

10.1 Service Agreements: Versant Power shall offer a standard form Service Agreement (Attachment A of Schedule 21-VP) to an Eligible Customer when it first submits a Completed Application for Non-Firm Local Point-To-Point Service pursuant to Schedule 21 and Schedule 21-VP of the OATT. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission if necessary to comply with applicable Commission regulations.

10.2 Versant Power Penalties for Exceeding Non-Firm Capacity Reservation: Pursuant to Schedule 21, Part I.2.e of the OATT, in the event that a Transmission Customer (including Third-Party Sales by Versant Power) exceeds its non-firm capacity reservation, the Transmission Customer shall pay the following penalty at the election of Versant Power: up to 200% of the Firm Local Point-To-Point Service charge for the period during which the Transmission Customer exceeded its non-firm reserved capacity.

The penalty for one or more hours of exceeding non-firm reserved capacity within a given day will be based on the rate for daily Firm Local Point-To-Point Service; the penalty for exceeding non-firm reserved capacity for a period of one or more days within a given week will be based on the rate for weekly Firm Local Point-To-Point Service; the penalty for exceeding non-firm reserved capacity for a period equal to one or more weeks within a given month will be based on the rate for monthly Firm Point-To-Point Service; and the penalty for exceeding non-firm reserved capacity for a period equal to one or more months within a given year will be based on the rate for annual Firm Local

Point-To-Point Service.

More than one assessment for a given duration (e.g., daily) shall result in an increase of the penalty period to the next longest duration (e.g., weekly).

For the amounts exceeding the non-firm capacity reservation, the Transmission Customer must replace losses as required by this Schedule 21-VP.

All penalties collected under this provision shall be allocated equally to all Transmission Customers under this Schedule 21-VP that have not exceeded their non-firm reserved capacity.

10.3 Versant Power Penalties Applicable to Curtailment of Non-Firm Local Point-To-Point Service: Pursuant to Schedule 21, Part I.2.g of the OATT, in the event the Transmission Customer fails to curtail service in response to a directive by Versant Power, the Transmission Customer shall pay any applicable charges and the following penalty at the election of Versant Power: up to 200% of the Non-Firm Local Point-To-Point Service charge for the entire length of the reserved period but not to exceed one month. This penalty shall apply only to the portion of the service that the Transmission Customer fails to curtail in response to a Curtailment directive. If the Curtailment is for reliability purposes, Versant Power may assess the penalty charge for failure to curtail if the Transmission Customer does not make the required reductions within 10 minutes of the Curtailment directive. If the Curtailment is for economic purposes, Versant Power may assess the penalty charge for failure to curtail if the Transmission Customer does not make the required reductions within 20 minutes of the Curtailment directive.

11 Service Availability

11.1 Determination of Available Transfer Capability: A description of Versant Power's specific methodology for assessing available transfer capability is contained in Attachment C of Schedule 21-VP. In the event sufficient transmission capability may not exist to accommodate a service request, Versant Power will respond by performing a System Impact Study.

11.2 Real Power Losses: Pursuant to Schedule 21, Part I.3.g of the OATT, the applicable Real Power Loss factor for Local Point-To-Point Service is 1.764%.

12 Procedures for Arranging Firm Local Point-To-Point Service

12.1 Deposit: A Completed Application for Firm Local Point-To-Point 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; provided, however, Versant Power shall have the right to waive the requirement of a deposit on a nondiscriminatory basis if Versant Power determines that the Eligible Customer is creditworthy pursuant to Section 7 and is not in default of its obligations as defined in Section 4.3 at the time of the Application. Versant Power will bill the Eligible Customer for any reasonable costs incurred by Versant Power in connection with its review of the Application. If the Application is rejected by Versant Power 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 Versant Power 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 Versant Power, if Versant Power 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 Local Point-To-Point Service, the deposit shall be refunded in full, with interest, less reasonable costs incurred by Versant Power to the extent such costs have not already been recovered by Versant Power from the Eligible Customer. Versant Power 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 Part I.7 of Schedule 21 of the OATT. If a Service Agreement for Firm Local Point-To-Point Service is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Service Agreement for Firm Local Point-To-Point Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii),

and shall be calculated from the day the deposit check is credited to Versant Power's account.

13 Procedures for Arranging Non-Firm Local Point-To-Point Service

13.1 Determination of Available Transfer Capability: Following receipt of a tendered schedule Versant Power will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 11.2 of this Schedule 21-VP. Such determination shall be made as soon as reasonably practicable after receipt, but not later than the following time periods for the following terms of service: (i) thirty (30) minutes for hourly service, (ii) thirty (30) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

14 Additional Study Procedures For Firm Local Point-To-Point Service Requests

14.1 Expedited Procedures for New Facilities: In lieu of the procedures set forth in Part I.7 of Schedule 21 of the OATT, the Eligible Customer shall have the option to expedite the process by requesting Versant Power 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 Versant Power for all costs incurred pursuant to the terms of Schedule 21 and Schedule 21-VP. 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 thirty (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 Versant Power agrees to provide the Eligible Customer with its best estimate of the new facility costs and other charges that may be incurred, such estimate shall not be binding and the Eligible Customer must agree in writing to compensate Versant Power for all costs incurred pursuant to the provisions of Schedule 21 and Schedule 21-VP of the OATT. The Eligible Customer shall execute and return such an Expedited Service Agreement within fifteen (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.

III. LOCAL NETWORK SERVICE

Preamble

Versant Power will provide Local Network Service pursuant to the applicable terms and conditions contained in Schedule 21 and Schedule 21-VP of the OATT and Service Agreement. Local Network 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 Versant Power utilizes the BHD Transmission System to serve its Native Load Customers. Local Network 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 Schedule 21 and Schedule 21-VP of the OATT. Service Agreements for Local Network Service shall be based on the standard form service agreement in Attachment A of Schedule 21. Service Agreements for Retail Local Network Service shall be based on the standard form service agreement in Attachment N-VP and Umbrella Network Operation Agreement for Retail Local Network Service in Attachment O-VP of this Schedule 21-VP.

15. Nature of Local Network Service

15.1 Real Power Losses: As explained in Schedule 21, Part II.2.f. of the OATT, Real Power Losses are associated with all transmission service. Versant Power is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by Versant Power. The applicable Real Power Loss factor is 1.764%.

16 Initiating Service

16.1 Condition Precedent for Receiving Service: Subject to the terms and conditions of Schedule 21 and Schedule 21-VP of the OATT, Versant Power will provide Local Network Service to any Eligible Customer, provided that: (i) the Eligible Customer completes an Application for Local Network Service as provided under Schedule 21 and Schedule 21-VP of the OATT, (ii) the Eligible Customer and the Versant Power complete

the technical arrangements set forth in Sections 16.3 and 16.4 of Schedule 21-VP, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment A of Schedule 21 or requests in writing that a proposed unexecuted Service Agreement be filed with the Commission, and (iv) the Eligible Customer executes a Local Network Operating Agreement with Versant Power pursuant to Attachment G-VP.

16.2 Application Procedures: An Eligible Customer requesting Local Network Service pursuant to Schedule 21 and Schedule 21-VP of the OATT must submit an Application, with a deposit approximating the charge for one month of service, to the ISO as far as possible in advance of the month in which service is to commence. Versant Power shall have the right to waive the requirement of a deposit on a nondiscriminatory basis if Versant Power determines that the Transmission Customer is creditworthy pursuant to Section 7 of Schedule 21-VP and is not in default of its obligations as defined in Section 4.3 of Schedule 21-VP at the time of the Application. Versant Power will bill the Eligible Customer for any reasonable costs incurred by Versant Power in connection with its review of the Application. Unless subject to the procedures in Section 2 of Schedule 21-VP, Completed Applications for Local Network Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest priority. A Completed Application may be submitted by transmitting the required information by telefax. This method will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

(i) The identity, address, telephone number and 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 Schedule 21 and Schedule 21-VP of the OATT;

(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 Versant Power substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

(iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;

(v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource, such description shall include:

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

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

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Identification of the control area(s) from which the power will originate
- Delivery point(s) to the BHD Transmission System;

- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
- Any periods of restricted operations throughout the year
- Maintenance schedules
- Minimum loading level of unit
- Normal operating level of unit
- Any must-run unit designations required for system reliability or contract reasons;

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

- 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 load flow format compatible with that used by Versant Power
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (v) above
- 10 year projection of system expansions or upgrades
- Transmission system maps that include any proposed expansions or upgrades
- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;

(vii) Service Commencement Date and the term of the requested Local Network Service (the minimum term for Local Network Service is one year); and

(viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 16.2(v) satisfy the following conditions: (1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of

transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis.

Unless the Parties agree to a different time frame, the ISO or Versant Power must acknowledge the request within ten (10) days of receipt. The acknowledgment 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 ISO or Versant Power shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, Versant Power will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the ISO or Versant Power shall return the Application without prejudice to the Eligible Customer filing 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. Versant Power shall treat this information consistent with the Standards of Conduct contained in Part 358 of the Commission's regulations.

16.3 Technical Arrangements to be Completed Prior to Commencement of Service: Local Network Service shall not commence until Versant Power and the Network Customer, or a third party, have completed installation of all equipment specified under the Local Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the BHD Transmission System. Versant Power shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

16.4 Network Customer Facilities: The provision of Local Network 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 BHD 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.

17 Network Resources

17.1 Operation of Network Resources: The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Versant Power's Control Area such that the output of those facilities exceeds its designated Network Load, plus non-firm sales delivered pursuant to Schedule 21 and Schedule 21-VP of the OATT, plus losses. This limitation shall not apply to changes in the operation of a Transmission Customer's Network Resources at the request of Versant Power to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the BHD Transmission System. For all Network Resources not physically connected with the BHD Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Schedule 21, Part II, section 3, unless the Network Customer supports such delivery within the BHD Transmission System by either obtaining Local Point-To-Point Service or utilizing secondary service pursuant to Schedule 21, Part II, section 2(g). Versant Power shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the BHD Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Local Point-To-Point Service.

17.2 Use of Interface Capacity by the Network Customer: There is no limitation upon a Network Customer's use of the BHD 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 Versant Power's total interface capacity between the BHD Transmission System and other transmission systems may not exceed the Network Customer's Load.

18 Designation of Network Load

18.1 Network Load: The Network Customer must designate the individual Network Loads on whose behalf Versant Power will provide Local Network Service. The Network Loads shall be specified in the Service Agreement.

18.2 New Network Loads Connected with Versant Power: The Network Customer shall provide Versant Power with as much advance notice as reasonably practicable of the designation of new Network Load that will be added to the BHD Transmission System. A designation of new Network Load must be made through a modification of service pursuant to a new Application. Versant Power will use due diligence to install any transmission facilities required to interconnect a new Network Load designated by the Network

18.3 Network Load Not Physically Interconnected with Versant Power: This section applies to both initial designation and the subsequent addition of new Network Load not physically interconnected with Versant Power. To the extent that the Network Customer desires to obtain transmission service for a load outside the BHD Transmission System, the Network Customer shall have the option of (1) electing to include the entire load as Network Load for all purposes under Schedule 21 and Schedule 21-VP of the OATT and designating Network Resources in connection with such additional Network Load, or (2) excluding that entire load from its Network Load and purchasing Local Point-To-Point Service under Schedule 21 and Schedule 21-VP of the OATT. 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.

18.4 New Interconnection Points: To the extent the Network Customer desires to add a new Delivery Point or interconnection point between the BHD Transmission System and a Network Load, the Network Customer shall provide Versant Power with as much advance notice as reasonably practicable.

18.5 Changes in Service Requests: Under no circumstances shall the Network Customer's decision to cancel or delay a requested change in Local Network 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 Versant Power and charged to the Network Customer as reflected in the Service Agreement. However, Versant Power must treat any requested change in Local Network Service in a non-discriminatory manner.

18.6 Annual Load and Resource Information Updates: The Network Customer shall provide Versant Power with annual updates of Network Load and Network Resource forecasts consistent with those included in its Application for Local Network Service under Schedule 21 and Schedule 21-VP of the OATT. The Network Customer also shall provide Versant Power 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 Versant Power's ability to provide reliable service.

19 Load Shedding and Curtailments

19.1 Load Shedding: To the extent that a system contingency exists on the BHD Transmission System and Versant Power determines that it is necessary for Versant Power and the Network Customer to shed load, the Parties shall shed load in accordance with previously established procedures under the Local Network Operating Agreement.

20 Rates and Charges

The Network Customer shall pay Versant Power for any Direct Assignment Facilities, Local Distribution Facilities, Ancillary Services, and applicable study costs, consistent with Commission policy, along with the following:

20.1 Monthly Demand Charge: The Network Customer shall pay a monthly Demand Charge, which shall be determined by multiplying its monthly Network Load times the monthly Local Network Service rate determined in accordance with Attachment P-VP.

20.2 Determination of Network Customer's Monthly Network Load: The Network Customer's monthly Network Load is its hourly load (including its designated

Network Load not physically interconnected with Versant Power under Section 18.3 of Schedule 21-VP) coincident with the Monthly BHD Transmission System Peak.

20.3 Stranded Cost Recovery: Versant Power may seek to recover stranded costs from the Network Customer pursuant to Schedule 21 and Schedule 21-VP of the OATT in accordance with the terms, conditions and procedures set forth in FERC Order No. 888. However, Versant Power must separately file any proposal to recover stranded costs under Section 205 of the Federal Power Act.

21 Operating Arrangements

21.1 Operation Under The Local 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 Local Network Operating Agreement.

21.2 Local 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 Schedule 21 and Schedule 21-VP of the OATT, 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 Network Customer within the BHD Transmission System (including, but not limited to, remote terminal units, metering, communications equipment and relaying equipment), (ii) transfer data between Versant Power and the Network Customer (including, but not limited to, heat rates and operational characteristics of Network Resources, generation schedules for units outside the BHD Transmission System, interchange schedules, voltage schedules, loss factors and other real time data), (iii) use software programs required for data links and constraint dispatching, (iv) exchange data on forecasted loads and resources necessary for long-term planning, and (v) address any other technical and operational considerations required for implementation of Schedule 21 and Schedule 21-VP of the OATT, including scheduling protocols. The Local Network Operating Agreement will recognize that the Network Customer shall either (i) operate as a Control Area under applicable guidelines of the Electric Reliability Organization (ERO) as defined in 18 C.F.R. § 39.1, (ii) satisfy its

Control Area requirements, including all necessary Ancillary Services, by contracting with Versant Power, or (iii) satisfy its Control Area requirements, including all necessary Ancillary Services, by contracting with another entity, consistent with Good Utility Practice, which satisfies the applicable reliability guidelines of the ERO. Versant Power shall not unreasonably refuse to accept contractual arrangements with another entity for Ancillary Services. The Local Network Operating Agreement is included in Attachment G-VP.

21.3 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.

IV. LOCAL CONTRACT DEMAND SERVICE

Preamble

Versant Power will provide Local Contract Demand Service in accordance with Schedule 21 Common and Sections II.58 through II.63 of the OATT, and this Schedule 21-VP.

22 Nature of Service

22.1 Local Firm Contract Demand Service: Local Firm Contract Demand Service permits a Large Load Transmission Customer to serve a Large Load through the BHD Transmission System on a firm basis.

22.2 Local Non-Firm Contract Demand Service: Local Non-Firm Contract Demand Service is provided on an as-available basis and is subject to redispatch, interruption, curtailment, and load shedding.

22.3 Local Interim Contract Demand Service: Local Interim Contract Demand Service is temporary, non-firm transmission service provided prior to completion of required Local Large Load Network Upgrades and prior to satisfaction of designated

capacity requirements applicable to Local Firm Contract Demand Service.

23 Real Power Losses

As explained in Schedule 21, Part II.2.f. of the OATT, Real Power Losses are associated with all transmission service. Versant Power is not obligated to provide Real Power Losses. The Large Load Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by Versant Power. The applicable Real Power Loss factor is 1.764%.

24 Redispatch, Load Shedding and Curtailment

To the extent that a system contingency exists on the BHD Transmission System or the New England Transmission System and the ISO, Local Control Center, or Versant Power determines that load shedding or curtailment is necessary, Local Large Load Transmission Customers receiving Local Firm Contract Demand Service shall comply with applicable load shedding and curtailment procedures established pursuant to the OATT, applicable ISO New England Operating Documents, and this Schedule 21-VP**.**

25 Operating Agreement

The Local Large Load Transmission Customer shall comply with all operating requirements established pursuant to Schedule 21 Common, Sections II.61 and II.63 of the OATT, applicable ISO New England Operating Documents, and any applicable operating agreement with Versant Power. Such requirements may include telemetry, communications, metering, protection systems, ride-through capability, ramp rate limitations, operating limitations, load forecasting, and other requirements necessary to maintain reliable operation of the transmission system.

26 Cost Responsibility

The Local Large Load Transmission Customer shall be responsible for all costs associated with the provision of Local Contract Demand Service, including study costs, Direct Assignment Facilities, Local Large Load Network Upgrades, communications facilities, metering facilities, telemetry facilities, protection systems, operating requirements, and any costs assigned pursuant to Schedule 21 Common, the OATT, and any applicable Cost Recovery Agreement.

SCHEDULE 1-VP

SCHEDULING, SYSTEM CONTROL AND DISPATCH SERVICE

This service is required to schedule the movement of power through, out of, within, or into the BHD Transmission System. Scheduling, System Control and Dispatch Service can only be provided directly by Versant Power and/or indirectly by Versant Power making arrangements with the Control Area operator that performs this service for the BHD Transmission System. The Transmission Customer must purchase this service from Versant Power. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates set forth below. To the extent the Control Area operator performs this service for Versant Power, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to Versant Power by that Control Area operator.

Each wholesale and retail Transmission Customer taking Local Network Service, Local Contract Demand Service, or Local Point-To-Point Service, including point-to-point wheeling off the BHD Transmission System, shall pay up to the following transmission rates for service under Schedule 21-VP of the OATT:

1) **Yearly delivery:** (a) for all wholesale network and point-to-point (including wheeling off) customers, wholesale and retail contract demand customers, and retail point-to-point customers, the Annual Rate established pursuant to Attachment P-VP Section VI.A.1 per KW of Reserved Capacity per year or (b) for retail network customers, the Annual Rate established pursuant to Attachment P-VP Section VI.A.2 per KW of Reserved Capacity per year.

2) **Monthly delivery:** (a) for all wholesale network and point-to-point (including wheeling off) customers, wholesale and retail contract demand customers, and retail point-to-point customers, the Monthly Rate established pursuant to Attachment P-VP Section VI.A.1 per KW of Reserved Capacity per month or (b) for retail network customers, the Monthly Rate established pursuant to Attachment P-VP Section VI.A.2 per KW of Reserved Capacity per month.

3) **Weekly delivery:** (a) for all wholesale network and point-to-point (including wheeling off) customers, wholesale and retail contract demand customers, and retail point-to-point customers, Weekly Rate established pursuant to Attachment P-VP Section VI.A.1 per KW of

Reserved Capacity per week or (b) for retail network customers, the Weekly Rate established pursuant to Attachment P-VP Section VI.A.2 per KW of Reserved Capacity per week.

4) **Daily delivery:** (a) for all wholesale network and point-to-point (including wheeling off) customers, wholesale and retail contract demand customers, and retail point-to-point customers, the Daily Rate established pursuant to Attachment P-VP Section VI.A.1 per KW of Reserved Capacity per day or (b) for retail network customers, the Daily Rate established pursuant to Attachment P-VP Section VI.A.2 per KW of Reserved Capacity per day.

5) **Hourly delivery:** (a) for all wholesale network and point-to-point (including wheeling off) customers, wholesale and retail contract demand customers, and retail point-to-point customers, the Hourly Rate established pursuant to Attachment P-VP Section VI.A.1 per KW of Reserved Capacity per hour or (b) for retail network customers, the Hourly Rate established pursuant to Attachment P-VP Section VI.A.2 per KW of Reserved Capacity per hour.

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.

SCHEDULE 7-VP

CHARGES FOR WHOLESALE CUSTOMERS INTERCONNECTED ON THE BHD SYSTEM - FIRM

Each wholesale Transmission Customer taking Local Network Service, Firm Local Point-To-Point Service (including point-to-point wheeling off the BHD Transmission System), or Local Firm Contract Demand Service shall pay up to the following transmission rates for service under Schedule 21-VP of the OATT:

1) **Yearly delivery:** (a) in the case of wholesale (network, contract demand, and point-to-point) load located on the BHD Transmission System, the Annual Rate established pursuant to Attachment P-VP Section VI.B, plus the Annual Rate established pursuant to Attachment P-VP Section VI.C, plus, if applicable, the Annual Rate established pursuant to Attachment P-VP Section VI.D, all per KW of Reserved Capacity per year; or (b) in the case of wheeling off the BHD Transmission System, the Annual Rate established pursuant to Attachment P-VP Section VI.B per KW of Reserved Capacity per year.

2) **Monthly delivery:** (a) in the case of wholesale (network, contract demand, and point-to-point) load located on the BHD Transmission System, the Monthly Rate established pursuant to Attachment P-VP Section VI.B, plus the Monthly Rate established pursuant to Attachment P-VP Section VI.C, plus, if applicable, the Monthly Rate established pursuant to Attachment P-VP Section VI.D, all per KW of Reserved Capacity per month; or (b) in the case of wheeling off the BHD Transmission System, the Monthly Rate established pursuant to Attachment P-VP Section VI.B per KW of Reserved Capacity per month.

3) **Weekly Delivery:** (a) in the case of wholesale (network, contract demand, and point-to-point) load located on the BHD Transmission System, the Weekly Rate established pursuant to Attachment P-VP Section VI.B, plus the Weekly Rate established pursuant to Attachment P-VP Section VI.C, plus, if applicable, the Weekly Rate established pursuant to Attachment P-VP Section VI.D, all per KW of Reserved Capacity per week; or (b) in the case of wheeling off the BHD Transmission System, the Weekly Rate established pursuant to Attachment P-VP Section VI.B per KW of Reserved Capacity per week.

4) **Daily delivery:** (a) in the case of wholesale (network, contract demand, and point-to-point) load located on the BHD Transmission System, the Daily Rate established pursuant to Attachment P-VP Section VI.B, plus the Daily Rate established pursuant to Attachment P-VP Section VI.C, plus, if applicable, the Daily Rate established pursuant to Attachment P-VP Section VI.D, all per KW of Reserved Capacity per day; or (b) in the case of wheeling off the BHD Transmission System, the Daily Rate established pursuant to Attachment P-VP Section VI.B per 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 (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by Versant Power must be announced to all Eligible Customers solely by posting on the ISO 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 ISO OASIS, and (3) once a discount is negotiated, details must be immediately posted on the ISO OASIS.

6) **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.

For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Versant Power must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the BHD Transmission System.

7) **Direct Assignment Costs:** Where a Facilities Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Local Point-To-Point Service or Local Contract Demand Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule. Losses on Direct Assignment Facilities shall be the responsibility of the Transmission Customer.

8) **Network Upgrades:** Where a Facilities Study identifies the need for Network Upgrades to relieve a capacity constraint and Versant Power undertakes such Network Upgrades, in addition to any charges for Direct Assignment Facilities and losses, as applicable, the Transmission Customer shall be required to pay the higher of the following two charges:

a) the base charge for Local Point-To-Point Service or Local Contract Demand Service set forth in this schedule, modified to include the cost of required Network Upgrades on a rolled-in basis; or

b) a charge based on the incremental cost of any Network Upgrades that would not have been needed for the service requested by the Transmission Customer. Such incremental cost charge shall be based upon the Transmission Customer's appropriate share of the cost of such Network Upgrades up to one hundred percent of such cost.

If the requested Firm Local Point-To-Point Service or Local Firm Contract Demand Service requires use of Network Upgrades previously determined to have been necessary to provide Local Point-To-Point Service or Local Contract Demand Service for another Transmission Customer and if the costs of such Network Upgrades already are reflected in the rate for Local Point-To-Point Service or Local Contract Demand Service paid by such other Customer and are not reflected in the base rate for Firm Local Point-To-Point Service or Local Firm Contract Demand Service, as applicable, the subsequent Transmission Customer receiving Local Point-To-Point Service or Local Contract Demand Service shall pay a contribution to cover a portion of the cost of such Network Upgrades. The amount of the contribution shall be based on the subsequent Transmission Customer’s pro-rata use of the Network Upgrades, as determined by FERC, and in the period of time over which the use occurs. The rate of the Transmission Customer(s) for whom the Network Upgrades originally were made shall be reduced by an amount equivalent to the contribution(s) made by other Transmission Customers pursuant to this section.

9) **Local Distribution Costs:** Any customer requiring transmission over facilities not included in the base transmission charge facilities below 34.5 KV shall pay a separate charge for

service over those facilities. These charges shall be pursuant to Maine Public Utilities Commission rates, where applicable, and specified in a service agreement filed with the Commission.

10) **Taxes:** There shall be added to any amount calculated pursuant to any of the foregoing provisions of this Schedule 21-VP an amount in dollars sufficient to reimburse Versant Power for any amounts paid or payable by them as sales, excise or similar taxes in respect of the total amount payable to Versant Power pursuant to this Schedule 21-VP, in order to allow Versant Power, after provision for such taxes, to realize the net amount payable to them under this Schedule 21-VP. The amount of these taxes shall be detailed in the Service Agreement. If the taxes or tax rates change, then Versant Power shall have the right to revise the Service Agreement and file it with FERC.

SCHEDULE 8-VP

CHARGES FOR WHOLESALE CUSTOMERS INTERCONNECTED ON THE BHD SYSTEM - NON FIRM

Each wholesale Transmission Customer taking Non-Firm Local Point-To-Point Service (including point-to-point wheeling off the BHD Transmission System) Local Non-Firm Contract Demand Service, or Local Interim Contract Demand Service, shall pay up to the following transmission rates for service under this Schedule 21-VP:

1) **Monthly delivery:** (a) in the case of wholesale or contract demand load located on the BHD Transmission System, the Monthly Rate established pursuant to Attachment P-VP Section VI.B, plus the Monthly Rate established pursuant to Attachment P-VP Section VI.C, plus, if applicable, the Monthly Rate established pursuant to Attachment P-VP Section VI.D, all per KW of Reserved Capacity per month; or (b) in the case of wheeling off the BHD Transmission System, the Monthly Rate established pursuant to Attachment P-VP Section VI.B per KW of Reserved Capacity per month.

2) **Weekly delivery:** (a) in the case of wholesale or contract demand load located on the BHD Transmission System, the Weekly Rate established pursuant to Attachment P-VP Section VI.B, plus the Weekly Rate established pursuant to Attachment P-VP Section VI.C, plus, if applicable, the Weekly Rate established pursuant to Attachment P-VP Section VI.D, all per KW of Reserved Capacity per week; or (b) in the case of wheeling off the BHD Transmission System, the Weekly Rate established pursuant to Attachment P-VP Section VI.B per KW of Reserved Capacity per week.

3) **Daily delivery:** (a) in the case of wholesale or contract demand load located on the BHD Transmission System, the Daily Rate established pursuant to Attachment P-VP Section VI.B, plus the Daily Rate established pursuant to Attachment P-VP Section VI.C, plus, if applicable, the Daily Rate established pursuant to Attachment P-VP Section VI.D, all per KW of Reserved Capacity per day; or (b) in the case of wheeling off the BHD Transmission System, the Daily Rate established pursuant to Attachment P-VP Section VI.B per 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: (a) in the case of wholesale or contract demand load located on the BHD Transmission System, the Hourly Rate established pursuant to Attachment P-VP Section VI.B, plus the Hourly Rate established pursuant to Attachment P-VP Section VI.C, plus, if applicable, the Hourly Rate established pursuant to Attachment P-VP Section VI.D, all per KW of Reserved Capacity per hour; or (b) in the case of wheeling off the BHD Transmission System, the Hourly Rate established pursuant to Attachment P-VP Section VI.B per KW of Reserved Capacity per hour. 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) **Discounts:** Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by Versant Power must be announced to all Eligible Customers solely by posting on the ISO 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 ISO OASIS, and (3) once a discount is negotiated, details must be immediately posted on the ISO OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Versant Power must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the BHD Transmission System.

6) **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.

7) **Direct Assignment Costs:** Where a Facilities Study indicates the need to construct Direct

Assignment Facilities to accommodate a request for Local Point-To-Point Service or Local Contract Demand Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule. Losses on Direct Assignment Facilities shall be the responsibility of the Transmission Customer.

8) **Network Upgrades:** Where a Facilities Study identifies the need for Network Upgrades to relieve a capacity constraint and Versant Power undertakes such Network Upgrades, in addition to any charges for Direct Assignment Facilities and losses, as applicable, the Transmission Customer shall be required to pay the higher of the following two charges:

a) the base charge for Local Point-To-Point Service or Local Contract Demand Service set forth in this schedule, modified to include the cost of required Network Upgrades on a rolled-in basis; or

b) a charge based on the incremental cost of any Network Upgrades that would not have been needed for the service requested by the Transmission Customer. Such incremental cost charge shall be based upon the Transmission Customer's appropriate share of the cost of such Network Upgrades up to one hundred percent of such cost.

If the requested Firm Local Point-To-Point Service or Local Firm Contract Demand Service requires use of Network Upgrades previously determined to have been necessary to provide Local Point-To-Point Service f or Local Contract Demand Service or another Transmission Customer, and if the costs of such Network Upgrades already are reflected in the rate for Local Point-To-Point Service or Local Contract Demand Service paid by such other Customer and are not reflected in the base rate for Firm Local Point-To-Point Service or Local Firm Contract Demand Service, as applicable, the subsequent Transmission Customer receiving Local Point-To-Point Service or Local Contract Demand Service shall pay a contribution to cover a portion of the cost of such Network Upgrades. The amount of the contribution shall be based on the subsequent Transmission Customer's pro-rata use of the Network Upgrades, as determined by FERC and in the period of time over which the use occurs. The rate of the Transmission Customer(s) for whom the Network Upgrades originally were made shall be reduced by

an amount equivalent to the contribution(s) made by other Transmission Customers pursuant to this section.

9) **Local Distribution Costs:** Any customer requiring transmission over facilities not included in the base transmission charge facilities below 34.5 KV shall pay a separate charge for service over those facilities. These charges shall be pursuant to Maine Public Utilities Commission rates, where applicable, and specified in a service agreement filed with the Commission.

10) **Taxes:** There shall be added to any amount calculated pursuant to any of the foregoing provisions of this Schedule 21-VP an amount in dollars sufficient to reimburse Versant Power for any amounts paid or payable by them as sales, excise, or similar taxes in respect of the total amount payable to Versant Power, pursuant to Schedule 21-VP in order to allow Versant Power, after provision for such taxes, to realize the net amount payable to them under Schedule 21-VP. The amount of these taxes shall be detailed in the Service Agreement. If the taxes or tax rates change, then Versant Power shall have the right to revise the Service Agreement and file it with FERC.

SCHEDULE 9-VP

CHARGES FOR RETAIL POINT TO POINT CUSTOMERS INTERCONNECTED ON THE BHD SYSTEM - FIRM

The rates, terms and conditions of Retail Firm Local Point-To-Point Service shall be as stated in this Schedule 21-VP for Firm Local Point-To-Point Service, except as stated below. In the event that there are differences between this Schedule 9-VP and other provisions of Schedule 21-VP, this Schedule 9-VP shall control in all cases.

