

April 14, 2015

VIA ELECTRONIC FILING

The Hon. Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: **Standards for Business Practices and Communication Protocols for Public Utilities- Supplemental Request for Waiver**
FERC Docket No. ER15-517-___

Dear Secretary Bose:

Pursuant to Rules 205, 206 and 207 of the Commission's Rules of Practice and Procedure and in compliance with Order No. 676-H issued in Docket No. RM05-5-022¹, the PTO Administrative Committee ("PTO AC"), on behalf of the Participating Transmission Owners ("PTOs"), the Schedule 20A Service Providers ("SSPs"), and Cross-Sound Cable Company, LLC ("CSC")² (collectively, the "Filing Parties"),³ hereby submit this filing to supplement their December 1, 2014 pending compliance filing and request for waiver of certain Version 003 Standards for Business Practices and Communication Protocols of the Wholesale Electric Quadrant ("WEQ Standards") adopted by the North American Energy Standards Board ("NAESB") incorporated by reference into the regulations of the Commission pursuant to Order No. 676-H.⁴ Specifically, the Filing Parties request waiver of those WEQ Standards related to Network Integration Transmission Service ("NITS") contained in Version 003 WEQ-000, WEQ-001, WEQ-002 and WEQ-003 and those WEQ Standards related to Service Across Multiple Transmission Systems ("SAMTS") contained in Version 003 WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013.

¹ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-H, 148 FERC ¶ 61,205 (2014), as modified by the Commission's October 3, 2014 *Errata Notice*, 149 FERC ¶ 61,014 (2014).

² This filing is being submitted through the E-Tariff system by ISO New England Inc. ("ISO-NE") on behalf of the Filing Parties given ISO-NE's capacity as administrator of the ISO Tariff in the E-Tariff system.

³ The Filing Parties note that they possess certain rights under Section 205 of the Federal Power Act to modify certain terms, conditions and rates in the ISO New England Inc., Transmission, Markets and Services Tariff ("ISO Tariff") in accordance with transmission operating agreements, prior Commission Orders, and/or applicable case law.

⁴ Capitalized terms used but not defined in this filing are intended to have the meanings given to such terms in Version 003 of the WEQ Standards adopted by NAESB, the Transmission Operating Agreement, or the ISO Tariff including Section II of the ISO Tariff ("ISO OATT"), and Market Rule 1, which is Section III of the ISO Tariff. The ISO Tariff is available at www.iso-ne.com.

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On December 1, 2014, the Filing Parties requested waiver of certain WEQ Standards under Order 676-H (the “December 1 Compliance Filing”) but did not request specific waiver of the standards related to NITS and SAMTS. This was an oversight that the Filing Parties seek to correct. Accordingly, the Filing Parties are, by this filing, submitting their compliance with, and a request for waiver of, the WEQ Standards that are specifically applicable to NITS and SAMTS.

As recognized in past Commission orders accepting the PTOs, SSPs and CSC requests for limited waiver from certain NAESB WEQ Standards adopted by the Commission in Order No. 676-C⁵ and Order No. 676-E⁶, certain WEQ Standards adopted by the Commission are not applicable to the PTOs, SSPs and CSC due to the nature of the transmission services provided under the ISO OATT which differ from the Commission’s *pro forma* OATT. As will be explained below, the WEQ Standards related to NITS and SAMTS are likewise inapplicable to the PTOs, SSPs and CSC.

The Filing Parties respectfully request that the Commission grant an effective date of April 15, 2015 for the waiver requests submitted herewith, and also grant any waivers necessary to permit such an effective date.

I. DESCRIPTION OF FILING PARTIES; COMMUNICATIONS

A. Filing Parties

As described in more detail in the December 1 Compliance Filing, the Filing Parties are transmission providers providing open access transmission service under the ISO OATT.⁷

B. Communications

All correspondence and communications in this proceeding should be addressed to the undersigned for the PTO AC, SSPs, and CSC as indicated in Attachment 1 hereto.