This Schedule 9-VP shall apply to retail customers, their Designated Agents, and to other entities taking transmission service under Schedule 21-VP to sell power to such retail customers. A retail customer is an entity that purchases electricity at retail from Versant Power or another entity, including the retail customer's Designated Agent.

A. The rates for Retail Firm Local Point-To-Point Service are as follows:

1) Yearly delivery: the Annual Rate established pursuant to Attachment P-VP Section VI.F.1, plus the Annual Rate established pursuant to Attachment P-VP Section VI.G.1, plus, if applicable, the Annual Rate established pursuant to Attachment P-VP Section VI.H.1, all per KW of Reserved Capacity per year.

2) Monthly delivery: the Monthly Rate established pursuant to Attachment P-VP Section VI.F.1, plus the Monthly Rate established pursuant to Attachment P-VP Section VI.G.1, plus, if applicable, the Monthly Rate established pursuant to Attachment P-VP Section VI.H.1, all per KW of Reserved Capacity per month.

3) Weekly delivery: the Weekly Rate established pursuant to Attachment P-VP Section VI.F.1, plus the Weekly Rate established pursuant to Attachment P-VP Section VI.G.1, plus, if applicable, the Weekly Rate established pursuant to Attachment P-VP Section VI.H.1, all per KW of Reserved Capacity per week.

4) Daily delivery: the Daily Rate established pursuant to Attachment P-VP Section VI.F.1, plus the Daily Rate established pursuant to Attachment P-VP Section VI.G.1, plus, if applicable, the Daily Rate established pursuant to Attachment P-VP Section VI.H.1, all per 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 (3) above times the highest amount in kilowatts of Reserved Capacity in any day during such week.

5) Discounts: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by Versant Power must be announced to all Eligible Customers solely by posting on the ISO 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 ISO OASIS, and (3) once a discount is negotiated, details must be immediately posted on the ISO OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Versant Power must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the BHD Transmission System.

6) 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.

7) Direct Assignment Costs: Where a Facilities Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Local Point-To-Point Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule. Losses on Direct Assignment Facilities shall be the responsibility of the Transmission Customer.

8) Network Upgrades: Where a Facilities Study identifies the need for Network Upgrades to relieve a capacity constraint and Versant Power undertakes such Network Upgrades, in addition to any charges for Direct Assignment Facilities and losses, as applicable, the Transmission Customer shall be required to pay the higher of the following two charges:

a) the base charge for Local Point-To-Point Service set forth in this schedule, modified to include the cost of required Network Upgrades on a rolled-in basis; or

b) a charge based on the incremental cost of any Network Upgrades that would not have been needed for the service requested by the Transmission Customer. Such incremental cost charge shall be based upon the Transmission Customer's appropriate share of the cost of such Network Upgrade up to one hundred percent of such cost.

If the requested Retail Firm Point-To-Point Service requires use of Network Upgrades previously determined to have been necessary to provide Local Point-To-Point Service for another Transmission Customer, and if the costs of such Network Upgrades already are reflected in the rate for Local Point-To-Point Service paid by such other Customer and are not reflected in the base rate for Retail Firm Local Point-To-Point Service, the subsequent Transmission Customer receiving Local Point-To-Point Service shall pay a contribution to cover a portion of the cost of such Network Upgrades. The amount of the contribution shall be based on the subsequent Transmission Customer's pro-rata use of the Network Upgrades, as determined by FERC, and in the period of time over which the use occurs. The rate of the Transmission Customer(s) for whom the Network Upgrades originally were made shall be reduced by an amount equivalent to the contribution(s) made by other Transmission Customers pursuant to this section.

9) Local Distribution Costs: Any customer requiring transmission over facilities not included in the base transmission charge facilities below 34.5 KV shall pay a separate charge for service over those facilities. These charges shall be pursuant to Maine Public Utilities Commission rates, where applicable, and specified in a service agreement filed with the Commission.

10) Taxes: There shall be added to any amount calculated pursuant to any of the foregoing provisions of Schedule 21-VP an amount in dollars sufficient to reimburse Versant Power for any amounts paid or payable by them as sales, excise, or similar taxes in respect of the total amount payable to Versant Power pursuant to Schedule 21-VP, in order to allow Versant Power, after provision for such taxes, to realize the net amount payable to them under the Schedule 21-VP. The amount of these taxes shall be detailed in the Service Agreement. If the taxes or tax rates change, then Versant Power shall have the right to revise the Service Agreement and file it with

FERC.

B. The following sections of Schedule 21 and Schedule 21-VP are modified for a Transmission Customer taking Retail Firm Local Point-To-Point Service pursuant to Schedule 9-VP and under a Service Agreement for Retail Firm Local Point-To-Point Service.

a. Schedule 21: The reservation priority for existing firm service customers section is modified such that retail customers, irrespective of term, have the right to continue to take transmission service from Versant Power when the contract expires, rolls over, or is renewed.

b. Section 4 of Schedule 21-VP: The billing, payment, and default section is applicable to a Designated Agent taking transmission service on behalf of its retail customers and any retail customer taking service directly from Versant Power. If the Transmission Customer is a Designated Agent, Versant Power shall bill directly and receive payment from the Designated Agent's retail customers for applicable transmission and ancillary charges (except for Energy Imbalance Service) unless other mutually agreeable provisions for payment are made. Versant Power shall bill directly the Designated Agent, if it is not Versant Power, for Energy Imbalance Service, unless other mutually agreeable provisions for payment are made. For the direct billing of retail customers taking transmission service through a Designated Agent, the billing, payment, and default provisions shall be pursuant to Versant Power's retail Terms and Conditions, the relevant portions of which are included in Schedule 12-VP.

c. Section 8 of Schedule 21-VP: The dispute resolution procedures are applicable to a Designated Agent taking transmission service on behalf of its retail customers and any retail customer taking service directly from Versant Power. For retail customers taking transmission service through a Designated Agent, the dispute resolution procedures shall be pursuant Versant Power's retail Terms and Conditions, the relevant portions of which are included in Schedule 12-VP.

d. Section 9.1 of Schedule 21-VP: The service agreements section is modified to add the following: "If the Eligible Customer submits a Completed Application for Retail

Firm Local Point-To-Point Service for service to retail load, Versant Power shall offer a standard form Retail Firm Local Point-To-Point Service Agreement (Attachment L-VP) or Retail Non-Firm Local Point-To-Point Service Agreement (Attachment M-VP), as applicable, to Eligible Customer."

e. Part I.5.a of Schedule 21: The first sentence of the application section is modified to state the following: "A request for Retail Firm Local Point-To-Point Service for periods of one year or longer must be made in a completed Application submitted to Versant Power at least sixty (60) days in advance of the calendar month in which service is to commence." The second to last sentence of the application is modified to state the following: "A Completed Application may be submitted by transmitting the required information to Versant Power by telefax."

f. Part I.5.d of Schedule 21: The first sentence of the notice of deficient application section is modified to state the following: "If an Application fails to meet the requirements of the Tariff, Versant Power shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure." The third sentence is modified to state the following: "If such efforts are unsuccessful, Versant Power shall return the Application."

SCHEDULE 10-VP

CHARGES FOR RETAIL POINT TO POINT CUSTOMERS INTERCONNECTED ON THE BHD SYSTEM - NON FIRM

The rates, terms, and conditions of Retail Non-Firm Local Point-To-Point Service shall be as stated in this Schedule 21-VP for Non-Firm Local Point-To-Point Service, except as stated below. In the event that there are differences between this Schedule 10-VP and Schedule 21-VP, this Schedule 10-VP shall control in all cases.

This Schedule 10-VP shall apply to retail customers, their Designated Agents, and to other entities taking transmission service under Schedule 21-VP to sell power to such retail customers. A retail customer is an entity that purchases electricity at retail from Versant Power or another entity, including the retail customer's Designated Agent.

A. The rates for Retail Non-Firm Local Point-To-Point Service are as follows:

1) Monthly delivery: the Monthly Rate established pursuant to Attachment P-VP Section VI.F.1, plus the Monthly Rate established pursuant to Attachment P-VP Section VI.G.1, plus, if applicable, the Monthly Rate established pursuant to Attachment P-VP Section VI.H.1, all per KW of Reserved Capacity per month.

2) Weekly delivery: the Weekly Rate established pursuant to Attachment P-VP Section VI.F.1, plus the Weekly Rate established pursuant to Attachment P-VP Section VI.G.1, plus, if applicable, the Weekly Rate established pursuant to Attachment P-VP VI.H.1, all per KW of Reserved Capacity per week.

3) Daily delivery: the Daily Rate established pursuant to Attachment P-VP Section VI.F.1, plus the Daily Rate established pursuant to Attachment P-VP Section VI.G.1, plus, if applicable, the Daily Rate established pursuant to Attachment P-VP Section VI.H.1, all per 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 the Hourly Rate established pursuant to Attachment P-VP Section VI.F.1, plus the Hourly Rate established pursuant to Attachment P-VP Section VI.G.1, plus, if applicable, the Hourly Rate established pursuant to Attachment P-VP Section VI.H.1, all per KW of Reserved Capacity per hour. 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) Discounts: Three principal requirements apply to discounts for transmission service as follows: (1) any offer of a discount made by Versant Power must be announced to all Eligible Customers solely by posting on the ISO 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 ISO OASIS, and (3) once a discount is negotiated, details must be immediately posted on the ISO OASIS. For any discount agreed upon for service on a path, from point(s) of receipt to point(s) of delivery, Versant Power must offer the same discounted transmission service rate for the same time period to all Eligible Customers on all unconstrained transmission paths that go to the same point(s) of delivery on the BHD Transmission System.

6) 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.

7) Direct Assignment Costs: Where a Facilities Study indicates the need to construct Direct Assignment Facilities to accommodate a request for Local Point-To-Point Service, the Transmission Customer shall be charged the full cost of such Direct Assignment Facilities in addition to the charges specified in this Schedule. Losses on Direct Assignment Facilities shall be the responsibility of the Transmission Customer.

8) Network Upgrades: Where a Facilities Study identifies the need for Network Upgrades to relieve a capacity constraint and Versant Power undertakes such Network Upgrades, in

addition to any charges for Direct Assignment Facilities and losses, as applicable, the Transmission Customer shall be required to pay the higher of the following two charges:

a) the base charge for Local Point-To-Point Service set forth in this schedule, modified to include the cost of required Network Upgrades on a rolled-in basis; or

b) a charge based on the incremental cost of any Network Upgrades that would not have been needed for the service requested by the Transmission Customer. Such incremental cost charge shall be based upon the Transmission Customer's appropriate share of the cost of such Network Upgrade up to one hundred percent of such cost.

If the requested Retail Non-Firm Local Point-To-Point Service requires use of Network Upgrades previously determined to have been necessary to provide Local Point-To-Point Service for another Transmission Customer and if the costs of such Network Upgrades already are reflected in the rate for Local Point-To-Point Service paid by such other Customer and are not reflected in the base rate for Retail Non-Firm Local Point-To-Point Service, the subsequent Transmission Customer receiving Local Point-To-Point Service shall pay a contribution to cover a portion of the cost of such Network Upgrades. The amount of the contribution shall be based on the subsequent Transmission Customer's pro-rata use of the Network Upgrades, as determined by FERC, and in the period of time over which the use occurs. The rate of the Transmission Customer(s) for whom the Network Upgrades originally were made shall be reduced by an amount equivalent to the contribution(s) made by other Transmission Customers pursuant to this section.

9) Local Distribution Costs: Any customer requiring transmission over facilities not included in the base transmission charge facilities below 34.5 KV shall pay a separate charge for service over those facilities. These charges shall be pursuant to Maine Public Utilities Commission rates, where applicable, and specified in a service agreement filed with the Commission.

10) Taxes: There shall be added to any amount calculated pursuant to any of the foregoing provisions of Schedule 21-VP an amount in dollars sufficient to reimburse Versant Power for any amounts paid or payable by them as sales, excise or similar taxes in respect of the total amount

payable to Versant Power pursuant Schedule 21-VP, in order to allow Versant Power, after provision for such taxes, to realize the net amount payable to them under Schedule 21-VP. The amount of these taxes shall be detailed in the Service Agreement. If the taxes or tax rates change, then Versant Power shall have the right to revise the Service Agreement and file it with FERC.

B. The following sections of Schedule 21 and Schedule 21-VP are modified for a Transmission Customer taking Retail Non-Firm Local Point-To-Point Service pursuant to Schedule 10-VP and under a Service Agreement for Retail Non-Firm Local Point-To-Point Service.

a. Schedule 21: The reservation priority for existing firm service customers section is modified such that retail customers, irrespective of term, have the right to continue to take transmission service from Versant Power when the contract expires, rolls over or is renewed.

b. Section 4 of Schedule 21-VP: The billing, payment, and default section is applicable to a Designated Agent taking transmission service on behalf of its retail customers and any retail customer taking service directly from Versant Power. If the Transmission Customer is a Designated Agent, Versant Power shall bill directly and receive payment from the Designated Agent's retail customers for applicable transmission and ancillary charges (except for Energy Imbalance Service), unless other mutually agreeable provisions for payment are made. Versant Power shall bill directly the Designated Agent, if it is not Versant Power, for Energy Imbalance Service unless other mutually agreeable provisions for payment are made. For the direct billing of retail customers taking transmission service through a Designated Agent, the billing, payment, and default provisions shall be pursuant to Versant Power's retail Terms and Conditions, the relevant portions of which are included in Schedule 12-VP.

c. Section 8 of Schedule 21-VP: The dispute resolution procedures are applicable to a Designated Agent taking transmission service on behalf of its retail customers and shall be pursuant to Versant Power's retail Terms and Conditions, the relevant portions of which are included in Schedule 12-VP.

d. Section 10.4 of Schedule 21-VP: The service agreements section is modified to add the following: "If the Eligible Customer submits a Completed Application for Retail Non-Firm Local Point-To-Point Service for service to retail load, Versant Power shall offer a standard form Retail Non-Firm Local Point-To-Point Service Agreement (Attachment M-VP) to Eligible Customer."

e. Part I.6.a of Schedule 21: The first two sentences of the application section are modified to state the following: "Eligible Customers seeking Retail Non-Firm Local Point-To-Point Service must submit a Completed Application to Versant Power. A Completed Application may be submitted by transmitting the required information to Versant Power by telefax."

SCHEDULE 11-VP

CHARGES FOR RETAIL NETWORK CUSTOMERS INTERCONNECTED ON THE BHD SYSTEM

The rates, terms and conditions of Retail Local Network Service shall be as stated in Schedule 21-VP, for Local Network Service, except as stated below. In the event that there are differences between this Schedule 11-VP and Schedule 21-VP, this Schedule 11 shall control in all cases.

This Schedule 11-VP shall apply to retail customers, their Designated Agents, and to other entities taking transmission service under Schedule 21-VP to sell power to such retail customers. A retail customer is an entity that purchases electricity at retail from Versant Power or another entity, including the retail customer's Designated Agent.

A1. The rate for Monthly Retail Local Network Service shall be the Monthly Rate established pursuant to Attachment P-VP Section VI.F.2, plus the Monthly Rate established pursuant to Attachment P-VP Section VI.G.2, plus, if applicable, the Monthly Rate established pursuant to Attachment P-VP Section VI.H.2.

A2. The rate for Hourly Retail Local Network Service shall be the Hourly Rate established pursuant to Attachment P-VP Section VI.F.2, plus the Hourly Rate established pursuant to Attachment P-VP Section VI.G.2, plus, if applicable, the Hourly Rate established pursuant to Attachment P-VP Section VI.H.2.

B. The following sections of Schedule 21 and Schedule 21-VP are modified for a Transmission Customer taking Retail Local Network Service pursuant to Schedule 11-VP and under a Service Agreement for Retail Local Network Service.

a. Schedule 21: The reservation priority for existing firm service customers section is modified such that retail customers, irrespective of term, have the right to continue to take transmission service from Versant Power when the contract expires, rolls over or is renewed.

b. Section 4 of Schedule 21-VP: The billing, payment, and default section is

applicable to a Designated Agent taking transmission service on behalf of its retail customers and any retail customer taking service directly from Versant Power. If the Transmission Customer is a Designated Agent, Versant Power shall bill directly and receive payment from the Designated Agent's retail customers for applicable transmission and ancillary charges (except for Energy Imbalance Service), unless other mutually agreeable provisions for payment are made. Versant Power shall bill directly the Designated Agent, if it is not Versant Power, for Energy Imbalance Service, unless other mutually agreeable provisions for payment are made. For the direct billing of retail customers taking transmission service through a Designated Agent, the billing, payment, and default provisions shall be pursuant to Versant Power's retail Terms and Conditions, the relevant portions of which are included in Schedule 12-VP.

c. Section 8 of Schedule 21-VP: The dispute resolution procedures are applicable to a Designated Agent taking transmission service on behalf of its retail customers and any retail customer taking service directly from Versant Power. For retail customers taking transmission service through a Designated Agent, the dispute resolution procedures shall be pursuant to Versant Power's retail Terms and Conditions, the relevant portions of which are included in Schedule 12-VP.

d. Section 16.1 of Schedule 21-VP: The condition precedent for receiving service section is modified to add the following provision: "Unless retail Transmission Customers elect otherwise as provided in this Schedule 21 and Schedule 21-VP, retail Transmission Customers shall take service from Versant Power as their Designated Agent pursuant to an Umbrella Service Agreement for Retail Local Network Service pursuant to Attachment N-VP; these retail Transmission Customers are not required to execute the service agreement which will be filed with FERC. Such retail Transmission Customers shall be obligated to comply with the applicable terms and conditions of Schedule 21 and Schedule 21-VP including paying for service notwithstanding the absence of a customer signature on a Service Agreement. If a retail Transmission Customer elects to take Retail Local Network Service directly from Versant Power or through a Designated Agent other than Versant Power, the Eligible Customer shall execute a Service Agreement for Retail Local Network Service pursuant to Attachment N-VP for service under Schedule

21-VP or request in writing that Versant Power file a proposed unexecuted Service Agreement for Retail Local Network Service with the Commission and the Eligible Customer shall execute a Local Network Operating Agreement for Retail Local Network Service with Versant Power pursuant to Attachment O-VP. The following additional requirement applies to a retail Transmission Customer that takes at least 500 KW of transmission service in any one hour in the calendar year from Versant Power and takes Retail Local Network Service from Versant Power as its Designated Agent: it shall execute a Service Agreement for Retail Local Network Service pursuant to Attachment N-VP for service under Schedule 21-VP or request in writing that Versant Power file a proposed unexecuted Service Agreement for Retail Local Network Service with the Commission, if Versant Power must construct either Direct Assignment Facilities or Network Upgrades in order to provide Local Point-To-Point Service to the retail Transmission Customer."

e. Sections 16.2, 16.3, 16.4 of Schedule 21-VP: A retail Transmission Customer taking Retail Local Network Service from Versant Power as its Designated Agent shall not be required to satisfy the application procedures and technical arrangements in sections 16.2, 16.3 and 16.4 of Schedule 21-VP, except that a retail Transmission Customer that takes at least 500 KW of transmission service in any one hour in the calendar year from Versant Power and takes Retail Local Network Service from Versant Power as its Designated Agent shall be required to comply with sections 16.3 and 16.4 of Schedule 21-VP to the extent Versant Power deems it necessary to provide service.

f. Section 16.2(vii) of Schedule 21-VP: The minimum term application procedures section is modified, to change the last sentence to the following: "The minimum term for Local Network Service is one year, except that for service provided with respect to a state required retail access program, the minimum term is Versant Power's typical monthly billing cycle for retail customers taking Retail Local Network Service directly from Versant Power as its Designated Agent that are not required to execute a Service Agreement for Retail Local Network Service or provide notice that an unexecuted Service Agreement for Retail Local Network Service should be filed."

g. Section 18 of Schedule 21-VP: The designation of network load sections are modified to allow load distribution profiles of customer classes to be used for determining retail customer peak loads.

h. Sections 20.1 and 20.2 of Schedule 21-VP: The sections are superseded by the charges set out in this Schedule 11-VP.

i. Section 21 of Schedule 21-VP: The operating arrangements sections are not applicable for a retail Transmission Customer that takes Retail Local Network Service from Versant Power as its Designated Agent. The operating arrangements for a Transmission Customer taking Retail Local Network Service directly from Versant Power or through a Designated Agent other than Versant Power shall be set forth in the Operating Agreement for Retail Local Network Service entered into between the Transmission Customer Versant Power.

SCHEDULE 12-VP

RETAIL TERMS AND CONDITIONS

4-A PAYMENT OBLIGATION - GENERAL. The supply of service for any purpose at any location, is contingent upon payment of all charges provided for in this Rate Schedule as applicable to the Location and the character of service. Other terms including deposit requirements, late payment charges, and disconnection of service for non-payment are governed by several Maine Public Utilities Commission (MPUC) Rules and Regulations, namely:

MPUC Chapter 815 - Consumer Protection Standards For Electric And Gas Transmission And Distribution Utilities

MPUC Chapter 870 - Late Payment Charges, Interest Rates to be Paid on Customer Deposits, and Charges for Returned Checks

Copies of these Rules and Regulations hereinafter referred to as Chapters 815 and 870 of the MPUC Rules and Regulations are available for inspection at the MPUC's website.

Bills for utility service shall be due twenty-five (25) days after the postmarked date of the bill in accordance with Section 8(B) - Chapter 815 of the Commission's Rule and Regulations. No bill shall be subject to discount.

4-B GUARANTEE OF PAYMENTS:

Residential Accounts:

Versant Power may require a deposit as security for the payment of bills and compliance with the Terms and Conditions as a prerequisite to the rendering or continuing of residential utility service by Versant Power in accordance with Section 7(C) - Chapter 815 of the MPUC's Rules and Regulations as in effect on the effective date hereof or as amended from time to time hereafter.

Non-Residential Accounts:

Versant Power may require a deposit as security for the payment of bills and compliance with the

Terms and Conditions as a prerequisite to the rendering or continuing of non-residential utility service by Versant Power in accordance with Section 7(B) - Chapter 815 of the MPUC's Rules and Regulations as in effect on the effective date hereof or amended from time to time hereafter.

4-C AMOUNT OF DEPOSIT.

Residential Accounts:

The amount of the deposit for residential utility service shall be determined in accordance with the provisions of Section 7(E) - Chapter 815 of the MPUC's Rules and Regulations as in effect on the effective date hereof or as amended from time to time hereafter.

Non-Residential Accounts:

The amount of the deposit for non-residential utility service shall be determined in accordance with the provisions of Section 7(D) - Chapter 815 of the MPUC's Rules and Regulations as in effect on the effective date hereof or as amended from time to time hereafter.

4-D REFUND OF DEPOSIT.

Residential Accounts:

Refund of deposits for residential utility service shall be determined in accordance with Section 7(I) - Chapter 815 of the MPUC's Rules and Regulations as in effect on the effective date hereof and amended from time to time hereafter.

Non-Residential Accounts:

Refund of deposits for non-residential utility service shall be determined in accordance with Section 7(I) - Chapter 815 of the MPUC's Rules and Regulations as in effect on the effective date hereof and amended from time to time thereafter.

4-E INTEREST ON DEPOSITS. Versant Power will pay interest on all customer deposits in accordance with Section 2 - Chapter 870 of the MPUC's Rules and Regulations as in effect on the effective date hereof or as amended from time to time hereafter.

4-F LATE PAYMENT CHARGE. All customers having bills not paid within twenty-five (25) days from the postmark date of the bill shall be subject to a late payment charge. The late payment charge shall be the maximum rate allowed in accordance with Section 1 - Chapter 870 of the MPUC's Rules and Regulations as in effect on the effective date hereof or as amended from time to time hereafter.

4-G DISCONNECTION OF SERVICE FOR CAUSE.

Residential Accounts:

The disconnect of residential customers for cause shall be governed by Chapter 815 of the MPUC's Rules and Regulations as in effect on the effective date hereof or as amended from time to time hereafter.

Non-Residential Accounts:

The disconnect of non-residential customers for cause shall be governed by Chapter 815 of the MPUC's Rules and Regulations as in effect on the effective date hereof or as amended from time to time hereafter.

4-H COLLECTION CHARGE. When an employee is sent to the Customer's premises for the purpose of disconnecting service and the Customer tenders payment in full of the bill to prevent disconnection, the employee shall either accept payment, give a receipt and leave the service intact, or else, without disconnecting, direct the Customer to go to the utility's nearest office within a reasonable time and tender payment there. The employee must know the full amount to be paid but shall not be required to make change or negotiate payment arrangements. When payment is made under these circumstances, Versant Power will charge the Customer an amount not to exceed $10.00.

4-I CHARGE FOR RETURNED CHECKS. Customers whose checks have been returned to Versant Power by financial institutions for non-payment shall be subject to a charge of $5.00 per check.

4-J SINGLE-METER, MULTI-UNIT DWELLINGS. In cases of disconnection of single-meter, multi-unit dwellings in which the Customer is the landlord, in addition to any other

applicable fees, the landlord shall be required to pay a collection fee of $50.00. In addition, Versant Power may require each dwelling unit to be individually metered at the landlord's expense before service will be restored.

ATTACHMENT A-VP

[Reserved]

ATTACHMENT B-VP

[Reserved]

ATTACHMENT C-VP

METHODOLOGY TO ASSESS AVAILABLE TRANSFER CAPABILITY

Following receipt of a Completed Application for Service, Versant Power will assess its available transfer capability (ATC) to determine if sufficient capability exists to accommodate firm transmission service in accordance with Schedule 21 and Schedule 21-VP of the OATT.

ATC will be assessed considering Versant Power's existing and projected native load requirements, existing firm transactions and all other requests for firm transmission service on a priority basis as per Schedule 21 and Schedule 21-VP of the OATT.

The Versant Power assessment of ATC involves calculating, using Transmission Reliability Margins (TRM), the Incremental Transfer Capability and Total Transfer Capability (TTC) of the interface between Versant Power and the ISO and specific path availabilities when they are requested by potential transmission customers.

The assessment of available transfer capability uses the basic North American Electric Reliability Council (NERC) transfer capability measures of First Contingency Incremental Transfer Capability (FCITC) and First Contingency Total Transfer Capability (FCTTC). Additionally, the assessment will comply with acceptable adjacent operating system standards and utilize the Northeast Power Coordinating Council (NPCC) criteria and guidelines. The assessment of available transmission will be performed using system models and load flow analysis. The following is a more detailed description of the process for determining ATC.

1. Roles of ISO New England and Versant Power

As explained in Attachment C of the OATT, while the ISO is the transmission service provider for Regional Service associated with Pool Transmission Facilities (PTF), there are additional transmission service providers within the RTO footprint that calculate ATC associated with transmission services offered over the non-PTF external tielines and that calculate TTC and ATC associated with Local Point-To-Point Service and Local Contract Demand Service. The ISO is not responsible for the calculation of these values.

Pursuant to the terms of the Transmission Operating Agreement executed between Versant Power

as a Participating Transmission Owner (PTO) and ISO, Versant Power is a transmission service provider and calculates TTC and ATC for certain facilities over which Local Point-To-Point Service and Local Contract Demand Service is provided under Schedule 21-VP. These are primarily radial paths that provide transmission service to directly interconnected generators.

1.1 Scope of Attachment C-VP

As the transmission service provider of Schedule 21-VP Local Point-to Point Service and Local Contract Demand Service pursuant to the PTOs' Transmission Operating Agreement and the ISO OATT, Versant Power performs the following functions within the scope of Attachment C-VP:

- Total Transfer Capability (TTC) methodology
- Available Transfer Capability (ATC) methodology
- Existing Transmission Commitment (ETC)

As explained further below in Section 2, TTC, ATC, and ETC are calculated only for certain non-PTF internal paths over which Local Point-To-Point Service and Local Contract Demand Service is required under Schedule 21-VP pursuant to NERC Standards (MOD-001-1) regarding Available BHD Transmission System Capability and (MOD-029-1) regarding Rated System Path Methodology. TTC, ATC, and ETC are not calculated by Versant Power for Local Network Service because ISO employs a market model for economic, security constrained dispatch of generation, and Versant Power does not require advance reservation for such network service.

As defined by ISO and as applicable to all transmission service providers under the RTO footprint, the following functions will be performed:

- Use of Capacity Benefit Margin (CBM) methodology
- Use of Transmission Reliability Margin (TRM) methodology
- Use of Rollover Rights (ROR) in the calculation of ETC

In addition, as explained further below in Sections 4 and 5, the NERC Standards (MOD 004-1) regarding Capacity Benefit Margin and (MOD 008-1) regarding Transmission Reliability Margin

calculation methodology.

2. Transmission Service in the ISO New England Markets

As explained in Attachment C of the OATT, the process by which generation located inside the footprint of the ISO (the "ISO Area") supplies energy to bulk electric system differs from the 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 supply offers to the ISO energy market which 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 the ISO Area, market participants may submit energy transactions to move energy into the ISO Area, out of the ISO Area or through the ISO Area. The ISO Real-Time Energy Market clears these energy transactions based on forecast Locational Marginal Pricing (LMPs) and the availability of the external interfaces. With those external energy 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 energy transactions into the ISO Real-Time Energy Market does not require an advance physical reservation for use of the PTF. In the event that the net of economic energy transactions is greater than the capability of an external interface, the energy transactions selected to flow are selected based on the ISO Wholesale Market rules. For any energy transactions that are scheduled to flow in Real-Time based on the economics of the system, a transmission reservation 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 where utilized for Local Network Service by generation or load. However, Versant Power owns Local Facilities over which an advance transmission service reservation for firm or non-firm transmission service is required. On those Local Facilities, the market participant must obtain a transmission service reservation from Versant Power under Schedule 21-VP prior to delivery of energy into the ISO Wholesale Market. Attachment C-VP addresses the calculation

of ATC and TTC for these non-PTF internal paths.

3. Schedule 21-VP Total Transfer Capability

The TTC on Versant Power's non-PTF Local Facilities that require Local Point-To-Point Service or Local Contract Demand Service reservations are relatively static values. Consistent with the NERC definition, TTC is the amount of electric power that can be moved or transferred reliably between the BHD Transmission System and other interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions. Versant Power thus calculates the TTC for posted paths as the rating of the particular radial transmission path.

3.1 Posting TTCs

Versant Power will calculate and post TTC on its OASIS site for all non-PTF posted paths that require Local Point-To-Point Service or Local Contract Demand Service reservations. The posting of the TTCs is performed for those non-PTF facilities that serve as a path for Versant Power's Transmission Customers. TTC is calculated as the rating of the limiting element that constitutes that path.

4. Capacity Benefit Margin

The use of CBM within the ISO Area is governed by the overall ISO approach to capacity planning requirements. Load Serving Entities (LSEs) operating within the ISO Area are required to arrange their Installed Capability requirements prior to the beginning of any given month in accordance with ISO Wholesale Market rules. As such, Load Serving Entities do not utilize CBM to ensure their capacity needs are met, and CBM is, therefore, not relevant within the ISO market design. As long as this market design is in place in the ISO Area, the CBM is set to zero.

Wherever applicable, the administration of Schedule 21-VP is consistent with the services provided under the ISO OATT by ISO. Versant Power provides local transmission service over its non-PTF facilities (or PTF facilities that are not Pool Supported) that are connected only to the ISO system and they do not interconnect with other systems. Therefore, Versant Power does

not reserve CBM for these paths, and the CBM is presently set to zero.

5. Transmission Reliability Margin

The TRM is the portion of the TTC that cannot be used for the reservation of firm transmission service because of uncertainties in system operation. It is used only for external interfaces under the ISO market design. As Versant Power under Schedule 21-VP provides transmission service over its non-PTF facilities (or PTF facilities that are not Pool Supported) that are connected only to the internal ISO system, Versant Power does not reserve TRM for these paths, and the TRM is presently set to zero.

6. Calculation of ATC for Versant Power's Local Facilities

6.1 ATC Calculation General Description

This section defines the ATC calculations performed by Versant Power for its non-PTF internal interfaces. 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 $counterflows_F$. Additionally, consistent with NERC definition, 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 Versant Power's non-PTF posted paths is zero. The purpose of the ETC (Existing Transmission Commitment) component of the ATC equation is for the Transmission Provider to ensure all existing transmission service commitments that reduce the ATC available to Local Point-To-Point Service and Local Contract Demand Service Customers are accounted for. As described in Section 2, under Schedule 21-VP, Versant Power requires the purchase of transmission service in advance of delivery of energy to the ISO Wholesale Market over certain non-PTF paths, and those existing transmission commitments would be applied to the ATC equation for the specific posted path. As a practical matter, the ratings of the radial transmission paths are generally 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 generally available.

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. In Real-Time, ETC effectively becomes equal to 0 (zero), as the ISO does not recognize nor utilize OASIS scheduled transmission reservations in its determination of generation dispatch pursuant to the Market Rules. Therefore, in Real-Time, the ATC is equal to TTC minus the amount of net energy transactions subject to ISO security constrained dispatch for each non-PTF 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 minus total Real-Time generation dispatch for each non-PTF interface. Because ISO Real-Time generation dispatch determines transmission usage in this time period for those non-PTF facilities that serve as a path for Schedule 21-VP Local Point-To-Point Service and Local Contract Demand Service Customers, and existing transmission reservations are not determinate of transmission capacity usage in Real-Time, Versant Power posts the ATC as 9999, consistent with industry practice. Actual ATC on these paths varies depending on the time of day. Thus, ATC is posted with an ATC of "9999" to reflect the fact that there are generally no restrictions on these paths for commercial transactions.

6.2 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.

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

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}).

7. Posting of ATC Related Information

7.1 Calculation of ATC Values

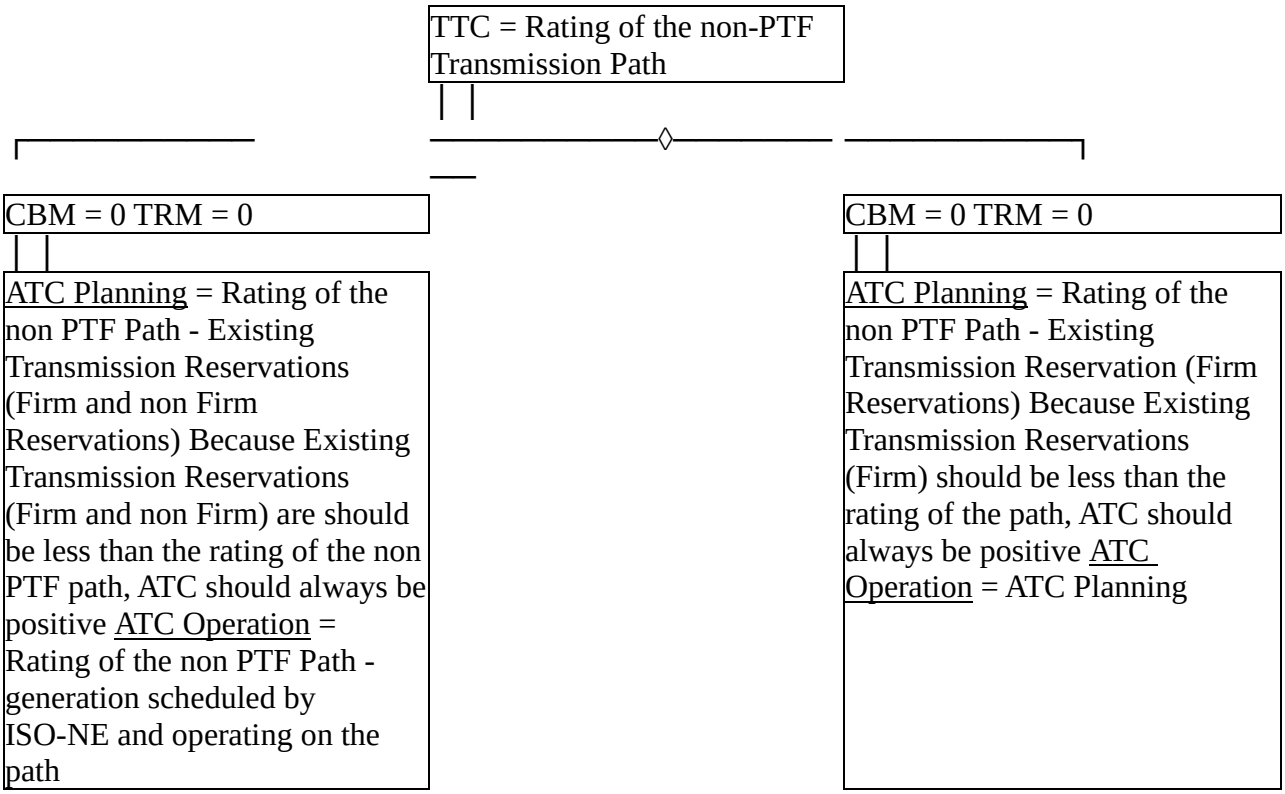
As described above, the Real-Time ATC values for Versant Power's non-PTF internal assets that are utilized for point-to-point transmission service are almost always positive, and are thus set at 9999. The Real-Time ATC values for these internal posted paths are posted in accordance with NAESB standards on Versant Power's OASIS website.

Common practice is not to calculate or post firm and non-firm ATC values for the non-PTF assets described in Section 6.1 where ATC is positive and listed as 9999. Transmission customers are not restricted from reserving firm or non-firm transmission service on non-PTF facilities.

To the extent a posted path is constrained, Versant Power shall post the ATC in accordance with the general formula set forth in Section 6.1 of this Attachment C-VP.

Further, the mathematical algorithm and mathematical definition of Available Transmission Capability (ATC) for non-PTF for Versant Power under Schedule 21-VP are posted on Versant Power's website at https://www.versantpower.com.

8. Non-PTF Transmission Path ATC Process Flow Diagram



Note: Firm includes Conditional Firm

ATTACHMENT D-VP

METHODOLOGY FOR COMPLETING A SYSTEM IMPACT STUDY

Versant Power will respond to an executed System Impact Study Agreement as per time outlined in Schedule 21 and Schedule 21-VP of the OATT. The System Impact Study shall identify any system constraints and redispatch options, additional required Direct Assignment facilities, or network upgrades to provide the requested service.

The transmission capability will be calculated in accordance with both the NERC definitions for "First Contingency Incremental Transfer Capability" and "First Contingency Total Transfer Capability."

First Contingency Incremental Transfer Capability (FCITC) - is the amount of electric power, incremental above normal base power transfers, that can be transferred over the interconnected BHD Transmission System in a reliable manner based on all of the following conditions:

1. For the existing or planned system configuration, and with normal (pre-contingency) operating procedures in effect, all facility loadings are within normal ratings and all voltages are within normal limits;

2. The electric systems are capable of absorbing the dynamic power swings and remaining stable following a disturbance that results in the loss of any single electric system element, such as a transmission line, transformer, or generating unit; and

3. After the dynamic power swings subside following a disturbance that results in the loss of any single electric system element as described in 2 above, and after the operation of any automatic operating systems, but before any post-contingency operator-initiated system adjustments are implemented, all transmission facility loadings are within emergency ratings and all voltages are within emergency limits.

With reference to condition 1 above, in the case where pre-contingency facility loadings reach normal thermal ratings at a transfer level below that at which any first contingency transfer limits are reached, the transfer capability is defined as that transfer level at which such normal ratings

are reached. Such a transfer capability is referred to as a normal incremental transfer capability (NTC).

First Contingency Total Transfer Capability (FCTTC) - is the total amount of electric power (net of normal base power transfers plus first contingency incremental transfers) that can be transferred between two areas of the interconnected transmission systems in a reliable manner based on conditions 1, 2, and 3 in the FCITC definition above.

The capability evaluation will utilize load flow analysis based on the BHD Transmission System load flow database. When Versant Power feels no stability problems exist, it will generally use the Transmission 2000 Power Flow Program for software to conduct the study. This software may change in the future, without notice, but the replacement software will have the same minimum capabilities as its predecessor. If stability concerns exist, the studies may require a contractor to perform the studies. In conducting the studies, Versant Power will adhere to good utility practice including the NPCC documents, relating to design and operation of interconnected power systems, and information submitted in the FERC Form No. 715.

The Versant Power database will be modified to include the resources and the load information to be provided by the Customer as well as additional detail on the BHD Transmission System.

Versant Power will perform the same types of studies related to transmission service requests as it performs transmission studies for its own use of the system. However, as a practical matter, it must be noted that planning studies must gauge the performance of the system based on a limited number of simulations. In actual daily operations of the system, the limits as determined in the transfer capability study may vary due to system conditions.

The transfer capability studies will analyze the impact of the proposed transmission request on the thermal capability, voltage profile, and stability of the BHD Transmission System. The transfer capability available will be the remaining capacity after accounting for Company import requirements to service its Native Load Customers reliably and prior contractual commitments, including any network transmission service or firm transmission service contract(s) previously filed and submitted as applications for Local Network, Firm Local Point-To-Point Service, Local Firm Contract Demand Service, or Local Interim Contract Demand Service. In addition,

Versant Power will take into account Non-Firm Local Point-To-Point Service and Local Non-Firm Contract Demand Service when evaluating the transfer capability available for Non-Firm Local Point-To-Point Service and Local Non-Firm Contract Demand Service.

Versant Power will notify the Eligible Customer immediately upon completion of the System Impact Study, if the BHD 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. A copy of the completed System Impact Study and related work papers will be made available to the Eligible Customer.

ATTACHMENT E-VP

INDEX OF VERSANT POWER LOCAL POINT-TO-POINT SERVICE AND LOCAL CONTRACT DEMAND SERVICE CUSTOMERS

[See Electric Quarterly Reports]

ATTACHMENT G-VP

VERSANT POWER LOCAL NETWORK OPERATING AGREEMENT

Example

THIS AGREEMENT, entered into this _____ day of _____

.

_____ is between the Transmission Customer and Versant Power, either or both of which area hereinafter referred as “Party” or “Parties”.

WHEREAS, the Transmission Customer is directly interconnected with Versant Power’s electric system and the Parties desire to formalize that interconnection; and

WHEREAS, Versant Power has certain duties and obligations to meet its own capacity and energy requirements and to support its own system safely and economically; and

WHEREAS, the Transmission Customer has certain duties and obligations to meet its own capacity and energy requirements and to support its own system safely and economically; and

WHEREAS, to the extent provided herein the Transmission Customer and Versant Power are willing to operate their facilities in a manner that assists each Party in meeting its own system reliability, economics, and obligations;

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

I. ADDITIONAL DEFINITIONS NOT CONTAINED IN THE OATT OR SCHEDULE 21-VP OF THE OATT

The following terms shall have the following meanings under this Agreement, including the Attachments hereto:

A. “Transmission Customer’s Interconnection Equipment” is all equipment and facilities (1)

necessary for the interconnection of the Transmission Customer's system and Versant Power's system, and (2) located on the Transmission Customer's side of the Point(s) of Delivery. This equipment may include, but is not limited to, connection, switching, and safety equipment.

B. "Versant Power's Interconnection Equipment" is all equipment and facilities (1) necessary for the interconnection of Versant Power's system and the Transmission Customer's system, and (2) located on Versant Power's side of the Point(s) of Delivery. This equipment may include, but is not limited to, connection, switching, and safety equipment.

C. "System Emergency" is a condition on Versant Power's system or on a system with which Versant Power's system is interconnected which, in Versant Power's sole judgment at the time of the occurrence, is likely to result in imminent disruption of service to a network service customer or is imminently likely to endanger life or property.

II. TERM

This Agreement shall become effective on the date specified or such other date as FERC may approve (the "Effective Date"). This Agreement terminates on the later of the date of termination of the Transmission Customer being a Transmission Customer of Versant Power or of the date of termination of the transmission Service Agreement between Versant Power and the Customer.

III. CHARACTER OF SERVICE

A. All electric energy delivered to the Transmission Customer shall be in the form of three-phase alternating current at a frequency of approximately sixty (60) Hz.

B. Versant Power agrees that it will only curtail or interrupt service to the interconnection as provided under this Agreement or in accordance with Schedule 21, Parts I.1.f, I.2.g., II.7, and Schedule 21-VP, sections 13.6 and 14.7, of the OATT.

C. Except as expressly provided in this Agreement, the interconnection may not be de-energized without the approval of FERC.

IV. INTERCONNECTION EQUIPMENT DESIGN AND CONSTRUCTION

A. Each Party, at its own expense, shall design, purchase, construct, install, and be responsible for maintaining all of its Interconnection Equipment that connects its Interconnection Equipment to the other Party's Interconnection Equipment.

B. Each Party's Interconnection Equipment and any changes to its Interconnection Equipment shall meet all standards of Good Utility Practices.

C. The construction, design, installation, and maintenance of each Party's Interconnection Equipment shall meet all standards of Good Utility Practice. Each Party shall allow the other Party reasonable access to the construction site during any construction for the purpose of inspecting the Interconnection Equipment.

D. Neither Party will bear any costs of the other Party's Interconnection Equipment required by this Agreement. The cost of Direct Assignment Facilities currently used by Versant Power is set forth in Appendix A of this Agreement and will be paid for by the Transmission Customer.

Versant Power may recover from the Transmission Customer costs in connection with Direct Assignment Facilities in accordance with the OATT. Prior to Versant Power incurring any such expense, the Transmission Customer shall be responsible for forwarding to Versant Power funds sufficient to cover the expense or may pay directly for changes to the interconnection. Versant Power will provide the Transmission Customer with actual expenses associated with the funding of new Direct Assignment Facilities within sixty (60) days of completion of construction, and appropriate payment will be made within (30) days thereafter.

E. Each Party may inspect the other Party's Interconnection Equipment to determine if all standards of Good Prudent Utility Practice are met. Neither Party shall be required to deliver to or receive electricity from the other Party's Interconnection Equipment until those standards are met, subject to the provisions of Section III.C, Article VII and Section VIII.C of this Agreement.

F. The Transmission Customer shall not connect any generators after the execution of this Agreement without first informing Versant Power in writing six months in advance of such connection. Any third party generating facilities connected after the date of the execution of this Agreement shall comply with the then-existing interconnection requirements for non-utility generation as it is used by Versant Power and as it applies to generation connected directly to

Versant Power's system. The Transmission Customer shall be responsible to ensure compliance with these requirements as set forth in writing by Versant Power.

G. The Transmission Customer agrees to provide to Versant Power complete documentation, to the extent available, of the Transmission Customer's Interconnection Equipment, including, but not limited to, power one-line diagrams, relaying diagrams, plan, sectional and elevation views, grading plans, conduit plans, foundation plans, fence and grounding plans, and detailed steel erection diagrams. In addition, the Transmission Customer agrees to provide to Versant Power complete documentation of any changes to the Transmission Customer's Interconnection Equipment. Versant Power agrees to provide the Transmission Customer complete documentation for all Direct Assignment Facilities constructed by Versant Power for the Transmission Customer or provided by Versant Power to the Transmission Customer.

H. Based on the representations of the Parties to one another, the Parties agree that as of the Effective Date of this Agreement, all of Versant Power's Interconnection Equipment and the Transmission Customer's Interconnection Equipment satisfy the requirements of this Agreement.

V. METERING

A. Versant Power shall own, install, and maintain all metering devices and equipment required to measure the energy and capacity delivered to the Transmission Customer at the point of interconnection with the BHD Transmission System.

B. Versant Power will measure the energy and capacity delivered on an hourly basis using 15-minute interval integrating meters with recorded readings. The readings will be remotely recorded by Versant Power and will be made available to the Transmission Customer or a third party designated by the Transmission Customer. These readings will include the integrated kWh load for the Transmission Customer for 2, 15, and 60 minute intervals, the integrated load for the Transmission Customer for the previous 24-hour period, and the kVAR/hour.

C. Versant Power shall provide pulses from its metering (kWh, kVAR) for use in the Transmission Customer-owned and maintained electronic recorder(s). Versant Power shall permit the Transmission Customer to install a telecommunications link with the Transmission Customer-owned recorder(s).

D. Versant Power shall provide pulses (kWh) to the Transmission Customer-owned and maintained load management systems (totalizer and transponder), and agrees (1) that the Transmission Customer may own and maintain a V2h meter and (2) to pulse readings from that meter to the Transmission Customer-owned recorder(s).

E. All metering equipment used to measure energy and capacity shall be sealed, and the seals shall be broken only by Versant Power and only upon occasions when the meters are to be inspected, tested or adjusted.

F. Versant Power shall provide access, including telecommunications access, to the Versant Power meters for a representative of the Transmission Customer at reasonable times for the purposes of reading and inspecting, provided that the Transmission Customer's access shall not interfere with Versant Power's normal business operations.

G. Unless otherwise mutually agreed, the meters shall not be tested or recalibrated, and none of the connections, including those of the transformers, shall be disturbed or changed, except in the presence of duly authorized representatives of each of the Parties or unless either Party, after reasonable notice, fails or refuses to have its representative present.

H. Versant Power shall make annual tests of the metering devices and equipment for measuring all energy and capacity. The cost of this annual test shall be shared equally between Versant Power and the Transmission Customer. The transmission Customer will reimburse Versant Power for all expenses and cost incurred under this Section within thirty (30) days after Versant Power provides the Transmission Customer with an invoice for such cost and expenses. Upon request in writing within 90 days and at the expense of the Transmission Customer, Versant Power will make additional tests; provided, however, if the Transmission Customer requests an additional test and errors greater than 2% are discovered, Versant Power shall pay the expense of the additional test. If a meter fails to register or if the measurement made by a meter is found to be inaccurate, then a retroactive billing adjustment shall be made by Versant Power in accordance with Article X of this Agreement correcting all previous bills from Versant Power to the Transmission Customer that were based upon measurements made by the meter during the actual period in which the meter failed to register or was inaccurate. A payment for the adjusted billing shall be made by the Transmission Customer in accordance with Articles X and XI of this

Agreement.

I. Versant Power shall notify the Transmission Customer prior to all metering tests and the Transmission Customer shall have the right to observe the tests. If a meter is found to be inaccurate or defective, it shall be adjusted, repaired, or replaced at the Transmission Customer's expense in order to provide accurate metering. Versant Power shall provide to the Transmission Customer a written report of results of all meter tests.

VI. MONITORING

A. Versant Power shall own, install, and maintain all automatic control and monitoring devices and equipment on its system up to the POD with the Transmission Customer required under this Agreement. This equipment shall: (i) be compatible with the Versant Power System Operators SCADA control system; (ii) permit direct control of the interconnecting circuit breaker and motor-operated switch by Versant Power system operators; (iii) provide for the transmission of all data that Versant Power deems necessary to permit the Versant Power system operator to monitor the overall operation of the interconnection equipment; (iv) provide for necessary data to permit Versant Power to monitor Unscheduled Energy; and (v) provide such other capabilities as Versant Power deems necessary, including, but not limited to, the ability to open the interconnection between the Transmission Customer and Versant Power under the conditions specified in Articles VII and VIII of this Agreement.

B. The Transmission Customer shall provide to Versant Power on a daily basis, at the Transmission Customer's expense, the following: (1) the instantaneous kW and kVARh load for the Transmission Customers; (2) the integrated kWh load for the Transmission Customer for 2, 15, and 60 minute intervals; (3) the integrated load for the Transmission Customer for the previous 24-hour period; and (4) any other information, as may be reasonably requested by Versant Power. Versant Power agrees that the Transmission Customer has provided sufficient devices and equipment for these purposes.

VII. PROTECTION AND CONTROL OF INTERCONNECTION EQUIPMENT

The Transmission Customer, at its expense, shall design, purchase, construct, install, and be responsible for the expense of maintaining all of the Interconnection Equipment that isolates the

Transmission Customer's equipment from Versant Power's system. All such Interconnection Equipment shall be of sufficient size to accommodate the delivery of energy and capacity under the Service Agreement between Versant Power and the Transmission Customer and shall be of utility grade, acceptable to Versant Power.

The required protective relay system shall be capable of detecting faults to allow for disconnection of the Transmission Customer's load at the POD to facilitate restoration of service, maintain system stability, mitigate any fault damage, and protect the general public, the Transmission Customer and Versant Power personnel. This protective relay system must be approved by Versant Power, which approval shall not be unreasonably withheld. Versant Power shall provide relay settings and have the right to review and make recommendations with respect to the design, equipment selection, operation, and routine maintenance and testing of the protective relay system. The Transmission Customer shall purchase and install the protective relay system at its own expense. The Transmission Customer shall maintain the protective relay system in accordance with Section IX.B.

The protective relay system shall include, without limitation, the following:

A. Linkable main disconnect switch with arc restrictions that permits isolation of the load from the BHD Transmission System;

B. An automatic circuit breaker that is (1) capable of tripping the Transmission Customer both automatically and by remote control from Versant Power and (2) capable of synchronizing the Transmission Customer load to the BHD Transmission System;

C. Underfrequency protective relays used in conjunction with the automatic circuit breaker in Section VII.B above;

D. Potential and current transformers;

E. Phase fault protection and ground fault protection.

Should Versant Power consistent with Good Utility Practices, determine that the Transmission Customer is not providing proper operation of the protective relay system, Versant Power shall so notify the Transmission Customer in writing, providing specific engineering detail of the

acceptable testing operation and maintenance procedures and shall provide the Transmission Customer with a period of time that is reasonable under the circumstances to accomplish the specified corrective actions, but in no event less than five (5) days. If the Transmission Customer fails to accomplish the required corrective actions within the time specified in the notice, Versant Power may, after giving such actual further notice (including no further notice) to the Transmission Customer as Versant Power shall, in its sole discretion, determine to be reasonable under the terms of the OATT (including Schedule 21-VP) open the Interconnection between the Transmission Customer and Versant Power until the required corrective action is accomplished. Versant Power shall take the action contemplated in the previous sentence only if the Transmission Customer's failure to take the corrective action could, in Versant Power's reasonable judgment, result in a System Emergency or is otherwise required by Good Utility Practices. Versant Power shall not be responsible for any loss, damage, expense, or liability whatsoever experienced by the Transmission Customer resulting from the opening of the interconnection as permitted under this paragraph. The Transmission Customer moreover agrees to indemnify and hold harmless Versant Power, its officers, agents, employees, and directors from and against all loss, damage, expense, and liability of any type whatsoever for any claim or other liability resulting from such opening of the interconnection.

VIII. INTERCONNECTION OPERATION

A. Versant Power will operate and maintain its nominal transmission voltage within a range of +/- 5% at the point of interconnection between Versant Power and the Transmission Customer. The Transmission Customer, at its expense, shall maintain appropriate voltage on its system in accordance with Good Utility Practice

B. The Transmission Customer shall have a reactive operating range (power factor) that is continuous throughout the 95% lead to 95% lag range; provided, however, that under normal operating conditions the Transmission Customer shall not deliver excess reactive power to the Versant Power system unless otherwise agreed to by Versant Power.

C. During a System Emergency, the Transmission Customer at Versant Power's request, shall operate its system in a manner to mitigate the System Emergency. That operation may call for full or partial interruption of power, but in an amount and duration only as reasonably

required by the System Emergency.

D. The Transmission Customer shall, in the event of an unscheduled outage or limitation of transmission facilities, report that outage or limitation immediately to Versant Power's dispatcher. Further, the Transmission Customer shall notify Versant Power when the outage or limitation has been remedied.

E. In the event the Transmission Customer load requires Versant Power to serve the load, curtailment of delivery to the Transmission Customer will be in accordance with the Backup Service Agreement between Versant Power and the Transmission Customer in effect at the time. The Backup Service Agreement is attached as Appendix B to the Agreement.

IX. MAINTENANCE AND MODIFICATION TO THE INTERCONNECTION

A. Each Party shall maintain and replace at its expense during the term hereof all its Interconnection Equipment, in accordance with established practices and standards for the operation and maintenance of power system equipment.

B. The Transmission Customer shall arrange with Versant Power for an annual, visual inspection of all Interconnection Equipment and associated maintenance records. Every two years, the Transmission Customer shall arrange a relay calibration test and operation test of the Transmission Customer's Interconnection Equipment. These tests must be performed by a qualified contractor, approved by Versant Power and acceptable to the Transmission Customer, or by Versant Power itself. After the relay calibration tests are completed, Versant Power may perform a relay system functional test. The Transmission Customer shall bear the cost of any relay testing and other assistance that may be requested of Versant Power before and after the system is made operational. The Transmission Customer shall reimburse Versant Power for all its costs and expenses, including administrative expenses, incurred under this Section within thirty (30) days after Versant Power provides the Transmission Customer with an invoice for such costs and expenses.

C. At the Transmission Customer’s request during the Term of this Agreement, Versant Power shall move any of its lines or other equipment used exclusively for the purpose of furnishing and delivering to the Transmission Customer electric energy, if: (i) the Transmission

Customer furnishes without charge or expense to Versant Power a new, suitable, and sufficient right(s)-of-way to enable Versant Power to deliver electric energy, and (ii) the Transmission Customer reimburses Versant Power in advance on a progress payment basis for all costs incurred by Versant Power in connection with the moving of said lines or equipment. The Transmission Customer is responsible for securing for Versant Power such new location and new right(s)-of-way.

D. Versant Power retains the right, after prior consultation with the Transmission Customer, to increase the transmission voltage level to accommodate system requirements. In the event of an interconnection voltage upgrade, the Transmission Customer shall be responsible, at its own expense, for making all equipment alterations to receive energy at the new transmission voltage. Versant Power shall provide the Transmission Customer with two (2) years written notice of the planned upgrade and shall coordinate its construction schedule with the Transmission Customer.

E. In the event of a failure of the Transmission Customer facilities, Versant Power shall, at the Transmission Customer's expense, make best efforts, consistent with its own practices, to transfer service to the backup facilities owned by the Transmission Customer. Such transfer may include, but would not be limited to, removal and installation of substation buswork and field relocation of protective relay sensing circuits.

X. BILLING AND PAYMENTS

Billing and Payments shall be in accordance with Section 4 of the Schedule 21-VP of the OATT.

XI. AUDITS OF ACCOUNTS AND RECORDS

Within three (3) years following any calendar year, during which service was rendered hereunder, Versant Power and the Transmission Customer shall have the right to audit each other's applicable accounts and records during normal business hours at the offices where such accounts and records are maintained; provided that appropriate notice shall have been given prior to any audit and provided that the audit shall be limited to those portions of such accounts and records that relate to service under the OATT for said calendar year. The costs of the audit shall be borne by the party requesting the audit.

XII. SCHEDULING

A. Local Point-To-Point Service and Local Contract Demand Service

Schedules for Local Point-To-Point Service and Local Contract Demand Service must be submitted pursuant to Part I.1.h and Part I.2.f of Schedule 21 of the OATT.

B. Local Network Service

Schedules for the Transmission Customer Local Network Service must be submitted to Versant Power no later than 10:00 a.m. of the day prior to commencement of such service. Hour-to-hour schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. The Transmission Customer will arrange for monthly schedules of hourly transfer from the network resources to Versant Power and any Transmission Provider involved in scheduling of control area interchanges. The Transmission Customer schedule change will be permitted on an instantaneous basis if Versant Power and the Transmission Customer and all intervening control areas agree and agreements are in place to provide for scheduling modifications. Versant Power will furnish to dispatchers of the Delivering Party hour-to-hour schedules equal to those furnished by the Receiving Party and shall deliver capacity and energy at the POD's in an amount provided by the schedules. Should the Transmission Customer, Delivering Party, or Receiving Party revise or terminate any schedule, such party shall notify Versant Power.

XIII. ACCESS

A. Versant Power will grant, with a reasonable notification and without cost to the Transmission Customer for the Term of this Agreement, any access that may be necessary for reasonable ingress and egress over property owned by Versant Power in order to operate, inspect, maintain, replace, and remove control facilities, meters, recorders, load management system (totalizer and transponder), telecommunications link, and any other Transmission Customer-owned Interconnection Equipment, provided that such access shall not disrupt or otherwise interfere with the normal operations of Versant Power.

B. The Transmission Customer will grant, with a reasonable notification and without cost to

Versant Power for the Term of this Agreement, any access that may be necessary for reasonable ingress and egress over property owned by the Transmission Customer in order to operate, inspect, maintain, replace, and remove Versant Power-owned Interconnection Equipment, provided that such access shall not disrupt or otherwise interfere with the normal operations of the Transmission Customer.

IN WITNESS WHEREOF the Parties hereto have caused this instrument to be executed in their corporate names by their duly authorized representatives.

WITNESSES:

VERSANT POWER

_____

By: _____

Its: _____

Dated: _____

TRANSMISSION CUSTOMER

_____

By: _____

Its: _____

Dated: _____

APPENDIX A-VP

CUSTOMER DIRECT ASSIGNMENT FACILITIES

ATTACHMENT H-VP

[Reserved]

ATTACHMENT I-VP

INDEX OF NETWORK CUSTOMERS

[See Electric Quarterly Reports]

ATTACHMENT J-VP

[Reserved]

ATTACHMENT K-VP

[Reserved]

ATTACHMENT L-VP

UMBRELLA SERVICE AGREEMENT FOR

RETAIL FIRM LOCAL POINT-TO-POINT SERVICE

1.0 This Service Agreement, dated as of _____, including the specifications for Retail Firm Local Point-To-Point Service attached hereto and incorporated herein, is entered into, by and between Versant Power and _____, ("Transmission Customer") (hereinafter referred to individually as "Party" or collectively as "Parties").

2.0 The Transmission Customer has been determined by Versant Power to have a completed application for Firm Point-To-Point Service under Schedule 21 and Schedule 21-VP of the OATT and to have satisfied the conditions for service imposed by Schedule 21 and Schedule 21-VP of the OATT to the extent necessary to obtain service with respect to its participation in the State of Maine's retail access program.

3.0 Service under this agreement shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as permitted by the Commission. Service under this Service Agreement shall terminate on _____, unless earlier terminated for default. Upon termination the Transmission Customer will remain responsible for any outstanding charges incurred under Schedule 21 and Schedule 21-VP of the OATT and this Service Agreement, including any costs incurred and apportioned or assigned to the Transmission Customer by FERC, including any costs associated with Direct Assignment Facilities and/or Network Upgrades.

4.0 The Transmission Customer agrees to supply information Versant Power deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 The Transmission Customer has provided Versant Power with assurance of creditworthiness in accordance with the provisions of Section 11 of Schedule 21-VP of the OATT. The Transmission Customer has provided an application deposit in the amount of $_____ in accordance with the provisions of Schedule 21-VP of the OATT.