II. BACKGROUND

On September 18, 2014, the Commission issued Order No. 676-H, which revised the Commission’s regulations to incorporate by reference, with certain exceptions, Version 003 of the Standards for Business Practices and Communication Protocols for Public Utilities adopted by the Wholesale Electric Quadrant (“WEQ”) of the North American Energy Standards Board

⁵ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-C, 124 FERC ¶ 61,070 (2008).

⁶ *Standards for Business Practices and Communication Protocols for Public Utilities*, Order No. 676-E, 129 FERC ¶ 61,162 (2009).

⁷ See FERC Docket Nos. RT04-2, et al.

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(“NAESB”) as mandatory, enforceable requirements. The Version 003 Standards included new and revised standards related to NITS in WEQ-000, WEQ-001, WEQ-002, and WEQ-003 Business Practice Standards. The Version 003 Standards also included new and revised standards related to SAMTS in WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013 Business Practice Standards.

In Order No. 676-H, the Commission required public utilities to modify their open access transmission tariffs to include the WEQ standards being incorporated by reference into the Commission’s regulations by making a compliance filing by December 1, 2014, and permitting any waiver requests to be filed at that time.⁸ The Filing Parties made the December 1, 2014 Compliance Filing as noted above, but now wish to supplement that filing to clarify that they seek waiver of all NITS and SAMTS related WEQ Version 003 Standards.

The Filing Parties have requested in the past, and the Commission has granted, waiver of certain NAESB WEQ Standards otherwise required to be incorporated by reference into their respective tariff provisions pursuant to FERC Order Nos. 676-C⁹ and 676-E.¹⁰ After review of Order No. 676-H, the Filing Parties concluded that the previous waivers granted to them by the Commission pursuant to Order Nos. 676-C and 676-E should similarly be applicable pursuant to the same NAESB WEQ Standards (Version 003) being adopted by reference in Order No. 676-H. The fundamental rationale for granting the previous waivers applicable to prior versions of the NAESB WEQ Standards has not changed.

III. SUPPLEMENTAL REQUEST BY THE FILING PARTIES FOR LIMITED WAIVER OF CERTAIN WEQ STANDARDS VERSION 003

With respect to Schedule 18 as applicable to CSC, and the common provisions of Schedules 20A and 21, of the ISO OATT, the SSPs, the PTO AC on behalf of the PTOs, and CSC hereby supplement their waiver request made in the December 1 Compliance Filing and seek limited waiver of the specific Version 003 WEQ Standards referenced below which have been incorporated by reference into the Commission’s regulations and which public utilities are required to incorporate by reference into their OATTs. The WEQ Standards at issue here are

⁸ Order No. 676-H at P. 20. The Commission has delayed the requirement for submission of waiver requests or a compliance filing for the adoption by incorporation of NAESB WEQ Standard WEQ-002-5.10.3 until 16 months after the effective date of Order 676-H.

⁹ See generally, FERC Docket No. ER09-626 (2009). In FERC Docket Nos. ER09-626-000, ER09-626-001, and ER09-626-002, The PTOs and SSPs were granted certain waivers of NAESB WEQ Standards (Version 001). See Also, *Participating Transmission Owners Administrative Committee*, FERC Docket No. ER09-626-002. Letter Order, dated December 28, 2009. Similarly, CSC was granted waiver of certain NAESB WEQ Standards (Version 001) in FERC Docket No. ER09-613 (2009). *Cross-Sound Cable Company, LLC*, FERC Docket No. ER09-613-001. Letter Order, dated December 28, 2009.

¹⁰ See *Participating Transmission Owners Administrative Committee, Order Granting Request for Waivers* FERC Docket No. ER11-23-000, December 3, 2010. 133 FERC ¶ 61,197 (2010).

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inapplicable to the PTOs, SSPs, and CSC due to the nature of transmission service they provide, which differs from the services described in the Commission's *pro forma* OATT.

A. The Filing Parties seek waiver of WEQ Standard related to Network Integration Transmission Service (“NITS”)

The Filing Parties hereby request waiver of Version 003 Standards related to NITS. The Filing Parties seek waiver from all NITS related Business Practice Standards which are contained in WEQ-000, WEQ-001, WEQ-002 and WEQ-003 in WEQ Version 003. The WEQ Version 003 NITS standards are inapplicable to the Filing Parties in New England and, therefore, the Filing Parties request waiver of those standards.