6.0 If the Transmission Customer is a Designated Agent delivering power to retail customers, the Transmission Customer represents and warrants that it is duly authorized to sign this agreement on behalf of its retail customers and shall provide reasonable documentation upon request demonstrating such authorization.

7.0 Versant Power agrees to provide and the Transmission Customer agrees to take and pay for Retail Firm Local Point-To-Point Service in accordance with the provisions of Schedule 21 and Schedule 21-VP of the OATT, and this Service Agreement. Retail Transmission Customers taking service directly or through a Designated Agent pursuant to this Service Agreement and under Schedule 21 and Schedule 21-VP of the OATT shall continue to pay Maine Public Utilities Commission ordered stranded costs and other distribution-related cost, as applicable. If the Transmission Customer is a Designated Agent delivering power to retail customers and taking transmission service on their behalf, the Transmission Customer agrees that Versant Power shall collect receipts for applicable transmission and ancillary charges (except for Energy Imbalance Service) directly from retail customers served by Versant Power unless other mutually agreeable provisions for payment are made. Versant Power shall bill directly the Designated Agent, if it is not Versant Power, for Energy Imbalance Service.

8.0 Monthly bills will be sent to the Transmission Customer at the following address:

_____

_____

_____

9.0 Payment to Versant Power by the Transmission Customer must be made by electronic wire transfer or such other means as will cause payment to be available for Versant Power's use on the date payment is due. Unless other arrangements are made with Versant Power, the Transmission Customer shall transfer all payments by wire to the following:

Bank: _____

ABA No.: _____

Account Name: _____

Account No.: _____

10.0 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.

Versant Power:

_____

_____

_____

Transmission Customer:

_____

_____

_____

11.0 The OATT (including Schedule 21 and Schedule 21-VP) are incorporated herein and made a part hereof.

12.0 Nothing contained in this Service Agreement shall be construed as affecting in any way Versant Power's right unilaterally to file with FERC, or to make application to FERC, or other regulatory bodies having jurisdiction for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205 of the Federal Power Act, and pursuant to FERC's rules and regulations promulgated thereunder, or under applicable statutes or regulations or the Transmission Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.

13.0 This Service Agreement may be executed in any number of counterparts with the same effect as if all parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

14.0 The OASIS Standards and Protocols document states that if a Transmission Provider approves a request for service, the Transmission Customer must confirm. Once the Transmission Customer confirms an approved purchase, a reservation is considered to exist. In order for a request to remain valid, the Transmission Customer must confirm within the following time periods or the request is deemed withdrawn:

Transmission Provider approves request within _____ before start of service	Transmission Customer must confirm within _____ or request is deemed withdrawn
24 hours or less	1 hour
25-48 hours	24 hours before transaction begins
2-6 days	24 hours
7-30 days	72 hours
31-90 days	1 week
90 days or more	15 days

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

Versant Power:

By:_____ _____ _____

Name Title Date

Transmission Customer:

By:_____ _____ _____

Name Title Date

Specifications For Retail Firm Local Point-To-Point Service

1.0 Term of Service: _____

Start Date:

_____

Termination Date:

_____

2.0 Description of capacity and energy to be transmitted by Versant Power including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt: _____

Delivery 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 subject to reciprocal service obligation: _____

7.0 Name(s) of any intervening systems providing transmission service:

_____

_____

8.0 Service under this Service 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 Schedule 21 and Schedule 21-VP of the OATT)

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:

Schedule 1 (Scheduling): _____

Schedule 2 (Reactive Supply): _____

Schedule 3 (Regulation): _____

Schedule 4 (Energy Imbalance): _____

Schedule 5 (Spinning Reserve): _____

Schedule 6 (Supplemental Reserve): _____

8.5 Losses: _____

8.6 Taxes: _____

8.7 Local Distribution Costs: _____

9.0 Description of Method of Supplying of Losses: _____

_____

10.0 Source of supply of each Ancillary Service not provided by Versant Power:

_____

ATTACHMENT M-VP

UMBRELLA SERVICE AGREEMENT FOR

RETAIL NON-FIRM LOCAL POINT-TO-POINT SERVICE

1.0 This Service Agreement, dated as of _____, including the specifications for Retail Non-Firm Local Point-To-Point Service attached hereto and incorporated herein, is entered into, by and between Versant Power and _____, ("Transmission Customer") (hereinafter referred to individually as "Party" or collectively as "Parties").

2.0 The Transmission Customer has been determined by Versant Power to have a completed application for Non-Firm Local Point-To-Point Service under Schedule 21 and Schedule 21-VP of the OATT and to have satisfied the conditions for service imposed by Schedule 21 and Schedule 21-VP of the OATT to the extent necessary to obtain service with respect to its participation in the State of Maine's retail access program.

3.0 Service under this agreement shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as permitted by the Commission. Service under this Service Agreement shall terminate on _____, unless earlier terminated for default. Upon termination the Transmission Customer will remain responsible for any outstanding charges incurred under Schedule 21 and Schedule 21-VP of the OATT and this Service Agreement, including any costs incurred and apportioned or assigned to the Transmission Customer by FERC, including any costs associated with Direct Assignment Facilities and/or Network Upgrades.

4.0 The Transmission Customer agrees to supply information Versant Power deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

5.0 The Transmission Customer has provided Versant Power with assurance of creditworthiness in accordance with the provisions of Section 11 of Schedule 21-VP of the OATT.

6.0 If the Transmission Customer is a Designated Agent delivering power to retail customers,

the Transmission Customer represents and warrants that it is duly authorized to sign this agreement on behalf of its retail customers and shall provide reasonable documentation upon request demonstrating such authorization.

7.0 Versant Power agrees to provide and the Transmission Customer agrees to take and pay for Retail Non-Firm Local Point-To-Point Service in accordance with the provisions of Schedule 21 and Schedule 21-VP of the OATT and this Service Agreement. Retail Transmission Customers taking service directly or through a Designated Agent pursuant to this Service Agreement and under Schedule 21 and Schedule 21-VP of the OATT shall continue to pay Maine Public Utilities Commission ordered stranded costs and other distribution-related costs, as applicable. If the Transmission Customer is a Designated Agent delivering power to retail customers and taking transmission service on their behalf, the Transmission Customer agrees that Versant Power shall collect receipts for applicable transmission and ancillary charges (except for Energy Imbalance Service) directly from retail customers served by Versant Power, unless other mutually agreeable provisions for payment are made. Versant Power shall bill directly the Designated Agent, if it is not Versant Power, for Energy Imbalance Service.

8.0 Monthly bills will be sent to the Transmission Customer at the following address:

_____

_____

_____

9.0 Payment to Versant Power by the Transmission Customer must be made by electronic wire transfer or such other means as will cause payment to be available for Versant Power's use on the date payment is due. Unless other arrangements are made with Versant Power, the Transmission Customer shall transfer all payments by wire to the following:

Bank: _____

ABA No.: _____

Account Name: _____

Account No.: _____

10.0 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.

Versant Power:

_____

_____

_____

Transmission Customer:

_____

_____

_____

11.0 The OATT (including Schedule 21 and Schedule 21-VP) are incorporated herein and made a part hereof.

12.0 Nothing contained in this Service Agreement shall be construed as affecting in any way the Versant Power's right unilaterally to file with FERC, or to make application to FERC, or other regulatory bodies having jurisdiction for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205 of the Federal Power Act, and pursuant to FERC's rules and regulations promulgated thereunder, or under applicable statutes or regulations, or the Transmission Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.

13.0 This Service Agreement may be executed in any number of counterparts with the same effect as if all parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

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

VERSANT POWER:

By:_____ _____ _____

Name Title Date

Transmission Customer:

By:_____ _____ _____

Name Title Date

Specifications For Retail Non-Firm Local Point-To-Point Service

1.0 Term of Service: _____

Start Date:

_____

Termination Date:

_____

2.0 Description of capacity and energy to be transmitted by Versant Power including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt: _____

Delivery 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 subject to reciprocal service obligation: _____

7.0 Name(s) of any intervening systems providing transmission service:

_____

_____

8.0 Service under this Service 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 Schedule 21 and Schedule 21-VP of the OATT.)

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:

Schedule 1 (Scheduling): _____

Schedule 2 (Reactive Supply): _____

Schedule 3 (Regulation): _____

Schedule 4 (Energy Imbalance): _____

Schedule 5 (Spinning Reserve): _____

Schedule 6 (Supplemental Reserve): _____

8.5 Losses: _____

8.6 Taxes: _____

8.7 Local Distribution Costs: _____

9.0 Description of Method of Supplying of Losses: _____

_____

10.0 Source of supply of each Ancillary Service not provided by Versant Power:

_____

ATTACHMENT N-VP

UMBRELLA SERVICE AGREEMENT FOR

RETAIL LOCAL NETWORK SERVICE

1.0 This Service Agreement, dated as of _____, including the specifications for Retail Local Network Service attached hereto and incorporated herein, is entered into, by and between Versant Power, and _____, ("Network Customer") (hereinafter referred to individually as "Party" or collectively as "Parties").

2.0 A retail customer of Versant Power that does not elect to (i) take transmission service directly from Versant Power, or (ii) take transmission service from Versant Power through a Designated Agent other than Versant Power, shall be deemed to take Retail Local Network Service from Versant Power as its Designated Agent. Such retail customer is not required to sign a Service Agreement, but shall take Retail Local Network Service from the Versant Power as its Designated Agent under this Service Agreement. A retail customer that takes at least 500 KW of transmission service in any one hour in the calendar year from Versant Power and takes Retail Local Network Service from Versant Power as its Designated Agent is not required to sign a Service Agreement for Retail Local Network Service, unless Versant Power must construct either Direct Assignment Facilities or Network Upgrades in order to provide Local Point-To-Point Service to the retail customer.

3.0 If an application is required under Schedule 21 and Schedule 21-VP of the OATT, the Network Customer has been determined by Versant Power to have a completed application for Local Network Service under Schedule 21 and Schedule 21-VP of the OATT and to have satisfied the conditions for service imposed by Schedule 21 and Schedule 21-VP of the OATT to the extent necessary to obtain service with respect to its participation in the State of Maine's retail access program.

4.0 Service under this agreement shall commence on the later of: (1) _____, or (2) the date on which construction of any Direct Assignment Facilities and/or Network Upgrades are completed, or (3) such other date as permitted by the Commission. The Service Agreement shall be effective for an initial term of one year for a retail customer taking Retail Local Network

Service directly from Versant Power or through a Designated Agent other than Versant Power or for any Network Customer required to execute a Service Agreement or provide notice that an unexecuted Service Agreement should be filed. Thereafter, it will continue from year to year unless terminated by the Network Customer or Versant Power by giving the other one-year advance written notice or by mutual agreement of the Parties, unless earlier terminated for default. The Service Agreement shall be effective for an initial term of one of Versant Power's typical monthly billing cycles for retail customers taking Retail Local Network Service from Versant Power as their Designated Agent that are not required to execute a Service Agreement or provide notice that an unexecuted Service Agreement should be filed. Thereafter, it will continue from typical monthly billing cycle to typical monthly billing cycle unless terminated by the Network Customer or Versant Power by giving the other one month advance written notice or by a mutual agreement of the Parties, unless earlier terminated. Upon termination the Network Customer shall remain responsible for any outstanding charges incurred under Schedule 21 and Schedule 21-VP of the OATT and this Service Agreement, including any costs incurred and apportioned or assigned to the Network Customer by FERC, including any costs associated with Direct Assignment Facilities and/or Network Upgrades.

5.0 The Network Customer agrees to supply information Versant Power deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.

6.0 The Network Customer has provided Versant Power with assurance of creditworthiness in accordance with the provisions of Section 7 of Schedule 21-VP of the OATT.

7.0 If the Network Customer is a Designated Agent delivering power to retail customers, the Network Customer represents and warrants that it is duly authorized to sign this agreement on behalf of its retail customers and shall provide reasonable documentation upon request demonstrating such authorization.

8.0 Versant Power agrees to provide and the Network Customer agrees to take and pay for Retail Local Network Service in accordance with the provisions of Schedule 21 and Schedule 21-VP of the OATT and this Service Agreement. Retail customers taking service directly or through a Designated Agent pursuant to this Service Agreement and under Schedule 21 and

Schedule 21-VP of the OATT shall continue to pay Maine Public Utilities Commission ordered stranded costs and other distribution-related costs, as applicable. If the Network Customer is a Designated Agent delivering power to retail customers and taking transmission service on their behalf, the Network Customer agrees that Versant Power shall collect receipts for applicable transmission and ancillary charges (except for Energy Imbalance Service) directly from retail customers served by Versant Power unless other mutually agreeable provisions for payment are made. Versant Power shall bill directly the Designated Agent, if it is not Versant Power, for Energy Imbalance Service.

9.0 Monthly bills will be sent to the Network Customer at the following address:

_____

_____

_____

10.0 Payment to Versant Power by the Network Customer must be made by electronic wire transfer or such other means as will cause payment to be available for Versant Power's use on the date payment is due. Unless other arrangements are made with Versant Power, the Network Customer shall transfer all payments by wire to the following:

Bank: _____

ABA No.: _____

Account Name: _____

Account No.: _____

11.0 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.

Versant Power:

_____

_____

_____

Network Customer:

_____

_____

_____

12.0 The OATT (including Schedule 21 and Schedule 21-VP) are incorporated herein and made a part hereof.

13.0 Nothing contained in this Service Agreement or any associated Operating Agreement shall be construed as affecting in any way Versant Power's right unilaterally to file with FERC, to make application to FERC, or other regulatory bodies having jurisdiction for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205 of the Federal Power Act, and pursuant to FERC's rules and regulations promulgated thereunder, or under applicable statutes or regulations; or the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.

14.0 This Service Agreement may be executed in any number of counterparts with the same effect as if all parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

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

VERSANT POWER:

By:_____ _____ _____

Name Title Date

Network Customer:

By:_____ _____ _____

Name Title Date

Specifications For Retail Local Network Service

1.0 Term of Service: _____

Start Date:

_____

Termination Date:

_____

2.0 Description of capacity and energy to be transmitted by Versant Power including the electric Control Area in which the transaction originates.

_____

3.0 Point(s) of Receipt: _____

Delivery 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 subject to reciprocal service obligation: _____

7.0 Name(s) of any intervening systems providing transmission service:

_____

_____

8.0 Service under this Service 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 Schedule 21 and Schedule 21-VP of the OATT.)

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:

Schedule 1 (Scheduling): _____

Schedule 2 (Reactive Supply): _____

Schedule 3 (Regulation): _____

Schedule 4 (Energy Imbalance): _____

Schedule 5 (Spinning Reserve): _____

Schedule 6 (Supplemental Reserve): _____

8.5 Losses: _____

8.6 Taxes: _____

8.7 Local Distribution Costs: _____

9.0 Description of Method of Supplying of Losses: _____

_____

10.0 Source of supply of each Ancillary Service not provided by Versant Power:

_____

ATTACHMENT O-VP

UMBRELLA NETWORK OPERATING AGREEMENT

FOR RETAIL LOCAL NETWORK SERVICE

1.0 This Network Operating Agreement, dated as of _____, is entered into, by and between Versant Power and _____ ("Network Customer") (hereinafter referred to individually as "Party" or collectively as "Parties").

2.0 The Network Customer has been determined by Versant Power to have a completed application for Local Network Service under Schedule 21 and Schedule 21-VP of the OATT and to have satisfied the conditions for service imposed by Schedule 21 and Schedule 21-VP of the OATT to the extent necessary to obtain service with respect to its participation in the State of Maine's retail access program.

3.0 The Parties have entered into a Service Agreement for Retail Local Network Service under Schedule 21-VP of the OATT.

4.0 All terms used in this Operating Agreement shall have the meaning defined in Schedule 21 and Schedule 21-VP of the OATT unless a different definition is specifically provided for herein.

5.0 Versant Power and the Network Customer agree that the provisions of this Operating Agreement, the Service Agreement for Retail Local Network Service, and Schedule 11-VP of Schedule 21-VP of the OATT govern Versant Power's provision of Retail Local Network Service to the Network Customer in accordance with Schedule 21 and Schedule 21-VP of the OATT, as it may be amended from time to time.

6.0 Power and energy transmitted by Versant Power for the Network Customer shall be delivered as three-phase alternating current at a frequency of approximately 60 Hertz, and at the nominal voltages at the delivery and receipt points. When multiple delivery points are provided to a specific Network Load, they shall not be operated in parallel by the Network Customer without the approval of Versant Power. Versant Power and the Network Customer shall also establish and monitor standards and operating rules and procedures to assure that BHD

Transmission System integrity and the safety of customer, the public, and employees are maintained or enhanced when such parallel operation is permitted either on a continuing basis or for intermittent switching or other service needs. Each Party shall exercise due diligence and reasonable care in maintaining and operating its facilities so as to maintain continuity of service.

7.0 Versant Power reserves the right to inspect the facilities and operating records of a Network Customer upon mutually agreeable terms and conditions.

8.0 The Network Customer shall be required at all times to maintain, consistent with North American Electric Reliability Council ("NERC") and Northeast Power Coordinating Council ("NPCC") guidelines, a balance between its owned or purchased generation resources and load. The provision of transmission service under Schedule 21 and Schedule 21-VP of the OATT is not an offer to provide generation sufficient to meet the Network Customer's load requirements. The Network Customer must meet its load reliability either through the construction and ownership of generation facilities and/or the purchase of power from a third party and the purchase of such Ancillary Services from Versant Power or a third party.

9.0 The Network Customer shall purchase in appropriate amounts all of the required Ancillary Services described in Schedule 21 and Schedule 21-VP of the OATT from Versant Power or, where applicable, self-supply or obtain these services from other providers. Where the Network Customer elects to self-supply or have others provide Ancillary Services, the Network Customer must demonstrate that it has either acquired the Ancillary Services from another source or is capable of self-supplying the services. The Network Customer must designate the supplier of Ancillary Services.

10.0 Versant Power reserves the right to take whatever actions it deems necessary to preserve the reliability and integrity of its electric system, limit or prevent damage, expedite restriction of service, ensure safe and reliable operation, avoid adverse effects on the quality of service, or preserve public safety. If the transmission service is causing harmful physical effects to the BHD Transmission System facilities or to its customers (e.g., harmonics, undervoltage, overvoltage, flicker, voltage variations, etc.), Versant Power shall promptly notify the Network Customer and if the Network Customer does not take the appropriate corrective actions immediately, Versant Power shall have the right to interrupt transmission service in order to

alleviate the situation and to suspend all or any portion of the transmission service until appropriate corrective action is taken.

11.0 If the function of any Party's facilities is impaired, the capacity of any delivery point is reduced, or synchronous operation at any delivery point(s) becomes interrupted, either manually or automatically, as a result of force majeure or maintenance coordinated by the Parties, the Parties will cooperate to remove the cause of such impairment, interruption, or reduction, so as to restore normal operating conditions expeditiously.

12.0 It is recognized by the Parties that the BHD Transmission System is, and will be, directly or indirectly interconnected with BHD Transmission Systems owned or operated by others, that the flow of power and energy between such systems will be controlled by the physical and electrical characteristics of the facilities involved and the manner in which they are operated, and that part of the power and energy being delivered under this Operating Agreement may flow through such other systems rather than through the facilities of Versant Power. Each Party will at all times cooperate with other interconnected systems in establishment of arrangements that may be necessary to relieve any hardship in such other systems and in the systems of the other entities caused by energy flows of scheduled deliveries hereunder.

13.0 No later than December 15 of each year, the Network Customer shall provide Versant Power the following information:

a) a three (3) year projection of monthly peak demands with the corresponding power factors and annual energy requirements on an aggregate basis for each delivery point. If there is more than one delivery point, provide the monthly peak demands and energy requirements at each delivery point for the normal operating configuration;

b) a three (3) year projection by month of planned generating capabilities and committed transactions with third parties which resources are expected to be used by the Network Customer to supply the peak demand and energy requirements provided in (a);

c) a three (3) year projection by month of the estimated maximum demand in kilowatts that the Network Customer plans to acquire from the generation resources owned by the Network Customer, and generation resources purchased from others;

d) a projection for each of the next three (3) years of transmission facility additions to be owned and/or constructed by the Network Customer which facilities are expected to affect the planning and operation of the BHD Transmission System.

Information exchanged by the Parties under Section 13 will be used for system planning and protection only, and will not be disclosed to third parties absent mutual consent or order of a court or regulatory agency.

Versant Power will incorporate this information in its system load flow analyses performed during the first half of each year. Following the completion of these analyses, Versant Power will provide the following to the Network Customer only in the event of a constraint or a partial limitation:

a) A statement regarding the ability of the BHD Transmission System to meet the forecast deliveries at each of the delivery points;

b) A detailed description of any constraints on Versant Power's Bangor Hydro District system within the three (3) year horizon that will restrict forecast deliveries.

c) In the event that studies reveal a potential limitation of Versant Power's ability to deliver power and energy to any of the delivery points, Versant Power and Network Customer shall identify appropriate remedies for such constraints including but not limited to: construction of new transmission facilities, upgrade or other improvements to existing transmission facilities, or temporary modification to operation procedures designed to relieve identified constraints. Versant Power will, consistent with Good Utility Practice, endeavor to construct and place into service sufficient transmission capacity to maintain reliable service to the Network Customer. An appropriate sharing of the costs to relieve such constraints will be determined by the Parties, consistent with FERC rules, regulations, policies, and precedents then in effect. If the Parties are unable to agree upon an appropriate remedy or sharing of the costs, Versant Power shall submit its proposal for the remedy or sharing of such costs to the FERC for approval consistent with Schedule 21 and Schedule 21-VP of the OATT.

14.0 Prior to service commencing under this Operating Agreement and the Service Agreement for Retail Local Network Service, and prior to the beginning of each month thereafter, the

Network Customer shall provide to Versant Power, the Network Customer's daily peak load expressed in terms of tenths of a megawatt and shall include all losses within the BHD Transmission System.

15.0 Prior to the beginning of each month, the Network Customer shall provide to Versant Power forward hourly loads and energy schedules for all energy flowing into the BHD Transmission System.

16.0 The Network Customer shall provide Versant Power, at least twelve (12) hours in advance of every calendar day, Network Customer's hourly energy schedules for the next calendar day for all energy flowing into the BHD Transmission System. The Network Customer may modify its hourly energy schedules up to twenty (20) minutes before the start of the next clock hour. The hourly schedule must be stated in increments of tenths of a megawatt and shall include all losses within the BHD Transmission System. These hourly schedules will be used by Versant Power to determine whether any Energy Imbalance Service charges apply, pursuant to Schedule 4 of the OATT and Schedule 4-VP of Schedule 21-VP of the OATT.

17.0 The procedures by which a Network Customer will determine the peak and hourly loads reported to Versant Power pursuant to this Operating Agreement may be set forth in a separate schedule to this Operating Agreement. Load distribution profiles of customer classes may be used to determine peak and hourly loads.

18.0 Prior to service commencing under this Operating Agreement and the Service Agreement for Retail Local Network Service, the Network Customer shall designate its Network Resources consistent with Schedule 21 and Schedule 21-VP of the OATT. Consistent with Schedule 21 and Schedule 21-VP of the OATT, changes in the designation of Network Resources will be treated as an application for modification of service.

19.0 In accordance with Part II.4.d of Schedule 21 and Section 33 of Schedule 21-VP of the OATT, the ISO and/or Versant Power may require redispatching of generation resources or curtailment of loads to relieve existing or potential BHD Transmission System constraints.

20.0 The Network Customer and Versant Power shall implement load-shedding procedures to maintain the reliability and integrity of the BHD Transmission System as provided in Section 45

of the OATT and in accordance with applicable NERC and NPCC requirements and Good Utility Practice. Load shedding may include (1) automatic load shedding, (2) mutual load shedding, and (3) rotating interruption of customer load. When manual load shedding or rotating interruptions are necessary, Versant Power shall notify the Network Customer of the required action and the Network Customer shall comply immediately.

21.0 This Operating Agreement shall become effective, and remain in effect, for the same term as the term of the Retail Local Network Service Agreement entered into by Versant Power and Network Customer pursuant to which Versant Power will provide Retail Local Network Service under Schedule 21 and Schedule 21-VP of the OATT.

22.0 Any dispute among the Parties regarding this Operating Agreement shall be resolved pursuant to Section 12 of Schedule 21-VP of the OATT, or otherwise, as mutually agreed by the Parties.

23.0 This Operating Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and assigns, but shall not be assigned by any Party, except to successors to all or substantially all of the electric properties and assets of such Party, without the written consent of the others. Such written consent shall not be unreasonably withheld.

24.0 The interpretation, enforcement, and performance of this Operating Agreement shall be governed by the laws of the State of Maine, except laws and precedent of such jurisdiction concerning choice of law shall not be applied.

25.0 The OATT (including Schedule 21 and Schedule 21-VP) and Retail Local Network Service Agreement, as they are amended from time to time, are incorporated herein and made a part hereof. To the extent that a conflict exists between the terms of this Operating Agreement and the terms of Schedule 21 and Schedule 21-VP of the OATT, Schedule 21 and Schedule 21-VP of the OATT shall control.

26.0 Nothing contained in this Operating Agreement or any associated Service Agreement shall be construed as affecting in any way Versant Power’s right unilaterally to file with FERC, or make application to FERC, or other regulatory body for changes in rates, charges, classification of service, or any rule, regulation, or agreement related thereto, under section 205

of the Federal Power Act and pursuant to FERC's rules and regulations promulgated thereunder, or under other applicable statutes or regulations, or to the Network Customer's rights under the Federal Power Act and rules and regulations promulgated thereunder.

27.0 Except as otherwise provided, any notice that may be given to or made upon any Party by the other Party under any of the provisions of the Operating Agreement shall be in writing, unless otherwise specifically provided herein and shall be considered delivered when the notice is either personally delivered or deposited in the United States mail, certified, or registered postage prepaid, to the following:

Versant Power

[name]

[title][address]

[phone]

[fax]

Network Customer

[name]

[title]

[address]

[phone]

[fax]

Any notice, request, or demand pertaining to operating matters may be delivered in person or by first class mail, messenger, telephone, telegraph, or facsimile transmission as may be appropriate and shall be confirmed in writing as soon as practical thereafter, if any Party so requests in any particular instance.

28.0 This Operating Agreement may be executed in any number of counterparts with the same effect as if all parties executed the same document. All such counterparts shall be construed together and shall constitute one instrument.

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

VERSANT POWER: Date:

By: _____ _____

TRANSMISSION CUSTOMER: Date:

By: _____ _____

ATTACHMENT P-VP

DETERMINATION OF CHARGES

I. INTRODUCTION

This Attachment P-VP sets forth details with respect to the determination each year of charges for load and generation interconnected with Versant Power's non-Pool Transmission Facilities ("PTF") based on annual transmission revenue requirements calculated in accordance with Attachment F of the OATT ("Attachment F") and this Attachment P-VP. In accordance with Attachment F, such charges shall change and become effective each January 1.

Retail transmission price changes may or may not take effect on January 1, however. The transmission revenue effect of any difference (positive or negative) between when transmission price changes would normally occur (January 1) and when they actually occur will be accrued with interest, calculated pursuant to Section 35.19a of FERC's regulations and included in the next determination of transmission prices for retail transmission customers (the "Retail True Up").

The processes for calculation of the revenue requirements established by Attachment F are set forth in Appendix D to Attachment F. Versant Power shall follow these same processes, to the extent practicable, for the purpose of establishing charges in accordance with this Attachment P-VP.

II. DEFINITIONS

"Forecast Period" means the calendar year immediately following the Reported Year.

"Incremental Forecasted ISO Charges" represents the difference in the forecast Regional Service charges for the Forecast Period as compared to the actual Reported Year Regional Service charges, and

" " represents the difference in the forecast Regional Service credits for the Forecast Period as compared to the actual Reported Year Regional Service credits, with each reduced by any incremental revenues associated with Commission-approved adders for RTO participation and new transmission investment.

“Local Service ATRR” means the value calculated for Versant Power at Worksheet 1, Line 9(A) of Attachment 2 of Appendix B to Attachment F plus the value calculated for Versant Power at Worksheet 1, Line 8(A) of Attachment 3 of Appendix B to Attachment F.

“PTP Transaction Revenue Credit” means ninety (90) percent of the transmission component of revenues for sales that use the BHD non-PTF transmission system, as recorded in Account No. 456.1 [FF1 at 300:22b] (if the transactions are not reflected in adjusted monthly peak loads).

“Reported Year” means the past calendar year for which data is used to calculate the transmission revenue requirements and associated charges in accordance with Attachment F and this Attachment P-VP.

“Retail True Up” has the meaning provided in Part I.

“Regional Service ATRR” means the value calculated for Versant Power at Worksheet 1, Line 8(A) of Attachment 1 of Appendix B to Attachment F.

“Regional Service and ISO Costs” means the transmission payments Versant Power makes to the ISO for Regional Service and all associated regional transmission-related services, such amounts fully assigned to PTF function.

“Regional Service and ISO Revenues” means the transmission revenues Versant Power receives from the ISO, less any incremental revenues associated with FERC-approved adders for RTO participation and new transmission investment, such amounts fully assigned to PTF function.

“Scheduling Revenue Requirement” has the meaning provided in Part IV.

III. CALCULATION OF VERSANT POWER TRANSMISSION REVENUE REQUIREMENTS

Notwithstanding any provision in Attachment F to the contrary, for purposes of calculating Versant Power’s transmission revenue requirements and associated charges in accordance with Attachment F and this Attachment P-VP:

(i) Reported Year load, revenue and sales data may be adjusted, as appropriate, to reflect known and measurable anticipated changes for the subject rate year, provided, however, that to the

extent any such adjusted data used in the annual calculation of charges differs from actual data for the Forecast Period, Versant Power will apply a true-up (equal to the difference between adjusted and actual data multiplied by the applicable tariff rate), with interest, through the Annual True-Ups calculated at: (a) Worksheet 1, Line 6(A) of Attachment 1 of Appendix B to Attachment F and (b) Worksheet 1, Line 7(A) of Attachment 2 of Appendix B to Attachment F; and

(ii) Versant Power may include in its calculations of the transmission revenue requirements such transaction-related costs that it is authorized to recover as a result of settlement or order in the consolidated proceedings in Docket Nos. EC10-67-002, *et al.*

IV. SCHEDULING REVENUE REQUIREMENT

A. Definitions

For purposes of this Section IV, the following terms shall be defined as follows.

(1) Scheduling, System Control and Dispatching Expense shall equal the balance of Account Nos. 561.1-561.4 [FF1 at 321:85b-88b].

(2) ISO Scheduling Credits and Schedule 1 Revenues shall equal such amounts associated with short-term and non-firm transactions and penalties for unauthorized use of Schedule 1 service as set forth in ISO monthly billing statements to Versant Power.

B. Scheduling Revenue Requirement

The Scheduling Revenue Requirement shall equal the following:

(1) Scheduling, System Control and Dispatching Expense,

minus (2) ISO Scheduling Credits and Schedule 1 Revenues.

V. [RESERVED]

VI. VERSANT POWER RATE DESIGN

A.1. Wholesale (Network and Point-To-Point, including Wheeling Off), Contract Demand, and Retail Local Point-To-Point Scheduling, System Control and Dispatch Service

The components of the Scheduling, System Control and Dispatch Service rates are (1) the Scheduling Revenue Requirement and (2) the average monthly Network Load for the Reported Year that includes loads associated with wheeling off the BHD Transmission System.

The rates are calculated as follows using the numbers described immediately above:

Annual Rate	(1) ÷ (2)
Monthly Rate	Annual Rate divided by 12
Weekly Rate	Annual Rate divided by 52
Daily Rate	Annual Rate divided by 365
Hourly Rate	Annual Rate divided by 8760

A.2. Retail Local Network Scheduling, System Control and Dispatch Service

The components of the rates for retail customers interconnected on the BHD Transmission System and taking Retail Local Network Service are (1) the Scheduling Revenue Requirement, (2) the average monthly Network Load for the Reported Year that includes loads associated with wheeling off the BHD Transmission System, and (3) the applicable retail conversion factors for the applicable retail customer class (12 cp kW to kWh conversion factors for those classes not having billing demands or 12 cp kW to kW conversion factors for those classes that are demand metered and have billing demands).

The annual rate (after conversion of rate units to kW) is calculated as follows using the numbers described immediately above:

Annual Rate	(1) ÷ (2) x (3)

Monthly Rate	Annual Rate divided by 12
Weekly Rate	Annual Rate divided by 52
Daily Rate	Annual Rate divided by 365
Hourly Rate	Annual Rate divided by 8760

B. Rates for Wholesale Customers Interconnected on the Versant Power System - Local Service

The components of the transmission rates for wholesale and contract demand customers interconnected on the BHD Transmission System and taking Local Service are (1) the Local Service ATRR, (2) the PTP Transaction Revenue Credit, and (3) the average monthly Network Load for the Reported Year that includes loads associated with wheeling off the BHD Transmission System.

The rates are calculated as follows using the numbers described immediately above:

Annual Rate	[(1) - (2)] ÷ (3)
Monthly Rate	Annual Rate divided by 12
Weekly Rate	Annual Rate divided by 52
Daily Rate	Annual Rate divided by 365
Hourly Rate	Annual Rate divided by 8760

C. Rates for Wholesale Customers Interconnected on the Versant Power System - Regional Network Service

The components of the rates for wholesale and contract demand customers interconnected on the BHD Transmission System and taking Regional Network Service are (1) the Regional Service

ATRR, (2) Regional Service and ISO Revenues plus Incremental Forecasted Regional Service Credits, and (3) the average monthly Network Load for the Reported Year that excludes loads associated with wheeling off the BHD Transmission System.

The rates are calculated as follows using the numbers described immediately above:

Annual Rate	[(1) - (2)] ÷ (3)
Monthly Rate	Annual Rate divided by 12
Weekly Rate	Annual Rate divided by 52
Daily Rate	Annual Rate divided by 365
Hourly Rate	Annual Rate divided by 8760

D. Rates for Wholesale Customers Interconnected on the Versant Power System – Versant Power's Unit Costs of Acting as Customer's Agent for Service

The components of Versant Power's unit costs of acting as customer's agent for service are (1) the Reported Year Regional Service and ISO Costs plus Incremental Forecasted Regional Service Charges and (2) the average monthly Network Load for which Versant Power provides ISO services.

The rates are calculated as follows using the numbers described immediately above:

Annual Rate	(1) ÷ (2)
Monthly Rate	Annual Rate divided by 12
Weekly Rate	Annual Rate divided by 52
Daily Rate	Annual Rate divided by 365
Hourly Rate	Annual Rate divided by 8760

E. [Reserved]

F.1. Rates for Local Retail Point-To-Point Customers Interconnected on the Versant Power System - Local Service

The components of the rates for Local Retail Point-To-Point Customers interconnected on the BHD Transmission System and taking Local Service are (1) the Local Service ATRR, (2) the PTP Transaction Revenue Credit, (3) the Retail True Up, and (4) the average monthly Network Load for the Reported Year that includes loads associated with wheeling off the BHD Transmission System.

The rates are calculated as follows using the numbers described immediately above:

Annual Rate	[(1) - (2) + (3)] ÷ (4)
Monthly Rate	Annual Rate divided by 12
Weekly Rate	Annual Rate divided by 52
Daily Rate	Annual Rate divided by 365
Hourly Rate	Annual Rate divided by 8760

F.2. Rates for Local Retail Network Customers Interconnected on the Versant Power System - Local Service

The components of the rates for Local Retail Network Customers interconnected on the BHD Transmission System and taking Local Service are (1) the Local Service ATRR, (2) the PTP Transaction Revenue Credit, (3) the Retail True Up, (4) the average monthly Network Load for the Reported Year that includes loads associated with wheeling off the BHD Transmission System, and (5) the applicable retail conversion factors for the applicable retail customer class (12 cp kW to kWh conversion factors for those classes not having billing demands or 12 cp kW to kW conversion factors for those classes that are demand metered and have billing demands).

The rates (after conversion of rate units to kW) are calculated as follows using the numbers described immediately above:

Annual Rate	[(1) - (2) + (3)] ÷ (4) x (5)
Monthly Rate	Annual Rate divided by 12
Hourly Rate	Annual Rate divided by 8760

G.1. Rates for Local Retail Point-To-Point Customers Interconnected on the Versant Power System - Regional Network Service

The components of the rates for Local Retail Point-To-Point Customers interconnected on the BHD Transmission System and taking Regional Network Service are (1) the Regional Service ATRR, (2) Regional Service and ISO Revenues plus Incremental Forecasted Regional Service Credits, (3) the Retail True Up, and (4) the average monthly Network Load for the Reported Year that excludes loads associated with wheeling off the BHD Transmission System.

The rates are calculated as follows using the numbers described immediately above:

Annual Rate	[(1) - (2) + (3)] ÷ (4)
Monthly Rate	Annual Rate divided by 12
Weekly Rate	Annual Rate divided by 52
Daily Rate	Annual Rate divided by 365
Hourly Rate	Annual Rate divided by 8760

G.2. Rates for Local Retail Network Customers Interconnected on the Versant Power System - Regional Network Service

The components of the rates for Local Retail Network Customers interconnected on the BHD

Transmission System and taking Regional Network Service are (1) the Regional Service ATRR, (2) Regional Service and ISO Revenues plus Incremental Forecasted Regional Service Credits, (3) the Retail True Up, (4) the average monthly Network Load for the Reported Year that excludes loads associated with wheeling off the BHD Transmission System, and (5) the applicable retail conversion factors for the applicable retail customer class (12 cp kW to kWh conversion factors for those classes not having billing demands or 12 cp kW to kW conversion factors for those classes that are demand metered and have billing demands).

The annual rate (after conversion of rate units to kW) is calculated as follows using the numbers described immediately above:

Annual Rate	[(1) - (2) + (3)] ÷ (4) x (5)
Monthly Rate	Annual Rate divided by 12
Hourly Rate	Annual Rate divided by 8760

H.1. Rates for Local Retail Point-To-Point Customers Interconnected on the Versant Power System – Versant Power's Unit Costs of Acting as Customer's Agent for Service

The components of the rates for Local Retail Point-To-Point Customers interconnected on the BHD Transmission System and taking Regional Network Service are (1) Reported Year Regional Service and ISO Costs plus Incremental Forecasted Regional Service Charges and (2) the average monthly Network Load for which Versant Power provides ISO services.

The rates are calculated as follows using the numbers described immediately above:

Annual Rate	(1) ÷ (2)
Monthly Rate	Annual Rate divided by 12
Weekly Rate	Annual Rate divided by 52

Daily Rate	Annual Rate divided by 365
Hourly Rate	Annual Rate divided by 8760

H.2. Rates for Local Retail Network Customers Interconnected on the Versant Power System – Versant Power's Unit Costs of Acting as Customer's Agent for Service

The components of the rates for Local Retail Network Customers interconnected on the Versant Power system and taking Regional Network Service are (1) the Reported Year Regional Service and ISO Costs plus Incremental Forecasted Regional Service Charges, (2) the average monthly Network Load for which Versant Power provides ISO services, and (3) the applicable retail conversion factors for the applicable retail customer class (12 cp kW to kWh conversion factors for those classes not having billing demands or 12 cp kW to kW conversion factors for those classes that are demand metered and have billing demands).

The annual rate (after conversion of rate units to kW) is calculated as follows using the numbers described immediately above:

Annual Rate	(1) ÷ (2) x (3)
Monthly Rate	Annual Rate divided by 12
Hourly Rate	Annual Rate divided by 8760

ATTACHMENT Q-VP

CREDITWORTHINESS GUIDE

1. General Information:

This Creditworthiness Guide details the specific requirements for the creditworthiness for Versant Power. All customers taking (i) any service under Schedule 21-VP, the Local Service Schedule ("LSS") for Versant Power under the OATT, (ii) any service provided under the Schedule 20A service schedule of Versant Power under the OATT, for service over the Phase I/II HVDC-TF or (iii) any FERC-regulated interconnection service from Versant Power must meet the terms of this Guide (where all the above, collectively, are referred to as "Services"). The creditworthiness of each customer must be established prior to receiving transmission service from Versant Power. A customer will be evaluated at the time its application for transmission service is provided to Versant Power. A credit review shall be conducted for each transmission customer periodically or upon reasonable request by the transmission customer. This Creditworthiness Guide ("Guide") when updated, will be done so in accordance with Section 4 of this Guide:

The information requested under this Guide should be forwarded to the individual identified on Versant Power's website, https://www.versantpower.com.

Upon receipt of a customer's information, Versant Power will review it for completeness and will notify the customer if additional information is required. Upon completion of an evaluation of a Customer under this Guide, Versant Power will forward a written evaluation if the customer is required to provide Financial Assurance. Versant Power also will provide a written evaluation, upon request, to customers who are not required to provide Financial Assurance.

2. Financial Information

Customers receiving transmission service or requesting Interconnection Service may submit, if available, the following:

- All current rating agency reports from Standard and Poor's ("S&P"), Moody's and/or Fitch of the customer.

- Audited financial statements provided by a registered independent auditor for the two most recent years, or the period of its existence, if shorter, for the customer.

3. Creditworthiness Requirements

A. The customer must meet at least one of the following criteria based on the information provided in Section 2 of this Guide:

a) If rated, the customer must have either for itself or for its outstanding debt the following:

- Standard and Poor's or Fitch rating of at least a **BBB**, or

- Moody's rating of at least a **Baa2**.

b) If un-rated or if rated below BBB/Baa2, as stated in a), the customer must meet all of the following:

- A Current Ratio of at least 1.0 times (current assets divided by all current liabilities);

- A Total Capitalization Ratio of less than 60% debt: total debt (including all short-term borrowing) divided by total shareholders' equity plus total debt;

- Earnings before interest, taxes, depreciation, and amortization in most recent fiscal quarter divided by expense for interest (EBITDA-to-Interest Expense Ratio) of at least 2.0 times; and

- Audited Financial Statement with an unqualified audit opinion.

c) If the customer relies on the creditworthiness of a parent company, the customer's parent company must meet the criteria set out in (a) or (b) above, and must provide to Versant Power a written guarantee that it will be unconditionally responsible for all financial obligations associated with the customer's receipt of transmission service from Versant Power.

d) If the customer is a municipal that is a member of the Massachusetts Municipals Wholesale Electric Cooperative (MMWEC), MMWEC must meet the criteria set out in (a) or (b) above and provide to Versant Power a written guarantee that MMWEC will be unconditionally responsible

for all financial obligations associated with the customer's receipt of transmission service from Versant Power.

B. If the customer does not qualify for unsecured credit under Section A, the customer will qualify for unsecured credit equivalent to two months of transmission service charges, or for interconnections, the credit equivalent of two months of the annual facilities charges and other ongoing charges, if the customer has, on a rolling basis, 12 consecutive months of payments to Versant Power with no missed, late or defaults in payment.

4. Financial Assurance

If the customer does not meet the applicable requirements for creditworthiness set out in Section 3 or if required by the terms of an agreement or state law or regulation, then the customer must:

- Pay in advance for service an amount equal to the lesser of the total charge for transmission service or the charge for three months of transmission service, not less than 5 days in advance of the commencement of service;

- Obtain Financial Assurance in the form of a letter of credit, performance bond, or corporate guarantee equal to the equivalent of 3 months of transmission service charges prior to receiving service; or

- Obtain Financial Assurance in the form of a letter of credit based on the value of any new facilities or upgrades associated with such transmission service.

If the customer pays for service in advance, Versant Power will pay to the customer interest on the amounts not yet due to Versant Power, computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii).

5. Credit Levels

If the Customer meets the applicable criteria outlined in Section 3, that Customer may receive unsecured credit equivalent to 3 months of transmission charges or, for interconnections, the credit equivalent of 3 months of the annual facilities charges and other ongoing charges.

6. Contesting Creditworthiness Determination

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

7. Process for Changing Credit Requirements

In the event that Versant Power plans to revise its requirements for credit levels or collateral requirements, as detailed in this Creditworthiness Guide, the following process shall be followed:

A. General Notification Process

1) Versant Power shall submit such changes in a filing to the Federal Energy Regulatory Commission ("Commission") under Section 205 of the Federal Power Act. Versant Power shall follow the notification requirements pursuant to Section 3.04(a) of the Transmission Operating Agreement and reflected herein.

2) Versant Power shall provide written notification to ISO-NE and stakeholders of any filing described above, at least 30 days in advance of such filing.

a) Filing notifications shall include a detailed description of the filing, including a redlined document containing revised change(s) to the Creditworthiness Guide.

b) Versant Power shall consult with interested stakeholders upon request.

3) Versant Power shall consult with ISO-NE and the IRH Management Committee regarding any filing described above, at least 30 days in advance of such filing.

4) Following Commission acceptance of such filing and upon the effective date, Versant Power shall revise its Creditworthiness Guide and an updated version of Schedule 21-VP shall be posted the ISO-NE website.

B. Transmission Customer Responsibility

1) When there is a change in requirements, it is the responsibility of the Transmission Customers to forward updated financial information to Versant Power, to the address noted below, and indicate whether the change affects their ability to meet the requirements of this Creditworthiness Guide. In such cases where the customer's status has changed, the Customer must take the necessary steps to comply with the revised requirements of the Creditworthiness Guide by the effective date of the change.

2) Correspondence associated with creditworthiness should be forwarded to the contact indicated in Versant Power's Creditworthiness Guide.

C. Notification for Active Customers

1) Active Customers are defined as any current Transmission Customer that has reserved transmission service within the last 6 months.

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

8. Posting Collateral Requirements

A. Changes in Customer's Financials

Each customer must inform Versant Power, in writing, within five (5) business days of any material change in its financial condition, and, if the customer qualifies under Section 3A(c), that of its parent company. A material change in financial condition may include, but is not limited to, the following:

- Change in ownership by way of a merger, acquisition, or substantial sale of assets;
- A downgrade of long- or short-term debt rating by a major rating agency;
- Being placed on a credit watch with negative implications by a major rating agency;
- A bankruptcy filing;
- Any action requiring filing of a Form 8-K;

- A declaration of or acknowledgement of insolvency;

- A report of a significant quarterly loss or decline in earnings;

- The resignation 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.

B. Change in Creditworthiness Status

A customer who has been extended unsecured credit under this policy must comply with the terms of Financial Assurance in item 4 if one or more of the following conditions apply:

- The customer no longer meets the applicable criteria for creditworthiness in item 3;

- The customer exceeds the amount of unsecured credit extended by Versant Power, in which case Financial Assurance equal to the amount of excess must be provided within 5 business days; or

- The customer has missed two or more payments for any of the Services offered by Versant Power in the last 12 months.

9. Ongoing Financial Review

Each customer qualifying under Section 3.A of this Guide is required to submit to Versant Power annually or when issued, as applicable:

- Current rating agency report;

- Audited financial statements from a registered independent auditor; and

- 10-Ks and 8-Ks, promptly upon their issuance.

10. Suspension of Service

Versant Power may immediately suspend service (with notification to Commission) to a

customer, and may initiate proceedings with Commission to terminate service, if the customer does not meet the terms described in items 3 through 7 at any time during the term of service or if the customer's payment obligations to Versant Power exceed the amount of unsecured or secured credit to which it is entitled under this Guide. A customer is not obligated to pay for transmission service that is not provided as a result of a suspension of service.

ATTACHMENT V

LARGE LOAD COST RECOVERY AGREEMENT

LARGE LOAD COST RECOVERY AGREEMENT

by and among

[Large Load Entity/Large Load Interconnecting Transmission Owner/Large Load Eligible Customer]

Table of Contents

ARTICLE 1. DEFINITIONS 2
ARTICLE 2. EFFECTIVE DATE, TERM, AND TERMINATION 3
ARTICLE 3. REGULATORY FILINGS 6
ARTICLE 4. ENGINEERING, PROCUREMENT, AND CONSTRUCTION 7
ARTICLE 5. TESTING AND INSPECTION 16
ARTICLE 6. METERING 17
ARTICLE 7. COMMUNICATIONS 18
ARTICLE 8. OPERATIONS AND COMPLIANCE 19
ARTICLE 9. MAINTENANCE 24
ARTICLE 10. PERFORMANCE OBLIGATION, COST RECOVERY, AND CREDIT SUPPORT 24
ARTICLE 11. INVOICE 26
ARTICLE 12. EMERGENCIES 28
ARTICLE 13. REGULATORY REQUIREMENTS, OATT, AND GOVERNING LAW 31
ARTICLE 14. NOTICES 32
ARTICLE 15. FORCE MAJEURE 32
ARTICLE 16. DEFAULT, EVENTS OF DEFAULT, AND REMEDIES 33
ARTICLE 17. INDEMNITY, CONSEQUENTIAL DAMAGES, AND INSURANCE 35
ARTICLE 18. ASSIGNMENT 39
ARTICLE 19. SEVERABILITY 40
ARTICLE 20. COMPARABILITY 40
ARTICLE 21. CONFIDENTIALITY 40
ARTICLE 22. ENVIRONMENTAL RELEASES 44
ARTICLE 23. INFORMATION REQUIREMENTS 44
ARTICLE 24. INFORMATION ACCESS AND AUDIT RIGHTS 46
ARTICLE 25. SUBCONTRACTORS 47
ARTICLE 26. DISPUTES 48
ARTICLE 27. REPRESENTATIONS, WARRANTIES, AND COVENANTS 49
ARTICLE 28. MISCELLANEOUS 50

THIS LARGE LOAD COST RECOVERY AGREEMENT ("Agreement") is made and entered into this [DAY] day of [MONTH] [YEAR], by and among [Large Load Entity] ("Large Load Entity" [and "Large Load Eligible Customer" if Large Load Entity is the Large Load Eligible Customer]), [Large Load Interconnecting Transmission Owner] ("Large Load Interconnecting Transmission Owner" or "LLITO"), and [Large Load Eligible Customer; if Large Load Entity is not the Large Load Eligible Customer ("Large Load Eligible Customer")]. Each may be referred to as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Large Load Interconnecting Transmission Owner owns, operates, or controls portions of the New England Transmission System and will plan, construct, own, operate, and maintain the LLITO's Network Upgrades and Direct Assignment Facilities needed to serve the Large Load Facility and address the system and reliability impacts thereof; and

WHEREAS, Large Load Entity intends to develop, own, lease, control, and/or operate the Large Load Facility described in Appendix A ("Large Load Facility") at the site and with the service characteristics identified in this Agreement; and

WHEREAS, Large Load Eligible Customer intends to procure regional and local transmission service from Large Load Interconnecting Transmission Owner and ISO-NE under the ISO-NE OATT on behalf of Large Load Entity and to bill the applicable costs to Large Load Entity under Large Load Eligible Customer's applicable retail tariff or an approved retail special contract;

[Use the following when Large Load Entity is the Large Load Eligible Customer: **WHEREAS**, Large Load Entity is a Large Load Eligible Customer under the ISO-NE OATT and intends to procure regional and local transmission service from Large Load Interconnecting Transmission Owner and ISO-NE under the ISO-NE OATT;]

and

WHEREAS, the Parties have agreed to enter into this Agreement to establish Large Load Entity's cost responsibility, credit support, revenue-requirement crediting, stranded-cost protection, payment obligations, and operational requirements associated with the Required Facilities, while protecting existing transmission customers from costs attributable to the Large Load Facility;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein, it is agreed:

ARTICLE 1. DEFINITIONS

The definitions contained in this Article 1 apply throughout this Agreement. Capitalized terms not defined in this Article 1 have the meanings given in the ISO New England Inc. ("ISO-NE") Transmission, Markets, and Services Tariff ("Tariff") the ISO New England Operating Documents as defined in the Tariff, or the applicable Article, as the context requires. If a definition in this Agreement conflicts with a mandatory definition in the Tariff, the Tariff definition controls.

Credit Support shall mean any and all security and financial assurance described in Article 10 and Appendix D to this agreement.

Direct Assignment Facilities shall mean all facilities and equipment owned, controlled, or operated by Large Load Interconnecting Transmission Owner as identified in Appendix A to this agreement, including any modifications, additions or upgrades to such facilities and equipment, necessary to interconnect the Large Load Facility to the Administered Transmission System. Direct Assignment Facilities are sole use facilities and shall not include Large Load Network Upgrades.

Firm Contract Demand Service or FCDS shall mean the type of transmission service for Large Loads described in Section II.57.1.1 of the Part II of the Tariff ("ISO-NE OATT").

Interim Contract Demand Service or ICDS shall mean the type of transmission service for Large Loads described in Section II.57.1.2 of the ISO-NE OATT.

Large Load Commercial Operation Date shall mean the beginning date of the commercial operation of the Large Load Facility.

Large Load Entity's Interconnection Facilities or LLEIF shall mean all facilities and equipment, as identified in Appendix A of this Agreement, owned and operated by Large Load Entity, including any modification, addition, or upgrades to such facilities and equipment necessary to physically and electrically interconnect the Large Load Facility to the Direct Assignment Facilities or Administered Transmission System as applicable.

LLITO's Network Upgrades shall mean those Large Load Network Upgrades identified in the Large Load System Impact Study for the Large Load Eligible Customer that are within LLITO's service territory, as described in Appendix A to this Agreement.

Large Load Network Upgrades shall mean those upgrades to the New England Transmission System, any Large Load Affected Systems and Large Load Internal Affected Systems as identified in the Large Load Eligible Customer's Large Load System Impact Study.

Non-Firm Contract Demand Service or NFCDS shall mean the type of transmission service for Large Loads described in Section II.57.1.3 of the ISO-NE OATT.

Reasonable Efforts shall mean efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Required Facilities shall mean the Direct Assignment Facilities and LLITO's Network Upgrades.

ARTICLE 2. EFFECTIVE DATE, TERM, AND TERMINATION

2.1 Effective Date. This Agreement shall become effective upon execution by the Parties, subject to acceptance by the Commission if required. Any Party may request this Agreement be filed unexecuted at the Commission, and if filed unexecuted, this Agreement will be effective upon the date specified by the Commission. Large Load Interconnecting Transmission Owner shall promptly make any filing required by Article 3.1, and Large Load Eligible Customer and Large Load Entity shall reasonably cooperate with those filings.

2.2 Term of Agreement. Subject to Articles 2.3 and 2.4, this Agreement shall remain in effect for forty (40) Years ("Initial Term"). Unless otherwise agreed to in writing by the Parties or termination of this Agreement consistent with this Article 2, following the end of the Initial Term this Agreement shall be renewed on an annual basis.

2.3 Termination Procedures.

2.3.1 Voluntary Termination. Large Load Entity or Large Load Eligible Customer may request termination of this Agreement by giving all other Parties at least ninety (90) Calendar Days' advance written notice. A termination so requested shall not be effective until Large Load Entity has paid all amounts then due, the applicable Exit Fee, and any other ongoing cost obligations assigned to Large Load Entity under this Agreement. Any continuing transmission service obligations under the ISO-NE OATT or the Large Load Transmission Service Agreement shall remain in effect until the applicable service is properly terminated under those instruments. Any continuing retail service obligations under a retail tariff or special contract shall remain in effect until the applicable service is

properly terminated under that instrument. Any such voluntary termination prior to the permanent cessation of operation of the Large Load Facility shall only be effective by the consent of all other Parties, such consent not to be unreasonably withheld. Following the permanent cessation of operation of the Large Load Facility, Large Load Interconnecting Transmission Owner may terminate this agreement on ninety (90) Calendar Days' advance written notice.

2.3.2 Default. Each Party may terminate this Agreement in accordance with Article 16. Large Load Interconnecting Transmission Owner or Large Load Eligible Customer may also suspend or terminate Large Load Entity's applicable services, to the extent permitted by the ISO-NE OATT and the Large Load Transmission Service Agreement, following an Event of Default or an exceedance of the contract demand quantity for the transmissions service reserved by the Large Load Eligible Customer.

2.3.3 Regulatory Effect of Termination. Notwithstanding this Article 2, no termination shall become effective until the Parties have complied with Applicable Laws and Regulations, including any required filing with or acceptance by the Commission. Termination shall not relieve a Party of obligations that accrued before the effective termination date or of any OATT, safety, retirement, or other operational instruction or deactivation requirement that survives under its governing instrument.

2.4 Termination Costs. Upon termination, disconnection, suspension, or abandonment of the Large Load project, Large Load Entity shall remain responsible for all costs incurred or committed by the Large Load Interconnecting Transmission owner before the effective date of the termination or change.

2.4.1 Termination Prior to Large Load Commercial Operation Date. In the event this Agreement is terminated prior to the Large Load Commercial Operation Date, Large Load Entity shall pay all costs incurred by Large Load Interconnecting Transmission Owner prior to the effective date of the termination, including but not limited to costs for design, engineering, procurement, and construction of the Direct Assignment Facilities and LLITO's Network Upgrades.

2.4.1.1 With respect to any portion of Direct Assignment Facilities or LLITO's Network Upgrades to the extent covered by this Agreement that have not yet been constructed or installed, Large Load Interconnecting Transmission Owner shall with Large Load Entity's authorization use Reasonable Efforts to cancel any

pending orders of or return any materials or equipment for or contracts for construction of such facilities so long as such Reasonable Efforts do not require Large Load Interconnecting Transmission Owner to incur additional costs or liabilities; provided that in the event Large Load Entity elects not to authorize such cancellation, Large Load Entity shall assume all payment obligations with respect to such materials, equipment, and contracts, and Large Load Interconnecting Transmission Owner shall deliver such material and equipment, and, if necessary and to the extent possible, assign such contracts to Large Load Entity as soon as practicable, at Large Load Entity's expense. To the extent that Large Load Entity has already paid Large Load Interconnecting Transmission Owner for any or all such costs of materials or equipment not taken by Large Load Entity, either (i) in the case of overpayment, Large Load Interconnecting Transmission Owner shall promptly refund such amounts to Large Load Entity, less any costs, including penalties incurred by Large Load Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts, or (ii) in the case of underpayment, Large Load Entity shall promptly pay such amounts still due plus any costs, including penalties incurred by Large Load Interconnecting Transmission Owner to cancel any pending orders of or return such materials, equipment, or contracts.

2.4.1.2. Large Load Interconnecting Transmission Owner may, at its option, retain any portion of such materials, equipment, or facilities that Large Load Entity chooses not to accept delivery of, in which case Large Load Interconnecting Transmission Owner shall be responsible for all costs associated with procuring such materials, equipment, or facilities.

2.4.1.3. With respect to any portion of the Direct Assignment Facilities or LLITO's Network Upgrades and any other facilities already installed or constructed pursuant to the terms of this Agreement, Large Load Entity shall be responsible for all costs associated with the removal, relocation or other disposition or retirement of such materials, equipment, or facilities.

2.4.2 Termination Following Large Load Commercial Operation Date. In the event of termination of this Agreement following the Large Load Commercial Operation Date, Large Load Entity shall be responsible for all outstanding amounts due under this

Agreement, including the Exit Fee and any costs associated with the disconnection of the Large Load Facility described in Article 2.5.

2.5 Cessation of Service and Disconnection. Upon termination of this Agreement, Large Load Interconnecting Transmission Owner may cease the provision of any applicable transmission service to the Large Load Eligible Customer and Large Load Eligible Customer may cease procuring or billing any transmission service on behalf of Large Load Entity, in each case subject to the ISO-NE OATT, the Large Load Transmission Service Agreement, Applicable Laws and Regulations, and any required regulatory approval. The Parties shall coordinate any reduction, disconnection, retirement, or removal of facilities in a safe and reliable manner. Large Load Entity shall bear the costs required to effectuate the cessation or disconnection, except to the extent another Party is responsible under this Agreement or its default caused the costs.

2.6 Survival. This Agreement shall continue after termination to the extent necessary to administer all billings and payments under this Agreement (including but not limited to the Cost Recovery Charge, the Exit Fee, the costs for any Direct Assignment Facilities or LLITO's Network Upgrades due under this Agreement), credit support, security draws or returns, audits, confidentiality, indemnification, dispute resolution, and liabilities arising from acts or events occurring while this Agreement was in effect, and to permit safe access to and disconnection, removal, or salvage of facilities.

ARTICLE 3. REGULATORY FILINGS

3.1 Filing. Large Load Interconnecting Transmission Owner shall file this Agreement (and any amendment hereto) with the appropriate Governmental Authority, if required, in accordance Applicable Laws and Regulations. Large Load Entity or Large Load Eligible Customer may request that any information so provided be subject to the confidentiality provisions of Article 21. If Large Load Entity or Large Load Eligible Customer has executed this Agreement, or any amendment thereto, Large Load Entity shall reasonably cooperate with Large Load Interconnecting Transmission Owner with respect to such filing and to provide any information reasonably requested by Large Load Interconnecting Transmission Owner needed to comply with applicable regulatory requirements.

ARTICLE 4. ENGINEERING, PROCUREMENT, AND CONSTRUCTION

4.1 Large Load Interconnecting Transmission Owner Engineering, Procurement, and Construction. Large Load Interconnecting Transmission Owner shall design, procure, and construct the Direct Assignment Facilities and LLITO's Network Upgrades using Reasonable Efforts to complete construction and place in service such facilities by the dates set forth in Appendix B. Large Load Interconnecting Transmission Owner shall not be required to undertake any action which is inconsistent with its standard safety practices, its material and equipment specifications, its design criteria and construction procedures, its labor agreements, and Applicable Laws and Regulations. In the event Large Load Interconnecting Transmission Owner reasonably expects that it will not be able to complete Direct Assignment Facilities and LLITO's Network Upgrades by the specified dates, Large Load Interconnecting Transmission Owner shall promptly provide written notice to Large Load Entity and shall undertake Reasonable Efforts to meet the earliest dates thereafter.

4.2 Equipment Procurement. Large Load Interconnecting Transmission Owner shall commence design of the LLITO's Network Upgrades and Direct Assignment Facilities and procure necessary equipment as soon as practicable after all of the following conditions are satisfied, unless the Parties otherwise agree in writing:

4.2.1 If applicable, Large Load Interconnecting Transmission Owner has completed the Large Load Facilities Study pursuant to the Large Load Facilities Study Agreement;

4.2.2 Large Load Interconnecting Transmission Owner has received written authorization to proceed with design and procurement from Large Load Entity by the date specified in Appendix B; and

4.2.3 Large Load Entity has provided Credit Support to Large Load Interconnecting Transmission Owner in accordance with Article 10 and Appendix D by the dates specified in Appendix B.