NITS allows a Network Customer to integrate and economically dispatch and regulate its current and planned Network Resources to serve its Network Load in a manner comparable to the way a Transmission Provider uses its Transmission System to serve its Native Load Customers. In New England, transmission customers do not designate Network Resources to serve specific Network Load. ISO-NE implements a least cost economic security constrained dispatch methodology to provide a match of generation with load. The ISO dispatch methodology does not take into account whether or not a transmission customer taking Local Service (either network service or point-to-point service) holds a transmission reservation, and therefore the lack of such a reservation does not affect whether the generator is dispatched. Essentially, ISO-NE's Market Rule 1, Section III of the ISO Tariff, and RNS Service supplant the need for transmission customers to manage their need to match generation resources and load supply obligations. *Pro-forma* NITS service is not provided as a Local Service under Schedule 21 of the ISO OATT or for point-to-point transmission service under Schedule 20-A of the ISO OATT for the same reasons.

With respect to CSC, all of the Cross Sound Cable's firm transmission capacity is subscribed on a long-term basis to the Long Island Power Authority (“LIPA”) pursuant to a Commission-approved allocation process. The CSC is under the operational control of ISO-NE pursuant to Section 9.3 of Attachment K to the ISO-NE OATT. CSC, as a Merchant Transmission Facilities (“MTF”) Provider, provides MTF Service over the Cross Sound Cable pursuant to Schedule 18 of the ISO OATT, the Schedule 18 Implementation Rule, and the Attachments to Schedule 18, and in coordination with the New York Independent System Operator, Inc. (“NYISO”). As a result, *pro-forma* NITS service is not applicable to the services provided under Schedule 18 of the ISO OATT.

Accordingly, the Filing Parties respectfully request that the Commission grant waiver of these Standards with respect to the Filing Parties.

B. The Filing Parties seek waiver of WEQ Standards related to Service Across Multiple Transmission Systems (“SAMTS”)

Similarly, the WEQ Version 003 standards related to SAMTS are inapplicable to the Filing Parties and waiver from these standards is hereby requested. The WEQ Version 003

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Business Practice Standards related to SAMTS are contained in WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013. The WEQ Version 003 SAMTS Business Practice Standards provide a process for customers to complete cross-regional transmission transactions. The SAMTS standards address the coordination of point-to-point transmission service and/or network transmission service requests across multiple transmission systems and thus require the coordination of transmission providers to independently evaluate linked requests with the opportunity for reconciliation by the customer once all the evaluations are complete.

In New England, Local Service (either Network Service or point-to-point service) only provides for transmission capacity within a single PTO service area over non-PTF facilities. Non-PTF facilities are radial in nature and interconnect with PTF facilities at one end, where Regional Transmission Service (i.e., RNS Service and Through or Out Service) is offered by ISO, and on the other end either terminate or feed distribution for the purpose of serving load. In some instances non-PTF facilities also connect generation to the transmission system.

Local Service is used by Network Customers to serve loads, and by generation to transmit power to PTF facilities over which no reservations by the generating customer are needed. Load, rather than generators, pays for all RNS Service.

Given this construct, there is no need to coordinate transmission service requests in New England between those taking Regional Transmission Service and Local Network Service. Similarly, there is no need for Local point-to-point customers (typically generators) to coordinate transactions, as once the generation reaches PTF Facilities, no further transmission capacity reservation is necessary.

Additionally, Schedule 20A Transmission Service is for discrete use of the HVDC Phase II facility, and no coordination across other systems is necessary once ISO-NE has cleared scheduled transactions based on economic merit. Schedule 20A import transactions feed into the AC system at PTF level transmission, and no further transmission capacity needs to be reserved, as this energy is treated equivalent to that of a generator.