4.3 Construction Commencement. Large Load Interconnecting Transmission Owner shall commence construction of LLITO's Network Upgrades and Direct Assignment Facilities as soon as practicable after the following additional conditions are satisfied:

4.3.1 Approval of the appropriate Governmental Authority has been obtained for any facilities requiring regulatory approval;

4.3.2 Necessary real property rights and rights-of-way have been obtained, to the extent required for the construction of a discrete aspect of the LLITO's Network Upgrades and Direct Assignment Facilities;

4.3.3 Large Load Interconnecting Transmission Owner has received written authorization to proceed with construction from Large Load Entity by the date specified in Appendix B; and

4.3.4 Large Load Entity has provided further Credit Support to Large Load Interconnecting Transmission Owner in accordance with Article 10 and Appendix D by the dates specified in Appendix B.

4.4 Large Load Entity's Interconnection Facilities ("LLEIF"). Large Load Entity shall, at its expense, design, procure, construct, own, and install the LLEIF, as set forth in Appendix A.

4.4.1 LLEIF Specifications. Large Load Entity shall submit initial specifications for the LLEIF, including system protection facilities, to Large Load Interconnecting Transmission Owner at least one hundred eighty (180) Calendar Days prior to the Service Commencement Date; and final specifications for review and comment at least ninety (90) Calendar Days prior to the Service Commencement Date. Large Load Interconnecting Transmission Owner shall review initial and final specifications to ensure that the LLEIF are compatible with the technical specifications, operational control, and safety requirements of Large Load Interconnecting Transmission Owner and comment on such specifications within thirty (30) Calendar Days of Large Load Entity's submission. All specifications provided hereunder shall be deemed confidential and shall also be marked as Critical Energy Infrastructure Information as appropriate.

4.4.2 Large Load Interconnecting Transmission Owner's Review. Large Load Interconnecting Transmission Owner's review of Large Load Entity's final specifications shall not be construed as confirming, endorsing, or providing a warranty as to the design, fitness, safety, durability, or reliability of the Large Load Facility or the LLEIF. Large Load Entity shall make such changes to the LLEIF as may reasonably be required by Large Load Interconnecting Transmission Owner, in accordance with Good Utility Practice, to ensure that the LLEIF are compatible with the technical specifications, operational control, and safety requirements of, as well as applicable Reliability Standards, Applicable Laws and Regulations, and the ISO-NE Operating Documents.

4.4.3 LLEIF Construction. The LLEIF shall be designed and constructed in accordance with Good Utility Practice. Within one hundred twenty (120) Calendar Days after the Large Load Commercial Operation Date, unless the Parties agree on another mutually acceptable deadline, Large Load Entity shall deliver to Large Load Interconnecting Transmission Owner "as-built" drawings, information and documents for the LLEIF including but not limited a one-line diagram, a site plan showing the Large Load Facility and the LLEIF, plan and elevation drawings showing the layout of the LLEIF, a relay functional diagram, and any other information reasonably requested by Large Load Interconnecting Transmission Owner consistent with Good Utility Practice.

4.5 Access Rights. Upon reasonable notice and supervision by a Party, and subject to any required or necessary regulatory approvals, a Party ("Granting Party") shall furnish at the incremental cost to another Party ("Access Party") any rights of use, licenses, rights of way and easements with respect to lands owned or controlled by the Granting Party, its agents if allowed under the applicable agency agreement, that are necessary to enable the Access Party solely to obtain ingress and egress to construct, operate, maintain, repair, test (or witness testing), inspect, replace, or remove facilities and equipment to: (i) interconnect the Large Load Facility with the Administered Transmission System; (ii) operate and maintain the Large Load Facility, the Interconnection Facilities and the New England Transmission System; and (iii) disconnect or remove the Access Party's facilities and equipment upon termination of this Agreement. In exercising such licenses, rights of way, and easements, the Access Party shall not unreasonably disrupt or interfere with normal operation of the Granting Party's business and shall adhere to the safety rules and procedures established in advance, as may be changed from time to time, by the Granting Party and provided to the Access Party.

4.6 Large Load Identification. The Large Load Facility's site location and legal description, initial requested load, initial Contract Demand, Maximum Forecast Demand, and Interconnection Point information shall be as set forth in Appendix A. These details shall control unless changed through an approved Large Load Service Request and an amendment to this Agreement or other filing required under the ISO-NE OATT.

4.7 Updates and Material Changes. Large Load Entity shall promptly notify ISO-NE, Large Load Interconnecting Transmission Owner, and Large Load Eligible Customer (if Large Load Entity is not the Large Load Eligible Customer), of any material change to the Large Load Facility, its load forecast, operating characteristics, development schedule, or Transmission Service Level. No such change shall 1) increase the contract demand quantity for any transmission service provided

to the Large Load Eligible Customer; 2) materially modify the electrical characteristics of the Large Load Facility; or 3) modify the Direct Assignment Facilities or Large Load Network Upgrades; without written consent of Large Load Interconnecting Transmission Owner as well as compliance with any requirement consistent with the ISO-NE Operating Documents, Applicable Reliability Standards, or Applicable Laws and Regulations.

4.8 Service Milestones. The Parties shall maintain in Appendix B the requested Service Commencement Date, any phased-service dates, material project milestones, security-posting dates, payment milestones, and the dates for required regulatory approvals. A milestone change does not modify any other obligations of Large Load Entity unless expressly approved under this Agreement and the ISO-NE OATT.

4.9 Taxes.

4.9.1 Taxability of Customer Payments. Large Load Entity is developing a project which is not a generator as defined by IRS Notice 2016-36. The Parties recognize that under current federal and state income tax laws all payments or property transfers made by Large Load Entity to a Large Load Interconnecting Transmission Owner that is not tax exempt for the installation of the Direct Assignment Facilities shall be taxable as contributions in aid of construction under the Internal Revenue Code (IRC) Section 118(b) and any applicable state income tax laws.

4.9.2 Tax Gross-Up Amount. To the extent applicable, Large Load Interconnecting Transmission Owner shall include any amounts paid by Large Load Entity for the Direct Assignment Facilities in U.S. federal and state taxable income. Large Load Entity's liability for the cost consequences of any tax liability under this Article 4.9 shall be calculated on a fully grossed-up basis. Except as may otherwise be agreed to by the parties, Large Load Entity will pay Large Load Interconnecting Transmission Owner, in addition to the amount paid for the Direct Assignment Facilities, an amount equal to (1) the current taxes imposed on Large Load Interconnecting Transmission Owner ("Current Taxes") on the excess of (a) the gross income realized by Large Load Interconnecting Transmission Owner as a result of payments or property transfers made by Large Load Entity to Large Load Interconnecting Transmission Owner under this Agreement (without regard to any payments under this Article 4.9) (the "Gross Income Amount") over (b) the present value of future tax deductions for depreciation that will be available as a result of such payments or property transfers (the "Present Value Depreciation

Amount"), plus (2) an additional amount sufficient to permit Large Load Interconnecting Transmission Owner to receive and retain, after the payment of all Current Taxes, an amount equal to the net amount described in clause (1).

For this purpose, (i) Current Taxes shall be computed based on Large Load Interconnecting Transmission Owner's composite federal and state tax rates at the time the payments or property transfers are received and Large Load Interconnecting Transmission Owner will be treated as being subject to tax at the highest marginal rates in effect at that time (the "Current Tax Rate"), and (ii) the Present Value Depreciation Amount shall be computed by discounting Large Load Interconnecting Transmission Owner's anticipated tax depreciation deductions as a result of such payments or property transfers by Large Load Interconnecting Transmission Owner's current weighted average cost of capital. Thus, the formula for calculating Large Load Entity's liability to Large Load Interconnecting Transmission Owner pursuant to this Article 4.9.2 can be expressed as follows: (Current Tax Rate x (Gross Income Amount - Present Value Depreciation Amount))/(1 - Current Tax Rate).

4.9.3 Private Letter Ruling or Change or Clarification of Law or Administrative Practice. At Large Load Entity's request and expense, Large Load Interconnecting Transmission Owner shall file with the IRS a request for a private letter ruling as to whether any property transferred or sums paid, or to be paid, by Large Load Entity to Large Load Interconnecting Transmission Owner under this Agreement are subject to federal income taxation. Large Load Entity will prepare the initial draft of the request for a private letter ruling and will certify under penalties of perjury that all facts represented in such request are true and accurate to the best of Large Load Entity's knowledge. Large Load Interconnecting Transmission Owner and Large Load Entity shall cooperate in good faith with respect to the submission of such request. Large Load Interconnecting Transmission Owner shall file the request in its name and have final authority, exercised in good faith after reasonable consultation with Large Load Entity, to determine the content of its request and its representation(s).

Large Load Interconnecting Transmission Owner shall keep Large Load Entity fully informed of the status of such request for a private letter ruling and shall allow Large Load Entity to participate in all substantive discussion with IRS officials, including a conference of right, should such a conference be held, about the request and shall permit

Large Load Entity to prepare the initial drafts of any follow-up communications in connection with the request. Large Load Interconnecting Transmission Owner shall have final authority, exercised in good faith after reasonable consultation with Large Load Entity, to determine the content of substantive discussions and any follow-up communications.

In the event of a change in law or the expansion of the safe-harbor of Notice 2016-36, or any successor published guidance of the IRS, that makes Large Load Entity's payments or property transfers made by Large Load Entity to Large Load Interconnecting Transmission Owner for the installation of the Direct Assignment Facilities under this agreement non-taxable upon Large Load Entity's written request and sole expense, Large Load Interconnecting Transmission Owner may file a claim for refund with respect to any taxes paid under this Article 4.9.

4.9.4 Contests. Large Load Interconnecting Transmission Owner reserves the right to make all decisions with regard to any claim for refund and its prosecution, including the selection of counsel and compromise or settlement of the claim, but Large Load Interconnecting Transmission Owner shall keep Large Load Entity informed, shall consider in good faith suggestions from Large Load Entity about the pursuit of the refund claim, and shall reasonably permit Large Load Entity or a Large Load Entity representative to attend proceedings related to the claim.

Large Load Entity shall pay to Large Load Interconnecting Transmission Owner on a periodic basis, as invoiced by Large Load Interconnecting Transmission Owner, Large Load Interconnecting Transmission Owner's documented reasonable costs of prosecuting such claim for refund.

4.9.5 Refund. In the event that (a) a private letter ruling is issued to Large Load Interconnecting Transmission Owner which holds that any amount paid or the value of any property transferred by Large Load Entity to Large Load Interconnecting Transmission Owner under the terms of this Agreement is not subject to federal income taxation, (b) any legislative change or administrative announcement, notice, ruling or other determination makes it reasonably clear to Large Load Interconnecting Transmission Owner in good faith that any amount paid or the value of any property transferred by Large Load Entity to Large Load Interconnecting Transmission Owner

under the terms of this Agreement is not taxable to Large Load Interconnecting Transmission Owner, (c) any abatement, appeal, protest, or other contest results in a determination that any payments or transfers made by Large Load Entity to Large Load Interconnecting Transmission Owner are not subject to federal income tax, or (d) if Large Load Interconnecting Transmission Owner receives a refund from any taxing authority for any overpayment of tax attributable to any payment or property transfer made by Large Load Entity to Large Load Interconnecting Transmission Owner pursuant to this Agreement, Large Load Interconnecting Transmission Owner shall promptly refund to Large Load Entity the following:

(i) Any payment made by Large Load Entity under this Article 4.9 for taxes that is attributable to the amount determined to be non-taxable, together with interest thereon,

(ii) Interest on any amounts paid by Large Load Entity to Large Load Interconnecting Transmission Owner for such taxes which Large Load Interconnecting Transmission Owner did not submit to the taxing authority, calculated in accordance with the methodology set forth in FERC's regulations at 18 C.F.R. §35.19a(a)(2)(iii) from the date payment was made by Large Load Entity to the date Large Load Interconnecting Transmission Owner refunds such payment to Large Load Entity, and

(iii) With respect to any such taxes paid by Large Load Interconnecting Transmission Owner, any refund or credit Large Load Interconnecting Transmission Owner receives or to which it may be entitled from any Governmental Authority, interest (or that portion thereof attributable to the payment described in clause (i), above) owed to Large Load Interconnecting Transmission Owner for such overpayment of taxes (including any reduction in interest otherwise payable by Large Load Interconnecting Transmission Owner to any Governmental Authority resulting from an offset or credit); provided, however, that Large Load Interconnecting Transmission Owner will remit such amount promptly to Large Load Entity only after and to the extent that Large Load Interconnecting Transmission Owner has received a tax refund, credit or offset from any Governmental Authority for any applicable overpayment of income tax related to Large Load Interconnecting Transmission Owner's Direct Assignment Facilities.

The intent of this provision is to leave both Large Load Entity and Large Load Interconnecting Transmission Owner, to the extent practicable, in the event that no taxes are due with respect to any payment for the Direct Assignment Facilities hereunder, in the same position they would have been in had no such tax payments been made. Large Load Entity shall bear the economic burden to the extent a complete refund of taxes and interest is not obtained.

4.9.6 Taxes Other Than Income Taxes. Upon the timely request by Large Load Entity, and at Large Load Entity's sole expense, Large Load Interconnecting Transmission Owner shall appeal, protest, seek abatement of, or otherwise contest any tax (other than federal or state income tax) asserted or assessed against Large Load Interconnecting Transmission Owner for which Large Load Entity may be required to reimburse Large Load Interconnecting Transmission Owner under the terms of this Agreement. Large Load Entity shall pay to Large Load Interconnecting Transmission Owner on a periodic basis, as invoiced by Large Load Interconnecting Transmission Owner, Large Load Interconnecting Transmission Owner's documented reasonable costs of prosecuting such appeal, protest, abatement, or other contest. Large Load Entity and Large Load Interconnecting Transmission Owner shall cooperate in good faith with respect to any such contest. Unless the payment of such taxes is a prerequisite to an appeal or abatement or cannot be deferred, no amount shall be payable by Large Load Entity to Large Load Interconnecting Transmission Owner for such taxes until they are assessed by a final, non-appealable order by any court or agency of competent jurisdiction. In the event that a tax payment is withheld and ultimately due and payable after appeal, Large Load Entity will be responsible for all taxes, interest, and penalties, other than penalties attributable to any delay caused by Large Load Interconnecting Transmission Owner.

4.10 Modification.

4.10.1 General. Either Large Load Entity or Large Load Interconnecting Transmission Owner may undertake modifications to its facilities. If a Party plans to undertake a modification that reasonably may be expected to affect the other Party's facilities or the New England Transmission System, that Party shall provide to the other Parties: (i) sufficient information regarding such modification so that the other Party(ies) may evaluate the potential impact of such modification prior to commencement of the work; and (ii) such information as may be required by the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Such information shall be

deemed to be confidential hereunder and shall include information concerning the timing of such modifications and whether such modifications are expected to interrupt the flow of electricity from the Large Load Facility. The Party desiring to perform such work shall provide the relevant drawings, plans, and specifications to the other Party(ies) at least ninety (90) Calendar Days in advance of the commencement of the work or such shorter period upon which the Parties may agree, which agreement shall not unreasonably be withheld, conditioned or delayed. Notwithstanding the foregoing, no Party shall be obligated to proceed with a modification that would constitute a Large Load Material Modification and therefore require a new Large Load Transmission Service Application request under the ISO-NE OATT.

In the case of Large Load Facility or Large Load Entity's Interconnection Facility modifications not requiring a new Large Load Transmission Service Application, Large Load Interconnecting Transmission Owner shall provide, within sixty (60) Calendar Days (or such other time as the Parties may agree), an estimate of any additional modifications to the New England Transmission System, Direct Assignment Facilities or Large Load Network Upgrades necessitated by such Large Load Entity modification and a good faith estimate of the costs thereof.

4.10.2 Standards. Any additions, modifications, or replacements made to a Party's facilities shall be designed, constructed, and operated in accordance with this Agreement and Good Utility Practice.

4.10.3 Modification Costs. Large Load Entity shall not be directly assigned for the costs of any additions, modifications, or replacements that Large Load Interconnecting Transmission Owner makes to Direct Assignment Facilities or the New England Transmission System to facilitate the interconnection of a third party to Direct Assignment Facilities or the New England Transmission System, or to provide transmission service to a third party under the Tariff, except as provided for under the Tariff or any other applicable tariff. Large Load Entity shall be responsible for the costs of any additions, modifications, or replacements to the Large Load Facility or Large Load Entity's Interconnection Facilities that may be necessary to maintain or upgrade such Large Load Entity's Interconnection Facilities consistent with Applicable Laws and Regulations, Applicable Reliability Standards or Good Utility Practice.

4.11 No Service. Large Load Interconnecting Transmission Owner and Large Load Eligible Customer are not providing any form of electrical service, including transmission service, distribution service, wholesale service, or retail service to Large Load Entity pursuant to this Agreement.

ARTICLE 5. TESTING AND INSPECTION

5.1 Pre-Large Load Commercial Operation Date Testing and Modifications. Prior to the Large Load Commercial Operation Date, Large Load Interconnecting Transmission Owner shall test Direct Assignment Facilities and LLITO's Network Upgrades and Large Load Entity shall test the Large Load Facility and Large Load Entity's Interconnection Facilities to ensure their safe and reliable operation in accordance with ISO-NE Operating Documents and Applicable Reliability Standards (including NERC CLO-003-1 and MOD-026-2). Testing may be required by the Large Load Interconnecting Transmission owner at any time after initial operation, including but not limited to a material change in the Large Load Facility, a significant outage of the Large Load Facility, or at the request of the ISO-NE, Large Load Eligible Customer, or Large Load Interconnecting Transmission Owner. Each Party shall make any modifications to its facilities that are found to be necessary as a result of such testing. Large Load Entity shall bear the cost of all such testing and modifications.

5.2 Post-Large Load Commercial Operation Date Testing and Modifications. Large Load Entity and Large Load Interconnecting Transmission Owner shall each at its own expense perform routine inspection and testing of its facilities and equipment in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, as may be necessary to ensure the continued interconnection of the Large Load Facility to the Administered Transmission System in a safe and reliable manner. Large Load Entity and Large Load Interconnecting Transmission Owner each shall have the right, upon advance written notice, to require reasonable additional testing of the other Party's facilities, at the requesting Party's expense, as may be in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Large Load Entity acknowledges and agrees that the ISO-NE may also perform testing of Large Load Entity's facilities and equipment in accordance with ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

5.3 Right to Observe Testing. Each Party shall notify the other Parties in advance of its performance of tests of the Direct Assignment Facilities and LLEIF. The other Parties have the right, at their own expense, to observe such testing.

5.4 Right to Inspect. Each Party shall have the right, but shall have no obligation to: (i) observe the other Party's tests and/or inspection of any of its system protection facilities and other protective equipment; (ii) review and inspect the settings of the other Party's system protection facilities and other protective equipment; and (iii) review and examine the other Party's maintenance records relative to the Interconnection Facilities, the system protection facilities and other protective equipment. Each Party may exercise these rights from time to time as it deems necessary upon reasonable notice to the other Parties. The exercise or non-exercise by a Party of any such rights shall not be construed as an endorsement, acceptance, or confirmation of any element or condition of the Interconnection Facilities or the system protection facilities or other protective equipment or the operation thereof, or as a warranty as to the fitness, safety, desirability, or reliability of same. Any information that a Party obtains through the exercise of any of its rights under this Article 5.4 shall be governed by Article 21.

ARTICLE 6. METERING

6.1 General. Each Party shall comply with the ISO-NE OATT, ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, regarding metering. Large Load Entity shall bear all reasonable documented costs associated with the purchase, installation, operation, testing, and maintenance of the Metering Equipment described in Appendix A of this Agreement, including spare Metering Equipment that are necessary to address equipment failure. Large Load Entity shall be responsible for installing and maintaining compatible metering and communications equipment to accurately account for the capacity and energy being transmitted under the Tariff and any applicable retail tariffs and to communicate the information to the ISO-NE. Unless otherwise agreed, such equipment shall remain the property of Large Load Interconnecting Transmission Owner.

6.2 Check Meters. Large Load Entity, at its option and expense, may install and operate, on its premises and on its side of the Interconnection Point, one or more check meters to check Large Load Interconnecting Transmission Owner's meters. Such check meters shall be for check purposes only and shall not be used for the measurement of power flows for purposes of this

Agreement, except as provided in Article 6.4 below. The check meters shall be subject at all reasonable times to inspection and examination by Large Load Interconnecting Transmission Owner or its designee. The installation, operation and maintenance thereof shall be performed entirely by Large Load Entity in accordance with Good Utility Practice.

6.3 Standards. Large Load Interconnecting Transmission Owner shall install, calibrate, and test revenue quality Metering Equipment in accordance with applicable ANSI standards and the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

6.4 Testing of Metering Equipment. Large Load Interconnecting Transmission Owner shall inspect and test all Large Load Interconnecting Transmission Owner-owned Metering Equipment upon installation and thereafter as specified in the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Large Load Interconnecting Transmission Owner shall give reasonable notice of the time when any inspection or test shall take place, and Large Load Entity may have representatives present at the test or inspection. If at any time Metering Equipment is found to be inaccurate or defective, it shall be adjusted, repaired or replaced at Large Load Entity's expense, in order to provide accurate metering. If Metering Equipment fails to register, or if the measurement made by Metering Equipment during a test varies by more than the values specified within ISO New England Operating Documents, or successor documents, from the measurement made by the standard meter used in the test, Large Load Interconnecting Transmission Owner shall adjust the measurements, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

6.5 Metering Data. At Large Load Entity's expense, metered data shall be telemetered to locations designated by ISO-NE, Large Load Interconnecting Transmission Owner, and Large Load Eligible Customer. The metering required by the ISO-NE OATT and ISO New England Operating Documents shall be the official measurement of the Large Load Facility's demand and energy withdrawals at the Interconnection Point for transmission charges, Contract Demand monitoring, and reconciliation.

ARTICLE 7. COMMUNICATIONS

7.1 Large Load Entity Obligations. Large Load Entity shall maintain continuous and reliable operating communications with the ISO-NE, Large Load Eligible Customer, and Large Load Interconnecting Transmission Owner in accordance with applicable provisions of ISO New

England Operating Documents, Applicable Reliability Standards, Applicable Laws and Regulations, or successor documents. Such communications shall include the capability to receive and respond to real-time operating instructions and shall identify personnel authorized to act on behalf of Large Load Entity. Large Load Entity shall promptly notify ISO-NE and Interconnecting Transmission Owner of any loss or material degradation of required operating communications and shall maintain backup communications capability as required by the applicable ISO New England Operating Documents.

7.2 Telemetry and Remote Terminal Unit. No later than the date specified in Appendix B and, in any event, before the Service Commencement Date, a Remote Terminal Unit, or equivalent data-collection and transfer equipment acceptable to ISO-NE, Large Load Interconnecting Transmission Owner, and Large Load Eligible Customer shall be installed by Large Load Entity or Large Load Interconnecting Transmission Owner at Large Load Entity's expense. The equipment shall gather the accumulated, interval, and instantaneous data required for Large Load Entity's service and shall telemeter that data through dedicated circuits or other approved communications facilities to the locations designated by ISO-NE, Large Load Interconnecting Transmission Owner, and Large Load Eligible Customer. The communications protocol shall comply with the ISO-NE OATT and ISO New England Operating Documents.

Each Party shall promptly advise the other Parties if it detects or otherwise learns of a metering, telemetry, or communications-equipment error or malfunction requiring attention or correction. The Party owning the equipment shall correct the error or malfunction as soon as reasonably feasible and shall provide any replacement data required for billing or reliability purposes.

7.3 No Annexation. Any and all equipment placed on the premises of a Party shall be and remain the property of the Party providing such equipment regardless of the mode and manner of annexation or attachment to real property, unless otherwise mutually agreed by the Parties.

ARTICLE 8. OPERATIONS AND COMPLIANCE

8.1 General. Each Party shall comply with applicable provisions of ISO New England Operating Documents, Reliability Standards, or successor documents, regarding operations. Each Party shall provide to the other Party(ies) all information that may reasonably be required by the other Party(ies) to comply with Applicable Laws and Regulations and Applicable Reliability Standards.

8.2 Large Load Interconnecting Transmission Owner Obligations. Large Load Interconnecting Transmission Owner shall operate, maintain, and control the Direct Assignment Facilities in a safe and reliable manner and in accordance with this Agreement and ISO New England Operating Documents, Reliability Standards, or successor documents. Large Load Interconnecting Transmission Owner may provide operating instructions to Large Load Entity consistent with this Agreement, ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and Large Load Interconnecting Transmission Owner's operating protocols and procedures as they may change from time to time. Large Load Interconnecting Transmission Owner will consider changes to their operating protocols and procedures proposed by Large Load Entity.

8.3 Large Load Entity Obligations. In addition to any payments required by this Agreement, in express consideration for the construction of the Direct Assignment Facilities and LLITO's Network Upgrades Large Load Entity shall at its own expense operate, maintain and control the Large Load Facility and Large Load Entity's Interconnection Facilities in a safe and reliable manner and in accordance with this Agreement, the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, and accepts full and exclusive responsibility for the Large Load Facility's compliance with those documents.

8.4 Large Load Eligible Customer Obligations. Large Load Eligible Customer agrees to provide all information reasonably necessary to each other Party in order to facilitate the construction of the Interconnection Facilities and the LLITO's Network Upgrades. Large Load Eligible Customer likewise agrees to provide to each other Party all information necessary to calculate the Cost Recovery Charge described in Article 10 and Appendix C-2 of this Agreement. Large Load Eligible Customer shall provide this information consistent with Reasonable Efforts.

8.5 Start-Up and Energization and Ramp Rate. Large Load Entity is responsible for the proper start-up and energization of the Large Load Facility to the New England Transmission System in accordance with Applicable Laws and Regulations, ISO New England Operating Documents, Applicable Reliability Standards, applicable LLITO Operating Procedures, applicable state tariffs or special contracts, or successor documents, including any applicable ramp-rate, load-change, or operating limitations established pursuant to the ISO New England Operating Documents.

8.6 Outages and Interruptions.

8.6.1 Outages.

8.6.1.1 Outage Authority and Coordination. Large Load Entity agrees and acknowledges that the ISO-NE shall have the authority to coordinate and direct facility outages, including outages of the Large Load Facility, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Each Party may in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, in coordination with the other Party(ies), remove from service any of its respective facilities or LLITO's Network Upgrades that may impact the other Party's(ies') facilities as necessary to perform maintenance or testing or to install or replace equipment, subject to the oversight of ISO-NE in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

8.6.1.2 Outage Schedules. Outage scheduling shall be in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

8.6.2 Interruption of Service. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, the ISO-NE or Large Load Interconnecting Transmission Owner may require Large Load Entity to interrupt or reduce deliveries of electricity if such demand of electricity could adversely affect ISO-NE's or Large Load Interconnecting Transmission Owner's ability to perform such activities as are necessary to safely and reliably operate and maintain the New England Transmission System.

8.6.3 Under-Frequency and Over-Frequency Conditions. Large Load Entity shall implement under-frequency and over-frequency relay set points for the Large Load Facility as required by the applicable provisions of ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Large Load Facility response to frequency deviations of pre-determined magnitudes, both under-frequency and over-frequency deviations, shall be studied and coordinated with ISO-NE and Large Load Interconnecting Transmission Owner in accordance with ISO New

England Operating Documents, Applicable Reliability Standards, or successor documents.

8.6.4 System Protection and Other Control Requirements. Large Load Entity shall, at its expense, install, operate, and maintain system protection facilities as a part of the Large Load Facility or Large Load Entity's Interconnection Facilities in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, Large Load Interconnecting Transmission Owner's operational requirements, or successor documents. Large Load Interconnecting Transmission Owner shall install at Large Load Entity's expense, in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, Large Load Interconnecting Transmission Owner's operational requirements, or successor documents, and consistent with Good Utility Practice any system protection facilities that may be required on the Direct Assignment Facilities or the New England Transmission System as a result of the interconnection of the Large Load Facility and Large Load Entity's Interconnection Facilities. Large Load Entity shall not make a material change to system protection facilities, protection settings, control schemes, or other equipment that could affect the New England Transmission System or Direct Assignment Facilities without providing notice to and coordinating with the System Operator and Interconnecting Transmission Owner as required by applicable ISO New England Operating Documents.

8.7 Switching and Tagging Rules. Each Party shall provide the other Party(ies) with a copy of its switching and tagging rules that are applicable to the other Party's activities. Such switching and tagging rules shall be developed on a non-discriminatory basis. The Parties shall comply with applicable switching and tagging rules, as amended from time to time, in obtaining clearances for work or for switching operations on equipment. The Interconnecting Transmission Owner shall retain operating authority over its facilities and shall have authority to direct or coordinate switching of Large Load Entity's Interconnection Facilities where such switching may affect the Direct Assignment Facilities or the New England Transmission System. Large Load Entity shall not perform switching that may energize, de-energize, parallel, isolate, or otherwise materially affect the Interconnecting Transmission Owner's facilities or the New England Transmission System without prior authorization or coordination with the Interconnecting Transmission Owner and, where applicable, the System Operator.

The Parties shall establish and maintain clearly defined operating jurisdiction, switching authority, equipment identification, communication protocols, and clearance/tagging responsibilities at the points of interconnection.

8.8 Use of Interconnection Facilities by Third Parties.

8.8.1 Purpose of Interconnection Facilities. Except as may be required by Applicable Laws and Regulations, or as otherwise agreed to among the Parties, the Direct Assignment Facilities and Large Load Entity Interconnection Facilities shall be constructed for the sole purpose of interconnecting the Large Load Facility to the Administered Transmission System and shall be used for no other purpose.

8.8.2 Third Party Users. If required by Applicable Laws and Regulations or if the Parties mutually agree, such agreement not to be unreasonably withheld, to allow one or more third parties to use the Direct Assignment Facilities, or any part thereof, Large Load Entity will be entitled to compensation for the capital expenses it incurred in connection with the Direct Assignment Facilities based upon the pro rata use of the Direct Assignment Facilities by Large Load Interconnecting Transmission Owner, all third party users, and Large Load Entity, in accordance with Applicable Laws and Regulations or upon some other mutually agreed-upon methodology. In addition, cost responsibility for ongoing costs, including operation and maintenance costs associated with the Direct Assignment Facilities, will be allocated between Large Load Entity and any third party users based upon the pro rata use of the Direct Assignment Facilities by Large Load Interconnecting Transmission Owner, all third party users, and Large Load Entity, in accordance with Applicable Laws and Regulations or upon some other mutually agreed-upon methodology. If the issue of such compensation or allocation cannot be resolved through such negotiations, it shall be submitted to the Commission for resolution.

8.9 Real-Time Operational Obligations. Large Load Entity shall maintain the capability to receive acknowledge, and implement real-time operating instructions issued by ISO-NE, Large Load Eligible Customer, or Interconnecting Transmission Owner in accordance with applicable ISO New England Operating Documents. Such instructions may include reducing or interrupting load, limiting increases in load, maintaining load at or below an instructed level, or restoring load. Large Load Entity shall promptly notify ISO-NE, Large Load Eligible Customer, and Interconnecting Transmission Owner of any condition that prevents or materially limits its ability to comply with an operating instruction. Large Load Entity shall maintain demand within its Contract Demand, provide required operating data, and promptly report any condition that could

materially affect the New England Transmission System, the Direct Assignment Facilities, or the Large Load Network Upgrades.

ARTICLE 9. MAINTENANCE

9.1 Large Load Interconnecting Transmission Owner and Large Load Entity Obligations. Large Load Interconnecting Transmission Owner and Large Load Entity shall each maintain their respective facilities in a safe and reliable manner and in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

9.2 Operating and Maintenance Expenses. Subject to the provisions herein addressing the use of facilities by others, and except for operations and maintenance expenses associated with modifications made for providing interconnection or transmission service to a third party and such third party pays for such expenses, Large Load Entity shall be responsible for all reasonable expenses including overheads, associated with owning, operating, maintaining, repairing, and replacing the Direct Assignment Facilities, consistent with Appendix C-1 of this Agreement.

ARTICLE 10. PERFORMANCE OBLIGATION, COST RECOVERY, AND CREDIT SUPPORT

10.1 Large Load Entity's Interconnection Facilities. Large Load Entity shall design, procure, construct, install, own and/or control Large Load Entity's Interconnection Facilities described in Appendix A at its sole expense.

10.2 Direct Assignment Facilities. Large Load Interconnecting Transmission Owner shall design, procure, construct, install, own and/or control Direct Assignment Facilities described in Appendix A at the sole expense of Large Load Entity.

10.3 LLITO's Network Upgrades. Large Load Interconnecting Transmission Owner shall design, procure, construct, install, and own LLITO's Network Upgrades described in Appendix A. Large Load Entity shall be responsible for all payments consistent with this Article 10 and Appendix C-2 in consideration for the construction of LLITO's Network Upgrades.

10.4 Cost Recovery for LLITO's Network Upgrades. Each Large Load Interconnecting Transmission Owner shall include the costs of LLITO's Network Upgrades that meet the

definitions of PTF or non-PTF through the ISO-NE's and applicable Transmission Owner's formula rates for Regional or Local Service (as appropriate), as established under the Settlement Agreement dated June 15, 2020 in Docket Nos. EL16-19-0000 and ER20-2054-000 approved by FERC, as modified and approved from time to time. For avoidance of doubt, each Large Load Interconnecting Transmission Owner finances and constructs the applicable LLITO's Network Upgrades and recovers return on investment, depreciation expense, financing charges, income taxes, operation and maintenance costs, property taxes, administrative expenses, and other ownership costs, including ancillary services, through the formula rate. Costs recovered through the formula rate shall be reduced by the Cost Recovery Charge and any Exit Fee as described in Articles 10.5 and 10.9 below, as well as in Appendix C-2.

10.5 Cost Recovery Charge. Consistent with Appendix C-2 of this Agreement, in consideration for the construction of the LLITO's Network Upgrades necessary to facilitate the interconnection of the Large Load Facility to the Administered Transmission System, Large Load Entity agrees to pay the Cost Recovery Charge described in Appendix C-2.

10.6 Initial Provision of Credit Support Prior to Large Load Commercial Operation Date. At least thirty (30) Calendar Days prior to the commencement of the procurement, installation, or construction of a discrete portion of any LLITO's Network Upgrades and Direct Assignment Facilities or any part thereof, Large Load Entity shall provide to Large Load Interconnecting Transmission Owner financial assurance consistent with Appendix D of this Agreement ("Credit Support"). Such Credit Support must be provided in a form reasonably acceptable to Large Load Interconnecting Transmission Owner and, consistent with the milestones described in Appendix B, be sufficient to cover the costs of the Direct Assignment Facilities and LLITO's Network Upgrades.

10.7 Credit Support Following the Large Load Commercial Operation Date. Following the Large Load Commercial Operation Date, consistent with Appendix D of this Agreement, Large Load Entity shall provide, in a form reasonably acceptable to Large Load Interconnecting Transmission Owner, Credit Support sufficient to cover the cost of the Exit Fee described in Appendix C-2 of this Agreement as well as any ongoing amounts due under this Agreement.

10.8 Maintenance of Credit Support. Large Load Entity agrees to maintain sufficient Credit Support consistent with Appendix D and this Article 10. Failure to maintain sufficient Credit Support shall be deemed a Breach consistent with Article 16.

10.9 Exit Fee. If, prior to the expiration of or at the end of the Term of this Agreement, this Agreement is terminated or Large Load Entity disconnects or otherwise ceases operation of the Large Load Facility, Large Load Entity shall, within 30 days of such termination, disconnection, or cessation of operation, pay to Large Load Interconnecting Transmission Owner the Net Book Value of the LLITO's Network Upgrades plus any additional unrecovered costs associated with removal, retirement, decommissioning, site restoration, or other termination-related costs attributable to such facilities, net of any salvage value, as determined by Appendix C-2, as of the date of such termination, disconnection, or cessation of operation ("Exit Fee"). Large Load Interconnecting Transmission Owner shall effectively apply the Exit Fee to reduce the remaining Net Book Value of the LLITO's Network Upgrades. Payment of the Exit Fee shall be in addition to any other costs associated with termination described in this Agreement, including Article 2.4 and Article 16.

10.10 Reconciliation and No Double Recovery. Amounts collected from Large Load Entity under this Agreement shall be reconciled against amounts recovered through the ISO-NE OATT, the Large Load Transmission Service Agreement, applicable formula rates, and any retail tariff or special contract. Large Load Interconnecting Transmission Owner and Large Load Eligible Customer shall use Reasonable Efforts to prevent duplicate recovery of the same cost and shall credit or refund any over-collection identified through the applicable reconciliation.

10.11 Special Provisions for Affected Systems. Large Load Entity shall enter into separate agreements to address any Large Load Network Upgrades to any and all Large Load Affected System(s) and Large Load Internal Affected System(s) that are necessary for safe and reliable interconnection of the Large Load Facility as identified by the Large Load Eligible Customer's Large Load System Impact Study.

10.12 Large Load Distribution Upgrades. Large Load Entity shall enter into separate agreements to pay for and construct any Large Load Distribution Upgrades identified by the Large Load Eligible Customer's Large Load System Impact Study as described in Appendix A of this Agreement.

ARTICLE 11. INVOICE

11.1 General. Each Party shall submit to the other Party(ies), on a monthly basis, invoices of amounts due for the preceding month, including the Cost Recovery Charge described in Appendix C-2.

Each invoice shall state the month for which the invoice applies and fully describe the services and equipment provided. The Parties may discharge mutual debts and payment obligations due and owing to each other on the same date through netting, in which case all amounts a Party owes to the other Party(ies) under this Agreement, including interest payments or credits, shall be netted so that only the net amount remaining due shall be paid by the owing Party.

11.2 Final Invoice for Direct Assignment Facilities. Within six months after completion of the construction of Direct Assignment Facilities, Large Load Interconnecting Transmission Owner shall provide an invoice of the final cost of the construction of Direct Assignment Facilities and shall set forth such costs in sufficient detail to enable Large Load Entity to compare the actual costs with the estimates and to ascertain deviations, if any, from the cost estimates. Large Load Interconnecting Transmission Owner shall refund to Large Load Entity any amount by which the actual payment by Large Load Entity for estimated costs exceeds the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice. Large Load Entity shall pay to Large Load Interconnecting Transmission Owner any amount by which the actual payment by Large Load Entity for estimated costs falls short of the actual costs of construction within thirty (30) Calendar Days of the issuance of such final construction invoice. Following the Final Invoice, Large Load Entity is still responsible for all operation, maintenance, and replacement charges consistent with Article 9 and Appendix C-1 of this Agreement.

11.3 Payment. Invoices shall be rendered to the paying Party at the address specified in Appendix E. The Party receiving the invoice shall pay the invoice within thirty (30) Calendar Days of receipt. All payments shall be made in immediately available funds payable to the other Party, or by wire transfer to a bank named and account designated by the invoicing Party. Payment of invoices by any Party will not constitute a waiver of any rights or claims the other Party(ies) may have under this Agreement.

11.4 Disputes. In the event of a billing dispute between Large Load Entity and any other Party, any such other Party shall continue to fulfill its obligations under this Agreement so long as Large Load Entity: (i) continues to make all payments not in dispute; and (ii) pays to such other Party or into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If Large Load Entity fails to meet these two requirements for continuation of service, then such other Party may provide notice to Large Load Entity of a Default pursuant to Article 16. Within thirty (30) Calendar Days after the resolution of the dispute, the Party that owes money to the other Party shall pay the amount due with interest calculated in accord with the methodology set forth in the Commission's Regulations at 18 CFR § 35.19a(a)(2)(iii).

11.5 Late Payment Interest Charge. Any charge amounts due hereunder not paid when due shall bear interest at the rate set forth in 18 CFR § 35.19a(a)(2)(iii) from the date such amount was due until date of payment.

ARTICLE 12. EMERGENCIES

12.1 Obligations. Each Party shall comply with the Emergency Condition procedures of ISO-NE in accordance with the applicable provisions of the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

12.2 Notice. Large Load Interconnecting Transmission Owner shall notify Large Load Entity promptly when it becomes aware of an Emergency Condition that affects Direct Assignment Facilities or the New England Transmission System that may reasonably be expected to affect Large Load Entity's operation of the Large Load Facility or Large Load Entity's Interconnection Facilities. Large Load Entity acknowledges that ISO-NE may also notify Large Load Entity of any such Emergency Condition and such notification will be deemed to meet the requirement of Large Load Interconnecting Transmission Owner to notify Large Load Entity of such Emergency Condition pursuant to this Article 12.2. Large Load Entity shall notify Large Load Interconnecting Transmission Owner and ISO-NE promptly when it becomes aware of an Emergency Condition that affects the Large Load Facility or Large Load Entity's Interconnection Facilities that may reasonably be expected to affect the New England Transmission System or Direct Assignment Facilities. To the extent information is known, the notification shall describe the Emergency Condition, the extent of the damage or deficiency, the expected effect on the operation of Large Load Entity's or Large Load Interconnecting Transmission Owner's facilities and operations, its anticipated duration and the corrective action taken and/or to be taken. The initial notice shall not be delayed pending availability of complete information and be followed as soon as practicable with written notice.

12.3 Immediate Action. Unless, in Large Load Entity's reasonable judgment, immediate action is required to address an Emergency Condition, Large Load Entity shall obtain the consent of Large Load Interconnecting Transmission Owner and ISO-NE prior to performing any manual switching operations at the Large Load Facility or Large Load Entity's Interconnection Facilities in response to an Emergency Condition either declared by Large Load Interconnecting Transmission Owner or the ISO-NE or otherwise regarding the New England Transmission

System. Where such action involves switching of facilities that may affect the New England Transmission System or Direct Assignment Facilities, Large Load Entity shall notify ISO-NE and Interconnecting Transmission Owner as soon as practicable and shall coordinate subsequent switching and restoration with them.

12.4 Large Load Interconnecting Transmission Owner's Authority.

12.4.1 General. Large Load Interconnecting Transmission Owner may take whatever actions or inactions with regard to the New England Transmission System or Direct Assignment Facilities it deems necessary during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the New England Transmission System or Direct Assignment Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service.

Large Load Interconnecting Transmission Owner shall use Reasonable Efforts to minimize the effect of such actions or inactions on the Large Load Facility or Large Load Entity's Interconnection Facilities. ISO-NE and Large Load Interconnecting Transmission Owner may, on the basis of technical considerations, require the Large Load Facility to mitigate an Emergency Condition by taking actions necessary and limited in scope to remedy the Emergency Condition, including, but not limited to, directing Large Load Entity to reduce or interrupt load, limit increases in load, maintain load at or below a specified level, manage reactive power or power factor within applicable facility capabilities, disconnect the Large Load Facility, coordinate restoration of load or altering the outage schedules of the Large Load Facility and Large Load Entity's Interconnection Facilities. Large Load Entity shall comply with all of ISO-NE's and Large Load Interconnecting Transmission Owner's operating instructions concerning Large Load Facility real power within the manufacturer's design limitations of the Large Load Facility's equipment that is in service and physically available for operation at the time, in compliance with Applicable Laws and Regulations.

12.4.2 Reduction and Disconnection. Large Load Interconnecting Transmission Owner may reduce Interconnection Service or disconnect the Large Load Facility or Large Load Entity's Interconnection Facilities when such reduction or disconnection is necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. When Large Load Interconnecting Transmission Owner can schedule the reduction or disconnection in advance, Large Load Interconnecting Transmission Owner shall notify Large Load Entity of the reasons,

timing and expected duration of the reduction or disconnection. Large Load Interconnecting Transmission Owner shall coordinate with Large Load Entity in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. Any reduction or disconnection by Large Load Interconnecting Transmission Owner shall continue only for so long as reasonably necessary in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents. The Parties shall cooperate with each other to restore the Large Load Facility and the New England Transmission System to their normal operating state as soon as practicable in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

12.5 Large Load Entity Authority. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents and this Agreement, Large Load Entity may take whatever actions or inactions with regard to the Large Load Facility or Large Load Entity's Interconnection Facilities during an Emergency Condition in order to (i) preserve public health and safety, (ii) preserve the reliability of the Large Load Facility or Large Load Entity's Interconnection Facilities, (iii) limit or prevent damage, and (iv) expedite restoration of service. Large Load Entity shall use Reasonable Efforts to minimize the effect of such actions or inactions on the New England Transmission System and Direct Assignment Facilities. Large Load Interconnecting Transmission Owner shall use Reasonable Efforts to assist Large Load Entity in such actions.

12.6 Large Load Eligible Customer Authority. In accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents and this Agreement, the Large Load Eligible Customer may, consistent with Good Utility Practice take whatever actions or inactions with regard to the Large Load Facility or Large Load Entity's Interconnection Facilities during an Emergency Condition in order to protect Large Load Eligible Customer's system and facilities.

12.7 ISO-NE Authority. Each Party acknowledges that the ISO-NE shall have the authority to take action in an Emergency Condition consistent with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents, including the curtailment or disconnection of the Large Load Facility. Large Load Entity shall comply with any directive issued or action required by ISO-NE in an Emergency Condition.

12.8 Limited Liability. Except as otherwise provided in this Agreement, a Party shall not be liable to another Party for any action it or the ISO-NE takes in responding to an Emergency Condition so long as such action is made in good faith and in accordance with the ISO New England Operating Documents, Applicable Reliability Standards, or successor documents.

ARTICLE 13. REGULATORY REQUIREMENTS, OATT, AND GOVERNING LAW

13.1 Regulatory Requirements. Each Party's obligations under this Agreement are subject to receipt of any approval, certificate, permit, acceptance, or authorization required by a Governmental Authority and the ISO-NE OATT. Each Party shall in good faith use Reasonable Efforts to obtain required approvals and shall not take action inconsistent with a mandatory Commission order, the ISO-NE OATT, or Applicable Laws and Regulations. If a regulatory condition materially impairs performance, the Parties shall negotiate in good faith to address it, subject to the Commission's jurisdiction.

13.2 Governing Law.

13.2.1. The validity, interpretation, and performance of this Agreement and each of its provisions shall be governed by the laws of the State in which the Interconnection Point is located, without regard to its conflict-of-laws principles, except to the extent federal law or the Commission's jurisdiction controls.

13.2.2. This Agreement is subject to the Federal Power Act, the Commission's rules and orders, the ISO-NE OATT, the Large Load Transmission Service Agreement, applicable retail tariffs or approved retail special contracts, and all other Applicable Laws and Regulations.

13.2.3. Each Party expressly reserves the right to seek changes in, appeal, or otherwise contest any law, order, rule, regulation, tariff provision, or determination of a Governmental Authority, subject to the Federal Power Act and Applicable Laws and Regulations.

13.3 OATT Incorporation by Reference. The applicable provisions of the ISO-NE OATT, including provisions governing Direct Assignment Facilities, Large Load Network Upgrades, creditworthiness, metering, operations, outage coordination, rate recovery, and dispute resolution, are incorporated into this Agreement by reference, as amended from time to time and accepted by the Commission. If this Agreement conflicts with a mandatory provision of the ISO-NE OATT, the mandatory OATT provision controls to the extent of the conflict.

ARTICLE 14. NOTICES

14.1 General. Unless otherwise provided in this Agreement, any notice, demand, or request required or permitted to be given by a Party to another Party, and any instrument required or permitted to be tendered or delivered in writing, shall be effective when delivered by recognized national courier, certified or registered mail, personal delivery, or another method permitted by this Agreement, addressed to the Party at the address set out in Appendix E (Addresses for Notices and Billings).

A Party may change the notice information in this Agreement by giving five (5) Business Days written notice prior to the effective date of the change.

14.2 Billings and Payments. Billings and payments shall be sent to the addresses and remittance contacts set out in Appendix E and administered in accordance with Article 11.

14.3 Alternative Forms of Notice. Any notice or request required or permitted to be given by a Party to another Party and not required by this Agreement to be given in writing may be so given by telephone, facsimile or email to the telephone numbers and email addresses set out in Appendix E.

14.4 Operations and Maintenance Notice. Each Party shall notify the other Parties in writing of the identity of the person or persons it designates as the point of contact for implementing Articles 8 and 9.

ARTICLE 15. FORCE MAJEURE

15.1 Force Majeure.

15.1.1 Economic hardship is not considered a Force Majeure event.

15.1.2 A Party shall not be considered to be in Default with respect to an obligation other than the obligation to pay money when due if prevented from fulfilling that obligation by Force Majeure. The affected Party shall notify the other Parties of the Force Majeure and its particulars as soon as reasonably possible, confirm any telephone notice in writing, and exercise due diligence to remove the disability with reasonable dispatch. The affected

Party shall not be required to accept terms that are unsatisfactory to it to settle a strike or other labor disturbance.

ARTICLE 16. DEFAULT, EVENTS OF DEFAULT, AND REMEDIES

16.1 Events of Default.

16.1.1 General. An Event of Default occurs when a Party fails to perform a material obligation under this Agreement, the ISO-NE OATT, the Large Load Transmission Service Agreement, or an applicable retail special contract and the failure is not excused by Force Majeure or the act or omission of another Party. Failure to pay money when due is not excused by Force Majeure. An Event of Default includes any event described in Articles 16.1.2 through 16.1.4.

16.1.2 Large Load Entity Events of Default. Each of the following is an Event of Default by Large Load Entity: (i) failure to pay an amount due under this Agreement or under any applicable tariff or rate schedule of, or agreement with Large Load Eligible Customer; (ii) failure to post, maintain, replace, or replenish required Credit Support; (iii) actual demand for the Large Load Facility exceeding the amount of Large Load Eligible Customer's reserved FCDS, ICDS, or NFCDS for the Large Load Facility as applicable or failure to comply with a lawful operating instruction issued by another Party or ISO-NE; (iv) a material misrepresentation or failure to provide required project, load, financial, or operating information; (v) unauthorized assignment; (vi) insolvency, bankruptcy, or an assignment for the benefit of creditors; or (vii) cancellation, suspension, downsizing, or abandonment of the Large Load project without paying the any resulting amounts due under this Agreement, including the Exit Fee.

16.1.3 Large Load Interconnecting Transmission Owner, Large Load Eligible Customer, or ISO-NE Events of Default. To the extent applicable and permitted by the ISO-NE OATT, the Large Load Transmission Service Agreement, and Applicable Laws and Regulations, a material failure by Large Load Interconnecting Transmission Owner, Large Load Eligible Customer, or ISO-NE to perform an obligation expressly assigned to it under this Agreement, after the applicable cure period, is an Event of Default by that Party. A tariff-directed action, outage, curtailment, or emergency action taken in

accordance with the ISO-NE OATT, the Large Load Transmission Service Agreement, Applicable Reliability Standards, or a Commission order is not an Event of Default.

16.1.4 Notice and Cure. A failure to pay any obligation under this Agreement or replenish Credit Support shall be cured within five (5) Business Days after written notice, unless the applicable tariff or security instrument requires a shorter period. Any other curable failure shall be cured within thirty (30) Calendar Days after written notice; provided that, if the failure cannot reasonably be cured within thirty (30) Calendar Days, the Breaching Party shall begin cure within that period and diligently complete it within ninety (90) Calendar Days. Notwithstanding the foregoing, upon an insolvency or bankruptcy event affecting Large Load Entity, unauthorized assignment, demand exceedance, or failure of Large Load Entity to provide or maintain required Credit Support, Large Load Entity shall not be subject to the foregoing cure periods, and Large Load Interconnecting Transmission Owner may immediately exercise the remedies available under Article 16.2.

16.2 Remedies. If an Event of Default is not cured within the applicable period, the non-defaulting Party may, subject to the ISO-NE OATT, the Large Load Transmission Service Agreement, Applicable Laws and Regulations, and any required Commission approval, (i) suspend or terminate the affected service; (ii) terminate this Agreement; (iii) recover all amounts due, including the Exit Fee, and documented costs of enforcement; (iv) seek damages, specific performance, injunctive relief, or other relief at law or in equity; and (v) exercise any additional right under the ISO-NE OATT, the Large Load Transmission Service Agreement, or an applicable retail arrangement. The non-defaulting Party shall use Reasonable Efforts to mitigate avoidable losses.

16.3 Draw on Security. Large Load Interconnecting Transmission Owner may draw on or apply Credit Support upon an Event of Default to satisfy any amounts due or reasonably expected to become due, including the Exit Fee, termination costs, or any other obligations of Large Load Entity. Any draw shall be credited against the amount owed but shall not limit Large Load Entity's obligation to replenish Credit Support or pay any remaining balance.

16.4 FERC Complaints and Regulatory Remedies. Nothing in this Article limits a Party's right to file a complaint, petition, or other pleading with the Commission under Section 206 or Section 306 of the Federal Power Act, 16 U.S.C. §§ 824e and 825e, or to seek relief under any other applicable provision of the Federal Power Act. A Party may request Commission action concerning rates, terms, conditions, cost recovery, security, service termination, or any other

matter within the Commission's jurisdiction, and no informal process or ADR procedure is a condition to exercising that right where immediate regulatory relief is appropriate.

16.5 Cumulative Remedies and Survival. The remedies in this Article are cumulative and are in addition to remedies available under the ISO-NE OATT, the Large Load Transmission Service Agreement, an applicable retail tariff or special contract, the Federal Power Act, or other Applicable Laws and Regulations. The payment, security, indemnity, audit, confidentiality, dispute, and cost-responsibility provisions shall survive termination to the extent necessary to enforce accrued or surviving obligations.

ARTICLE 17. INDEMNITY, CONSEQUENTIAL DAMAGES, AND INSURANCE

Notwithstanding any other provision of this Agreement, the liability, indemnification, and insurance provisions of the Transmission Operating Agreement, the ISO-NE OATT, and the Large Load Transmission Service Agreement or other applicable operating agreements govern the relationship between Large Load Interconnecting Transmission Owner and Large Load Eligible Customer, and the liability, indemnification, and insurance provisions of applicable state tariffs and special contracts govern the corresponding relationships involving Large Load Eligible Customer and Large Load Entity, except to the extent this Agreement expressly provides otherwise.

17.1 Indemnity. Each Party shall at all times indemnify, defend, and hold the other Parties harmless from any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties arising out of the indemnifying Party's performance or non-performance of its obligations under this Agreement, except to the extent caused by the gross negligence or intentional wrongdoing of an indemnified Party ("Loss")..

17.1.1 Indemnified Person. If an Indemnified Person is entitled to indemnification under this Article as a result of a third-party claim and the Indemnifying Party fails, after notice and a reasonable opportunity, to assume the defense, or if the Indemnifying Party is not permitted to assume the defense as provided below, the Indemnified Person may, at the Indemnifying Party's expense, contest, settle, consent to judgment, or pay the claim.

17.1.2 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold an Indemnified Person harmless under this Article, the amount owing shall be the Indemnified Person's actual Loss, net of insurance or other recovery.

17.1.3 Indemnity Procedures. Promptly after receipt by an Indemnified Person of any written claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in Article 17.1 may apply, the Indemnified Person shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the Indemnifying Party.

If the Indemnifying Party acknowledges in writing its responsibility for the Loss resulting from the claim or proceeding, the Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Person. If the defendants in any such action include one or more Indemnified Persons and the Indemnifying Party and if the Indemnified Person reasonably concludes that there may be legal defenses available to it and/or other Indemnified Persons which are different from or additional to those available to the Indemnifying Party, the Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional law firm to represent an Indemnified Person or Indemnified Persons having such differing or additional legal defenses.

The Indemnified Person shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Person and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Person, or there exists a conflict or adversity of interest between the Indemnified Person and the Indemnifying Party, in which event the Indemnifying Party shall pay the reasonable costs and expenses (including legal fees) of the Indemnified Person, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Person, which shall not be reasonably withheld, conditioned or delayed.

17.2 Consequential Damages. Except for amounts expressly payable as Exit Fees, security replenishment, or other agreed payment obligations, no Party shall be liable under this Agreement for special, indirect, incidental, consequential, or punitive damages, including loss of profit or revenue, loss of use of equipment, cost of capital, or cost of temporary equipment or services, whether based in contract, tort, negligence, strict liability, or any other theory. Damages recoverable under another agreement shall not be treated as consequential damages under this Article.

17.3 Insurance. Large Load Interconnecting Transmission Owner and Large Load Entity shall, at their own expense, maintain in force throughout the Term and until released by the other Parties the minimum insurance coverages stated in this Article.3, with insurers authorized to do business in the State in which the Interconnection Point is located:

17.3.1 Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the State in which the Interconnection Point is located.

17.3.2 Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of One Million Dollars ($1,000,000) per occurrence/One Million Dollars ($1,000,000) aggregate combined single limit for personal injury, bodily injury, including death, and property damage.

17.3.3 Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of One Million Dollars ($1,000,000) per occurrence for bodily injury, including death, and property damage.

17.3.4 Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of Twenty Million Dollars ($20,000,000) per occurrence/Twenty Million Dollars ($20,000,000) aggregate.

17.3.5 The Commercial General Liability Insurance, Comprehensive Automobile Insurance and Excess Public Liability Insurance policies shall name the other Party(ies), its parent, associated and Affiliate companies and their respective directors, officers, agents, servants, and employees ("Other Party Group") as additional insured. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) Calendar Days advance written notice to the Other Party Group prior to anniversary date of cancellation or any material change in coverage or condition.

17.3.6 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one insured been covered. Each Party shall be responsible for its respective deductibles or retentions.

17.3.7 The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies, if written on a Claims First Made Basis, shall be maintained in full force and effect for two (2) years after termination of this Agreement, which coverage may be in the form of tail coverage or extended reporting period coverage if agreed by the Parties.

17.3.8 The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.

17.3.9 Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.

17.3.10 Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of Articles 17.3.2 through 17.3.8 to the extent it maintains a self-insurance program, provided that such Party's senior secured debt is rated at

investment grade, or better, by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of Articles 17.3.2 through 17.3.8. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under Articles 17.3.2 through 17.3.9. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party(ies) that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in Article 17.3.9.

17.3.11 The Parties agree to report to each other in writing as soon as practicable any and all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

ARTICLE 18. ASSIGNMENT

18.1 Assignment. This Agreement may be assigned by any Party only with the written consent of the other Parties; provided that the Parties may assign this Agreement without the consent of the other Parties to any Affiliate of the assigning Party with an equal or greater credit rating and with the legal authority, operational authority, and operational ability to satisfy the obligations of the assigning Party under this Agreement; and provided further that Large Load Entity shall have the right to assign this Agreement, without the consent of any other Party, for collateral security purposes to aid in providing financing for the Large Load Facility, provided that Large Load Entity will promptly notify all other Parties of any such assignment. Any financing arrangement entered into by Large Load Entity pursuant to this Article will provide that prior to or upon the exercise of the secured party's, trustee's or mortgagee's assignment rights pursuant to said arrangement, the secured creditor, the trustee or mortgagee will notify each other Party of the date and particulars of any such exercise of assignment right(s), including providing Large Load Interconnecting Transmission Owner with proof that it meets all the requirements of this Agreement. Any attempted assignment that violates this Article is void and ineffective. Any assignment under this Agreement shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.

ARTICLE 19. SEVERABILITY

19.1 Severability. If any provision in this Agreement is finally determined to be invalid, void, or unenforceable by any court or other Governmental Authority having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement, or covenant of this Agreement.

ARTICLE 20. COMPARABILITY

20.1 Comparability. The Parties will comply with all applicable comparability and code of conduct laws, rules, and regulations, as amended from time to time.

ARTICLE 21. CONFIDENTIALITY

21.1 Confidentiality. Confidential Information shall include, without limitation, all information governed by the ISO New England Information Policy, Critical Energy Infrastructure Information, all information obtained from third parties under confidentiality agreements, all information relating to a Party's technology, research and development, business affairs, and pricing, and any information supplied by a Party to another prior to the execution of this Agreement.

Information is Confidential Information only if it is clearly designated or marked in writing as confidential on the face of the document, or, if the information is conveyed orally or by inspection, if the Party providing the information orally informs the Party receiving the information that the information is confidential.

If requested by a Party, the other Party(ies) shall provide, in writing, the basis for asserting that the information referred to in this Article warrants confidential treatment, and the requesting Party may disclose such writing to the appropriate Governmental Authority. Each Party shall be responsible for the costs associated with affording confidential treatment to its information.

21.1.1 Term. During the term of this Agreement, and for a period of three (3) years after the expiration or termination of this Agreement, except as otherwise provided in this Article 21, each Party shall hold in confidence and shall not disclose to any person Confidential Information.

21.1.2 Scope. Confidential Information shall not include information that the receiving Party can demonstrate: (1) is generally available to the public other than as a result of a disclosure by the receiving Party; (2) was in the lawful possession of the receiving Party on a non-confidential basis before receiving it from the disclosing Party; (3) was supplied to the receiving Party without restriction by a third party, who, to the knowledge of the receiving Party after due inquiry, was under no obligation to the disclosing Party to keep such information confidential; (4) was independently developed by the receiving Party without reference to Confidential Information of the disclosing Party; (5) is, or becomes, publicly known, through no wrongful act or omission of the receiving Party or Breach of this Agreement; or (6) is required, in accordance with Article 21.1.7 of this Agreement, Order of Disclosure, to be disclosed by any Governmental Authority or is otherwise required to be disclosed by law or subpoena, or is necessary in any legal proceeding establishing rights and obligations under this Agreement. Information designated as Confidential Information will no longer be deemed confidential if the Party that designated the information as confidential notifies the other Party(ies) that it is no longer confidential.

21.1.3 Release of Confidential Information. A Party shall not release or disclose Confidential Information to any other person, except to its Affiliates (limited by the Standards of Conduct requirements), subcontractors, employees, consultants, or to parties who may be or are considering providing financing to or equity participation with Large Load Entity, or to potential purchasers or assignees of Large Load Entity, on a need-to-know basis in connection with this Agreement, unless such person has first been advised of the confidentiality provisions of this Article 21 and has agreed to comply with such provisions. Notwithstanding the foregoing, a Party providing Confidential Information to any person shall remain primarily responsible for any release of Confidential Information in contravention of this Article 21.

21.1.4 Rights. Each Party retains all rights, title, and interest in the Confidential Information that each Party discloses to the other Party(ies). The disclosure by each Party to the other Party(ies) of Confidential Information shall not be deemed a waiver by a Party or any

other person or entity of the right to protect the Confidential Information from public disclosure.