With respect to CSC, Schedule 18 MTF service governs all transmission service provided by the Cross Sound Cable. Schedule 18 MTF Service contains detailed scheduling protocols, and Attachment K provides for ISO-NE's operational control over the facility. Once power has been scheduled over the Cross Sound Cable by ISO-NE in coordination with NYISO, no additional coordination is required. The Cross Sound Cable is interconnected to the ISO-NE PTF system and the NYISO-administered bulk power system, so no additional transmission capacity across other systems needs to be reserved.

ISO-NE has requested waiver of WEQ Standards related to SAMTS for RNS service under the ISO-NE Tariff.¹¹ Likewise, SAMTS services are not applicable to Local Service under

¹¹ See FERC Docket No. ER15-519-000, December 1, 2014 - *Revisions to ISO New England Inc. Open Access Transmission Tariff and Request for Waivers Related to Order No. 676-H*.

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Schedule 21 of the ISO-NE Tariff or for point-to-point transmission service under Schedule 20-A of the ISO OATT and under Schedule 18 of the ISO OATT for the same reasons.

Accordingly, the Filing Parties respectfully request that the Commission grant waiver of these Standards with respect to the Filing Parties.

IV. CONCLUSION

For the reasons set forth above, and for good cause shown, the Filing Parties respectfully request that the Commission accept this Order No. 676-H Supplemental Request for Waiver as submitted, without modification or condition. The Filing Parties respectfully request an effective date of April 15, 2015 for the waiver requests submitted herewith, and that the Commission grant any waivers necessary to permit such an effective date.

Respectfully submitted,

/s/ Michael J. Hall

Michael J. Hall

Senior Counsel

Northeast Utilities Service Company d/b/a

Eversource Energy Service Company

780 N. Commercial Street

Manchester, NH 03101

Tel: (603) 634-2273

Fax: (603) 634-2438

e-mail: michael.hall@nu.com

**PTO AC Legal Working Group Chair
on behalf of the PTO Administrative Committee**

/s/ Velma Whittier

Velma Whittier

Central Maine Power Company

83 Edison Drive

Augusta, ME 04336

Tel: (207) 621-3842

Fax: (207) 621-4778

e-mail: velma.whittier@cmpco.com

on behalf of the SSP Administrative Committee

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/s/ Elizabeth W. Whittle

Elizabeth W. Whittle
Nixon Peabody, LLP
401 Ninth Street, N.W.
Washington, DC 20004
ewhittle@nixonpeabody.com

Attorney for Cross-Sound Cable Company, LLC

/s/ Brian W. Reinhart

Brian W. Reinhart
Director of Operations
Cross-Sound Cable Company, LLC
200 Donald Lynch Blvd. Suite 300
Marlborough, MA 01752
508-229-7947
508-229-2208 (fax)
Brian.Reinhart@CrossSoundCable.com

for Cross-Sound Cable Company, LLC

**ATTACHMENT 1
CORRESPONDENCE**

<p>Michael J. Hall Senior Counsel Northeast Utilities Service Company d/b/a Eversource Energy Service Company 780 N. Commercial Street Manchester, NH 03257 Tel: (603) 634-2273 Fax: (603) 634-2438 e-mail: michael.hall@nu.com</p> <p>PTO AC Legal Working Group Chair on behalf of the PTO Administrative Committee</p>	<p>Velma Whittier Central Maine Power Company 83 Edison Drive Augusta, ME 04336 Tel: (207) 621-3842 Fax: (207) 621-4778 e-mail: velma.whittier@cmpco.com</p> <p>on behalf of the SSP Administrative Committee</p>
<p>Elizabeth W. Whittle Nixon Peabody, LLP 401 Ninth Street, N.W. Suite 900 Washington, DC 20004 e-mail: ewhittle@nixonpeabody.com</p> <p>Attorney for Cross-Sound Cable Company, LLC</p>	<p>Brian W. Reinhart Director of Operations Cross-Sound Cable Company, LLC 200 Donald Lynch Blvd. Suite 300 Marlborough, MA 01752 508-229-7947 508-229-2208 (fax) Brian.Reinhart@CrossSoundCable.com</p> <p>for Cross-Sound Cable Company, LLC</p>

SCHEDULE 18 - MTF; MTF SERVICE

This Schedule 18 contains the main substantive provisions regarding the treatment of MTF and MTF Service under the OATT.