21.1.5 No Warranties. By providing Confidential Information, a Party does not make any warranties or representations as to its accuracy or completeness. In addition, by supplying Confidential Information, a Party does not obligate itself to provide any particular information or Confidential Information to the other Party(ies) nor to enter into any further agreements or proceed with any other relationship or joint venture.

21.1.6 Standard of Care. Each Party shall use at least the same standard of care to protect Confidential Information it receives as it uses to protect its own Confidential Information from unauthorized disclosure, publication, or dissemination. Each Party may use Confidential Information solely to fulfill its obligations to the other Party(ies) under this Agreement or its regulatory requirements.

21.1.7 Order of Disclosure. If a court or a Governmental Authority or entity with the right, power, and apparent authority to do so requests or requires a Party, by subpoena, oral deposition, interrogatories, requests for production of documents, administrative order, or otherwise, to disclose Confidential Information, that Party shall provide the other Party(ies) with prompt notice of such request(s) or requirement(s) so that the other Party(ies) may seek an appropriate protective order or waive compliance with the terms of this Agreement. Notwithstanding the absence of a protective order or waiver, the Party may disclose such Confidential Information which, in the opinion of its counsel, the Party is legally compelled to disclose. Each Party will use Reasonable Efforts to obtain reliable assurance that confidential treatment will be provided to any Confidential Information so furnished.

21.1.8 Termination of Agreement. Upon termination of this Agreement for any reason, each Party shall, within ten (10) Calendar Days of receipt of a written request from the other Party(ies), use Reasonable Efforts to destroy, erase, or delete (with such destruction, erasure, and deletion certified in writing to the other Party(ies)) or return to the other Party(ies), without retaining copies thereof, any and all written or electronic Confidential Information received from the other Party(ies).

21.1.9 Remedies. The Parties agree that monetary damages would be inadequate to compensate a Party for the other Party's(ies') Breach of its obligations under this Article 21. Each Party accordingly agrees that the other Party(ies) shall be entitled to equitable relief, by

way of injunction or otherwise, if the first Party Breaches or threatens to Breach its obligations under this Article 21, which equitable relief shall be granted without bond or proof of damages, and the receiving Parties shall not plead in defense that there would be an adequate remedy at law. Such remedy shall not be deemed an exclusive remedy for the Breach of this Article 21, but shall be in addition to all other remedies available at law or in equity. The Parties further acknowledge and agree that the covenants contained herein are necessary for the protection of legitimate business interests and are reasonable in scope. No Party, however, shall be liable for indirect, incidental, or consequential or punitive damages of any nature or kind resulting from or arising in connection with this Article 21.

21.1.10 Disclosure to the Commission, its Staff, or a State. Notwithstanding anything in this Article 21 to the contrary, and pursuant to 18 CFR. section 1b.20, if the Commission or its staff, during the course of an investigation or otherwise, requests information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement, the Party shall provide the requested information to the Commission or its staff, within the time provided for in the request for information. In providing the information to the Commission or its staff, the Party must, consistent with 18 CFR section 388.112, request that the information be treated as confidential and non-public by the Commission and its staff and that the information be withheld from public disclosure. Parties are prohibited from notifying the other Party(ies) to this Agreement prior to the release of the Confidential Information to the Commission or its staff. The Party shall notify the other Party(ies) to this Agreement when it is notified by the Commission or its staff that a request to release Confidential Information has been received by the Commission, at which time any of the Parties may respond before such information would be made public, pursuant to 18 CFR section 388.112. Requests from a state regulatory body conducting a confidential investigation shall be treated in a similar manner if consistent with the applicable state rules and regulations.

21.1.11 Subject to the exception in Article 21.1.10, any information that a Party claims is competitively sensitive, commercial or financial information under this Agreement ("Confidential Information") shall not be disclosed by the other Party(ies) to any person not employed or retained by the other Party(ies), except to the extent disclosure is (i) required by law; (ii) reasonably deemed by the disclosing Party to be required to be disclosed in connection with a dispute between or among the Parties, or the defense

of litigation or dispute; (iii) otherwise permitted by consent of the other Party(ies), such consent not to be unreasonably withheld; or (iv) necessary to fulfill its obligations under this Agreement or as a transmission service provider or a Control Area operator including disclosing the Confidential Information to an RTO or ISO or to a regional or national reliability organization. The Party asserting confidentiality shall notify the other Party(ies) in writing of the information it claims is confidential. Prior to any disclosures of the other Parties' Confidential Information under this subparagraph, or if any third party or Governmental Authority makes any request or demand for any of the information described in this subparagraph, the disclosing Party agrees to promptly notify the other Party(ies) in writing and agrees to assert confidentiality and cooperate with the other Party(ies) in seeking to protect the Confidential Information from public disclosure by confidentiality agreement, protective order or other reasonable measures.

ARTICLE 22. ENVIRONMENTAL RELEASES

22.1 Each Party shall notify the other Parties, first orally and then in writing, of the release of any Hazardous Substances, asbestos or lead abatement activities, or remediation activities related to the Large Load Facility, the LLEIF, or the Required Facilities that may reasonably be expected to affect another Party. The notifying Party shall provide notice as soon as practicable, using a good-faith effort to notify the other Parties no later than twenty-four (24) hours after becoming aware of the occurrence, and shall promptly furnish copies of publicly available reports filed with Governmental Authorities.

ARTICLE 23. INFORMATION REQUIREMENTS

23.1 **Information Acquisition.** Subject to confidentiality, code-of-conduct, and cybersecurity restrictions, each Party shall provide information reasonably necessary to 1) administer the ISO-NE OATT and this Agreement; 2) plan and operate the New England Transmission System, LLITO's Network Upgrades, the Direct Assignment Facilities, and the LLEIF; 3) calculate any charges, payments, or amounts due under this Agreement; 4) monitor contract demand quantities for transmission service; and 5) comply with Applicable Reliability Standards.

23.2 Information Submission by Large Load Interconnecting Transmission Owner. Upon request, Large Load Interconnecting Transmission Owner shall provide Large Load Entity and Large Load Eligible Customer the tariff, operating, facility, schedule, cost, and service information reasonably necessary to construct the Direct Assignment Facilities and LLITO's Network Upgrades. Upon request, Large Load Interconnecting Transmission Owner shall provide periodic status reports addressing scope, progress, expected in-service dates, costs incurred, and projected costs.

23.3 Information Submission by Large Load Entity. Large Load Entity shall submit and certify current information reasonably required by ISO-NE, Large Load Interconnecting Transmission Owner, and Large Load Eligible Customer no later than 60 days prior to the Service Commencement Date and thereafter upon request or material change. The submission shall include the Large Load Facility's site, facility type, Contract Demand, Maximum Forecast Demand, load forecasts, operating characteristics, power-quality characteristics, metering and telemetry configuration, use of onsite or behind-the-meter resources, development schedule, and information required under the applicable the ISO-NE OATT data requirements. Large Load Entity shall also submit to ISO New England and Large Load Eligible Customer any information or data necessary to procure transmission service under the ISO-NE OATT.

23.3.1 Changed Data and Additional Analysis. If information provided by Large Load Entity differs materially from information used to establish the Large Load Service Request, Contract Demand, or Required Facilities, ISO-NE or Large Load Interconnecting Transmission Owner may require additional planning, reliability, metering, or cost analyses at Large Load Entity's expense. Large Load Entity shall not increase its service level or operate outside its approved configuration until any required analysis is complete and all necessary approvals have been obtained. Large Load Entity agrees to provide any such data requested by the ISO-NE or Large Load Interconnecting Transmission Owner.

23.4 Information Supplementation. Before the Service Commencement Date and periodically thereafter, Large Load Entity shall provide current as-built, as-operated, as-tested, and metering information that differs from prior submissions, or written confirmation that no material differences exist. Large Load Entity shall provide additional information and perform tests reasonably required by ISO-NE, Large Load Interconnecting Transmission Owner, Large Load Eligible Customer, Good Utility Practice, the ISO-NE OATT, or Applicable Reliability Standards.

23.5 Material Equipment Changes. Large Load Entity shall provide ISO-NE, Large Load Interconnecting Transmission Owner, and Large Load Eligible Customer information regarding proposed equipment replacement, repair, adjustment, expansion, or control changes that could affect load, metering, protection, power quality, service level, Contract Demand, or the Required Facilities. Large Load Interconnecting Transmission Owner shall provide information regarding changes to Large Load Interconnecting Transmission Owner-owned facilities that could affect Large Load Entity's equipment ratings, protection, metering, or operating requirements. The Parties shall provide and update this information in accordance with this Article 23 and the ISO-NE OATT.

ARTICLE 24. INFORMATION ACCESS AND AUDIT RIGHTS

24.1 Information Access. Each Party shall make available to the other Parties information in its possession that is reasonably necessary to verify costs, invoices, workpapers, amounts due, any charges under this Agreement, supplemental payments, security amounts, and compliance with this Agreement, the ISO-NE OATT, the Large Load Transmission Service Agreement, and applicable retail arrangements. Information shall be used only to administer or enforce those instruments and shall remain subject to Article 21.

24.2 Reporting of Non-Force Majeure Events. Each Party (the "notifying Party") shall notify the other Party(ies) when the notifying Party becomes aware of its inability to comply with the provisions of this Agreement for a reason other than a Force Majeure event. The Parties agree to cooperate with each other and provide necessary information regarding such inability to comply, including the date, duration, reason for the inability to comply, and corrective actions taken or planned to be taken with respect to such inability to comply. Notwithstanding the foregoing, notification, cooperation, or information provided under this Article shall not entitle the Party receiving such notification to allege a cause for anticipatory Breach of this Agreement.

24.3 Audit Rights. Subject to Article 21, each Party may, during normal business hours and upon reasonable notice, audit at its own expense another Party's accounts and records relating to performance or satisfaction of obligations under this Agreement, the ISO-NE OATT, the Large Load Transmission Service Agreement, or an applicable retail arrangement. Audit rights include costs and invoices for Required Facilities and Direct Assignment Facilities, formula-rate calculations, Revenue Requirement Credits, supplemental payments, security, and Exit Fee

calculations, metering data, outage and emergency actions, and compliance with Contract Demand and operating requirements. Audits shall be limited to relevant records and shall not unreasonably disrupt operations.

24.4 Audit Rights Periods.

24.4.1 Audit Rights Period for Construction-Related Accounts and Records. Accounts and records related to the design, engineering, procurement, financing, and construction of Required Facilities, including Direct Assignment Facilities and LLITO's Network Upgrades, shall be subject to audit for twenty-four (24) months after Large Load Interconnecting Transmission Owner's final invoice or true-up under Article 11.2, or after the applicable facilities are placed in service, whichever is later.

24.4.2 Audit Rights Period for All Other Accounts and Records. Accounts and records related to a Party's performance or satisfaction of all obligations under this Agreement other than those described in Article 24.4.1 shall be subject to audit as follows: (i) for an audit relating to cost obligations, the applicable audit rights period shall be twenty-four (24) months after the auditing Party's receipt of an invoice giving rise to such cost obligations; and (ii) for an audit relating to all other obligations, the applicable audit rights period shall be twenty-four (24) months after the event for which the audit is sought.

24.5 Audit Results. If an audit by a Party determines that an overpayment or an underpayment has occurred, a notice of such overpayment or underpayment shall be given to the other Party(ies) together with those records from the audit which support such determination.

ARTICLE 25. SUBCONTRACTORS

25.1 General. Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party(ies) for the performance of such subcontractor.

25.2 Responsibility of Principal. The creation of a subcontract relationship shall not relieve the hiring Party of its obligations under this Agreement. The hiring Party shall be fully responsible to the

other Parties for the acts or omissions of any subcontractor it hires as if no subcontract had been made. Any obligation imposed on the hiring Party shall be equally binding upon, and construed to apply to, its subcontractors.

25.3 No Limitation by Insurance. The obligations under this Article 25 shall not be limited by any limitation of a subcontractor's insurance.

ARTICLE 26. DISPUTES

26.1 Submission and Informal Resolution. In the event of a dispute or claim arising out of or relating to this Agreement, the disputing Party shall provide the other Parties with a written Notice of Dispute. The dispute shall be referred promptly to designated senior representatives for informal resolution. The representatives shall meet or confer within ten (10) Business Days and shall use Reasonable Efforts to resolve the matter within thirty (30) Calendar Days after receipt of the Notice of Dispute. This informal process is not a condition to seeking emergency relief, filing a FERC complaint, or invoking any ADR processes.

26.2 Alternative Dispute Resolution. If a dispute is not resolved informally, any Party may request Alternative Dispute Resolution ("ADR") to the extent contemplated by the ISO-NE OATT. The Parties shall use the ADR procedures, neutral-selection process, confidentiality protections, and timing requirements specified in the ISO-NE OATT or applicable Commission rules. ADR shall be conducted by persons knowledgeable in electric utility, transmission, and FERC matters and shall not alter a jurisdictional rate, term, or condition unless accepted or approved by the Commission.

26.3 FERC Complaints and Other Rights. Any Party may instead file a complaint, petition, or other pleading with the Commission under Section 206 or Section 306 of the Federal Power Act, seek relief under Section 205 or another applicable provision, or exercise rights under the ISO-NE OATT, the Large Load Transmission Service Agreement, an applicable retail arrangement, or Applicable Laws and Regulations. No Party's participation in informal negotiations or ADR waives or limits its right to seek Commission action. A final ADR determination affecting jurisdictional rates, terms, conditions, charges, Required Facilities, or LLITO's Network Upgrades shall be filed with the Commission if required.

26.4 Costs and Interim Performance. Unless otherwise determined through ADR, the Parties shall bear their own costs and share neutral costs as specified by the applicable ADR procedure. During a dispute, each Party shall continue performing undisputed payment and operational obligations and shall pay undisputed amounts when due. A dispute shall not prevent a Party from taking action authorized by the ISO-NE OATT, ISO-NE Operating Documents, the Large Load Transmission Service Agreement, Applicable Reliability Standards, or an Emergency Condition procedure.

ARTICLE 27. REPRESENTATIONS, WARRANTIES, AND COVENANTS

27.1 General. Each Party makes the following representations, warranties, and covenants:

27.1.1 Good Standing. Such Party is duly organized, validly existing, and in good standing under the laws of the state in which it is organized, formed, or incorporated, as applicable; is qualified to do business in the state or states in which the Large Load Facility and Required Facilities owned by such Party are located; and has the corporate power and authority to own its properties, carry on its business, enter into this Agreement, and perform the covenants and obligations assigned to it.

27.1.2 Authority. Such Party has the right, power, and authority to enter into this Agreement, to become a Party hereto and to perform its obligations hereunder. This Agreement is a legal, valid and binding obligation of such Party, enforceable against such Party in accordance with its terms, except as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforceability is sought in a proceeding in equity or at law).

27.1.3 No Conflict. The execution, delivery and performance of this Agreement does not violate or conflict with the organizational or formation documents, or bylaws or operating agreement, of such Party, or any judgment, license, permit, order, material agreement or instrument applicable to or binding upon such Party or any of its assets.

27.1.4 Consent and Approval. Such Party has sought or obtained, or, in accordance with this Agreement will seek or obtain, each consent, approval, authorization, order, or acceptance by any Governmental Authority in connection with the execution, delivery

and performance of this Agreement, and it will provide to any Governmental Authority notice of any actions under this Agreement that are required by Applicable Laws and Regulations.

ARTICLE 28. MISCELLANEOUS

28.1 Binding Effect. This Agreement and the rights and obligations hereof shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

28.2 Conflicts. In the event of a conflict between the body of this Agreement and any attachment, appendix, exhibit, or schedule, the body of this Agreement shall prevail as the final intent of the Parties. A mandatory provision of the ISO-NE OATT, a Commission order, or Applicable Laws and Regulations shall control over any conflicting provision of this Agreement.

28.3 Rules of Interpretation. Unless a clear contrary intention appears: (1) the singular includes the plural and vice versa; (2) a reference to a person includes its permitted successors and assigns; (3) a reference to an agreement, document, instrument, tariff, or rule means that instrument as amended and in effect from time to time in accordance with its terms and Applicable Laws and Regulations; (4) a reference to Applicable Laws and Regulations means those laws and regulations as amended, modified, codified, or reenacted; (5) a reference to an Article, Section, Appendix, or schedule means the corresponding provision of this Agreement or the ISO-NE OATT, as applicable; (6) "hereunder," "hereof," "herein," and similar terms refer to this Agreement as a whole; (7) "including" means including without limitation; and (8) "from," "to," and "through" have the inclusive or exclusive meanings stated in the context.

28.4 Entire Agreement. Except for the ISO-NE OATT, ISO New England Operating Documents, Applicable Reliability Standards, the Large Load Transmission Service Agreement, applicable retail tariffs or approved retail special contracts, related facilities agreements, and Commission orders, this Agreement, including its Appendices, constitutes the entire agreement among the Parties concerning its subject matter and supersedes prior contemporaneous understandings or agreements concerning that subject matter. No other representation, warranty, or covenant forms part of the consideration for a Party's obligations unless stated in this Agreement or a governing instrument identified in this Article 28.4.

28.5 No Third-Party Beneficiaries. This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations,

associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and, where permitted, their assigns.

28.6 Waiver. The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

Any waiver at any time by a Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, or duty. Termination or Default of this Agreement for any reason shall not waive a Party's rights under the ISO-NE OATT, the Large Load Transmission Service Agreement, an applicable retail arrangement, the Federal Power Act, or other Applicable Laws and Regulations. Any waiver shall, if requested, be provided in writing.

28.7 Headings. The descriptive headings of the various Articles of this Agreement have been inserted for convenience of reference only and are of no significance in the interpretation or construction of this Agreement.

28.8 Multiple Counterparts. This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

28.9 Amendment. The Parties may by mutual agreement amend this Agreement by a written instrument duly executed by the Parties.

28.10 Modification by the Parties. The Parties may by mutual agreement amend the Appendices to this Agreement by a written instrument duly executed by all of the Parties. Such amendment shall become effective and a part of this Agreement upon satisfaction of all Applicable Laws and Regulations.

28.11 Reservation of Rights. Consistent with the ISO-NE OATT, the Federal Power Act, and the Commission's rules, Large Load Interconnecting Transmission Owner Large Load Eligible Customer, and Large Load Entity reserve all rights to make filings with the Commission under Section 205, Section 206, Section 306, or any other applicable provision of the Federal Power Act concerning this Agreement, rates, terms, conditions, charges, classifications of service, security, cost recovery, or service termination. Each Party may protest or participate fully in any proceeding concerning another Party's filing. Nothing in this Agreement limits the rights of a Party or the Commission, except to the extent the Parties may lawfully agree otherwise and the Commission accepts or approves that agreement.

28.12 No Partnership. This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon any Party. No Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Parties.

[signature page follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement in triplicate originals, each of which shall constitute and be an original effective Agreement between the Parties.

[LARGE LOAD ENTITY]

By: _____

Date: _____

[LARGE LOAD INTERCONNECTING TRANSMISSION OWNER]

By: _____

Date: _____

[LARGE LOAD ELIGIBLE CUSTOMER]

By: _____

Date: _____

Appendices

APPENDIX A	LARGE LOAD IDENTIFICATION AND REQUIRED FACILITIES
APPENDIX B	MILESTONES
APPENDIX C	FACILITY DETAILS
APPENDIX C-1	ANNUAL FACILITIES CHARGE AND CAPITAL REPLACEMENT REIMBURSEMENT FOR DIRECT ASSIGNMENT FACILITIES
APPENDIX C-2	COST RECOVERY CHARGE
APPENDIX D	CREDIT SUPPORT
APPENDIX E	ADDRESS FOR NOTICES AND BILLINGS

APPENDIX A

Large Load Identification and Required Facilities

1. Large Load Identification:

a. Site, Interconnection Point, and Service Characteristics

b. **Large Load Entity and Large Load Facility Details**

2. Direct Assignment Facilities:

a.

b.

c.

3. LLITO's Network Upgrades:

4. Large Load Distribution Upgrades:

5. Large Load Entity Interconnection Facilities:

6. Metering Equipment:

APPENDIX A-1

Required Facilities and Interconnection Point Diagram

Contains Critical Energy Infrastructure Information – Do Not Release

APPENDIX A-2

Interconnection Point and Ownership Diagram

Contains Critical Energy Infrastructure Information – Do Not Release

APPENDIX B

Milestones

Item No.	Milestone Description	Responsible Party	Date	Reference
1	Provide LLITO with Credit Support pursuant to Article 10 and Appendix D	Large Load Entity	Within 15 Business Days of Agreement ("LLCRA") execution OR at least 30 Calendar Days prior to Milestone 3 Notice to Proceed design & long lead material procurement	
2	Provide certificate of insurance	Large Load Entity and Large Load Interconnecting Transmission Owner	Within 10 Calendar Days of execution of LLCRA	
3	Provide LLITO with Notice To Proceed with Engineering and Design Activities and ordering of long lead time material for Direct Assignment Facilities and LLITO's Network Upgrades	Large Load Entity	Date:	
4	Provide siting & permitting approval for Large Load Facility and LLEIF to Large Load Interconnecting Transmission Owner	Large Load Entity & Large Load Interconnecting Transmission Owner	Prior to Milestone 8	

5	Obtain necessary real property rights and rights-of-way for the construction of the Direct Assignment Facilities and LLITO's Network Upgrades	Large Load Entity and/or Large Load Interconnecting Transmission Owner	Date:	
6	Provide LLITO with additional Credit Support pursuant to Article 10 and Appendix D	Large Load Entity	30 Calendar Days prior to Milestone 7	
7	Provide to Large Load Interconnecting Transmission Owner written authorization to proceed with equipment procurement and construction for all Direct Assignment Facilities and LLITO's Network Upgrades	Large Load Entity	Date:	
8	Provide initial design, engineering and specifications for Large Load Entity's Interconnection Facilities to Large Load Interconnecting Transmission Owner	Large Load Entity	Date:	
9	Provide comments on initial design, engineering, and specifications for Large Load Entity's Interconnection Facilities	Large Load Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	

10	Provide final design, engineering, and specifications for Large Load Entity's Interconnection Facilities to Large Load Interconnecting Transmission Owner	Large Load Entity	Within 180 calendar days prior to In Service Date of the LLITO Network Upgrades and Direct Assignment Facilities	
11	Provide comments on final design, engineering, and specifications for Direct Assignment Facilities	Large Load Interconnecting Transmission Owner	Within 30 Calendar Days of receipt	
12	Provide protective relay settings to Large Load Interconnecting Transmission Owner for coordination and verification	Large Load Entity	At least 90 Calendar Days prior to In Service Date of Direct Assignment Facilities and LLITO's Network Upgrades	
13	Provide LLITO with 100% Credit Support associated with LLITO's Network Upgrades, Exit Fee, and Cost Recovery Charge consistent with Article 10 and Appendix D.	Large Load Entity	At least 30 Calendar days prior to commencement of construction	
14	Commencement of construction of Direct Assignment Facilities and LLITO's Network Upgrades	Interconnecting Transmission Owner	Date:	
15	Commencement of Construction of Large Load Facility and /or LLEIF	Large Load Entity	Date:	

16	In Service Date of Direct Assignment Facilities and LLITO's Network Upgrades	Large Load Interconnecting Transmission Owner	Date:	
17	Submit all supplemental and/or updated "as-built" information for Large Load Facility or LLEIF	Large Load Entity	Prior to Large Load Commercial Operation Date	
18	Large Load Commercial Operation Date of Large Load Facility	Large Load Entity	Date:	
19	Deliver to Large Load Entity "as built" drawings, information, and documents regarding Direct Assignment Facilities	Large Load Interconnecting Transmission Owner	If requested, within 120 Calendar Days after Large Load Commercial Operation Date	
20	Provide Large Load Entity with final cost invoices for Direct Assignment Facilities. Release any Credit Support for Direct Assignment Facilities.	Large Load Interconnecting Transmission Owner	Within 6 months of completion of construction Direct Assignment Facilities	

APPENDIX C

Facility Details

1. Large Load Project and Service Description:

2. Large Load Facility and Demand:

3. Required Facilities and Applicable Study:

4. Metering and Telemetry:

5. Permits and Site Rights:

APPENDIX C-1

Annual Facilities Charge and Capital Replacement Reimbursement for Direct Assignment Facilities

[To be determined by the individual LLITO]

APPENDIX C-2

Cost Recovery Charge

Purpose:

The purpose of the Cost Recovery Agreement ("CRA") is to ensure that Large Load Entity is financially responsible for and pays Large Load Revenue Requirements ("LLRR") associated with Large Load Entity's cost of LLITO's Network Upgrades on Large Load Interconnecting Transmission Owner's system such that there is no rate impact caused by the LLRR on other transmission customers. The Large Load Eligible Customer taking transmission service on behalf of Large Load Entity, as applicable, will have two transmission services to select from: Firm Contract Demand Service ("FCDS") or Non-Firm Contract Demand Service ("NFCDS"). Interim Contract Demand ("ICDS") is applicable before Large Load Network Upgrades are completed and placed into service, and before the Large Load Eligible Customer has designated, or has caused to be designated, sufficient capacity resources to serve the Large Load.

The Cost Recovery Charge ("CRC"):

The CRC is a make-whole provision that covers the difference between LLRR and the amount to be paid by the Large Load Eligible Customer through the selected transmission service (FCDS, NFCDS, and/or ICDS) to eliminate the rate impact of the LLRR on other transmission customers. The CRC is paid by Large Load Entity to the LLITO and applied as a credit against the LLITO's applicable regional and/or local revenue requirements. In the event that Large Load Entity and the Large Load Eligible Customer are the same entity, that entity pays the CRC.

FCDS CRC Calculation:

Annually the LLITO establishes the regional and/or local LLRR for Large Load Entity's gross cost of LLITO's Network Upgrades, based on the LLITO's annual carrying charge factor (pursuant to the LLITO's FERC approved annual transmission formula rate), while the Large Load Eligible Customer provides a Firm Contract Demand ("FCD") requirement. If Large Load Entity's LLRR exceeds the payments expected to be collected from the Large Load Eligible Customer under its FCDS based on the applicable annual RNS or LNS rate, the difference is a supplemental CRC payment. If the Large Load Eligible Customer's FCDS payment based on the applicable RNS or LNS rate is equal to or exceeds the LLRR, there is no supplemental CRC required.

- **Step 1: Calculate LLRR**

  LLRR = Gross cost of LLITO's Network Upgrades × LLITO Regional or Local Carrying Charge Factor

- **Step 2: Calculate FCDS Charge**

  FCDS Charge = FCD × RNS or LNS Rate

- **Step 3: Calculate Annual CRC**

  Annual CRC = LLRR − FCDS Payment if LLRR > (FCDS Payment)
  0 if LLRR ≤ FCDS Payment

- **Step 4: Calculate Monthly CRC**

  Monthly CRC = Annual CRC/12

LLRR = Large Load Entity's Local or Regional Cost Responsibility Revenue Requirement
LLITO Carrying Charge Factor = Annual Regional or Local network service rate carrying charge factor as established under the Settlement Agreement dated June 15, 2020 in Docket Nos. EL16-19-0000 and ER20-2054-000 approved by FERC, as modified and approved from time to time.
FCDS Payment = Large Load Eligible Customer's Firm contract demand times RNS or LNS Rate in effect for service year.
FCD = Large Load Eligible Customer's Firm Contract Demand (MW)
RNS/LNS Rate = Applicable annual Regional Network Service or Local Network Service rate ($/MW-year)

NFCDS CRC Calculation:

Annually, the LLITO establishes the regional and/or local LLRR for Large Load Entity's gross cost of LLITO's Network Upgrades based on the LLITO's annual carrying charge factor (pursuant to the LLITO's FERC approved annual transmission formula rate), while the Large Load Eligible Customer provides or causes the provision of an estimate of Non-Firm Contract Demand ("NFCD"). If Large Load Entity's LLRR exceeds the actual payments collected from the Large Load Eligible Customer under its NFCD based on the applicable annual RNS or LNS rate, the difference is a supplemental CRC payment. The CRC, under the NFCDS, will be subject to true-ups based on actual demand/charges to ensure full recovery of the LLRR. If the Large Load Eligible Customer's NFCDS payment based on the applicable RNS or LNS rate is equal to or exceeds the LLRR there is no supplemental CRC required.

- **Step 1: Calculate LLRR**

  LLRR = Gross cost of LLITO's Network Upgrades × LLITO Regional or Local Carrying Charge Factor

- **Step 2: Calculate NFCDS Charge**

  NFCDS Charge = NFCD × RNS or LNS Rate

- **Step 3: Calculate Annual CRC**

  Annual CRC = LLRR − NFCDS Payment if LLRR > (NFCDS Payment)
  0 if LLRR ≤ NFCDS Payment

- **Step 4: Calculate Monthly CRC**

  Monthly CRC = Annual CRC/12

LLRR = Large Load Entity's Local or Regional Cost Responsibility Revenue Requirement

LLITO Carrying Charge Factor = Annual Regional or Local network service rate carrying charge factor as established under the Settlement Agreement dated June 15, 2020 in Docket Nos. EL16-19-0000 and ER20-2054-000 approved by FERC, as modified and approved from time to time.
NFCD = Large Load Eligible Customer's Non-Firm Contract Demand (MW)

NFCDS Payment = Large Load Eligible Customer's NFCD times RNS or LNS Rate in effect for service year.
RNS/LNS Rate = Applicable annual Regional Network Service or Local Network Service rate ($/MW-year)

ICDS CRC Calculation:

ICDS will be available to the Large Load Eligible Customer during the interim period prior to receiving FCDS consistent with the ISO-NE OATT. While the Large Load Eligible Customer is receiving ICDS, Large Load Entity will be billed pursuant to the NFCDS methodology outlined above. Once the Large Load Eligible Customer is receiving FCDS, Large Load Entity will then be billed pursuant to the FCDS methodology.

Take-or-Pay Structure and Annual Updates:

The CRC creates a take-or-pay obligation under which Large Load Entity bears 100% cost responsibility for the CRC. The LLRR and CRC shall be updated annually, in January to reflect the upcoming years updated RNS/LNS rate updates and LLITO's annual carrying charge factor, over the term of this Agreement.

Exit Fee Calculation

Pursuant to Article 10.8, the Net Book Value for the Exit Fee represents the remaining unrecovered investment in LLITO's Network Upgrades constructed specifically to serve Large Load Entity if service is terminated prior to the end of the Initial Term, at the end of the Initial Term, or otherwise agreed upon pursuant to Article 2.2. In addition to the recovery of the remaining unrecovered investment, the Exit Fee shall include any additional unrecovered costs associated with removal, retirement, decommissioning, site restoration, or other termination-related costs attributable to such facilities, net of any salvage value ("Decommissioning Costs").

Exit Fee = NBV + Decommissioning Costs

NBV = The Net Book Value of LLITO's Network Upgrades based on the general ledger books and records of the LLITO.

Decommissioning Costs = Any additional unrecovered costs associated with removal, retirement, decommissioning, site restoration, or other termination-related costs attributable to such facilities, net of any salvage value

APPENDIX D

Credit Support

[Specifics to be determined by the individual LLITO]

APPENDIX E

Addresses for Notices and Billings

Large Load Entity:

Large Load Interconnecting Transmission Owner:

Large Load Eligible Customer:

Billings and Payments:

Alternative Notice Methods (telephone, facsimile, or email):