1. Definitions

Capitalized terms used and defined in this Schedule 18 shall have the meaning given them under this Schedule. Capitalized terms used and not defined in this Schedule 18 but defined in other provisions of the Tariff shall have the meaning given them under those provisions. Capitalized terms used in this Schedule 18 that are not defined in it or elsewhere in the Tariff shall have the meanings customarily attributed to such terms by the electric utility industry in New England.

1.1 MTF: The Cross Sound Cable high voltage, direct current Merchant Transmission Facilities of +/- 150 kV and associated dc/ac converter facilities that are directly interconnected with the 345 kV PTF in Connecticut at the East Shore substation, and the 138kV transmission facilities at the Shoreham substation on Long Island, New York that were subject to the Commission order in TransEnergie U.S., Ltd., 91 FERC 61,230 (2000) (Docket No. ER00-1-000).

1.2 MTF Provider: The owner of MTF, or its Designated Agent, that offers transmission service over the MTF to Eligible Customers through the MTF Transmission Provider Page on the OASIS.

1.3 MTF Service: Point-To-Point Transmission Service over MTF.

1.4 MTF Service Charge: The charge applicable to MTF Service, which shall be determined pursuant to arrangements between the MTF Provider and Eligible Customers that take MTF Service under this Schedule 18. The charge applicable to MTF Service shall be in accordance with the Commission's authorization for the MTF Provider to charge negotiated rates (i.e., rates established pursuant to market mechanisms as recognized for merchant transmission projects and not included in other OATT rates) for the use of transmission service over its MTF.

1.5 MTF Transmission Provider Page: The transmission provider page for the MTF located on the OASIS. Transmission Service over the MTF to Eligible Customers will be offered through the MTF Transmission Provider Page. Some of the information posted on the MTF Transmission Provider Page shall include: values for Available Transfer Capability (ATC); offerings for MTF Service (including

Firm, Non-Firm and secondary transmission rights); the parameters and results of the Commission-mandated open-season process used to initially allocate transmission rights; a description of the Commission-approved rights allocation process; and procedures for the application for and acquisition of MTF Service.

2. Allocation of Available Transfer Capability Over MTF

2.1 Commission-Approved Allocation Process: All available transfer capability over MTF shall be allocated to the owner of the MTF who may assign it under a Commission-approved rights allocation process. The MTF Provider shall post the results of the Commission-approved rights allocation process on the MTF Transmission Provider Page. To the extent that transfer capability over MTF is not fully reserved through the Commission-approved rights allocation process, such excess transfer capability shall be available in accordance with this Schedule 18. In the event that the entire capability of the MTF is reserved under the Commission-approved rights allocation process, secondary rights to use the MTF, to the extent unused by the primary rights holders, shall be offered on the MTF Transmission Provider Page on the OASIS by MTF Providers in accordance with a Commission-approved process for offering such rights.

3. MTF Service

3.1 Nature of MTF Service

(a) Term of MTF Service:

- (i) Firm MTF Service:** The minimum term of Firm MTF Service shall be one day and the maximum term shall be that specified in the MTF Transmission Service Agreement.
- (ii) Non-firm MTF Service:** Non-Firm MTF Service will be available for periods ranging from one hour to one month and shall be that specified in the MTF Transmission Service Agreement. However, a Transmission Customer who purchases Non-Firm MTF 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 may be greater than one month, subject to the requirements of this Schedule 18.

(b) Reservation, Interruption, and Curtailment Priority for MTF Service:

- (i)** The MTF Provider shall post on the MTF Transmission Provider Page, rules setting reservation, interruption and Curtailment priorities for Firm and Non-Firm MTF Service. Such rules shall be non-discriminatory and consistent with the Commission's approval of the rights to charge negotiated rates (i.e., rates established pursuant to market mechanisms as recognized for merchant transmission projects and not included in other OATT rates).
- (ii)** If an MTF Provider fails to post such rules, then reservation, interruption and Curtailment priorities for Firm and Non-Firm MTF Service shall be the same as those established under the OATT for transmission service over the PTF.
- (iii)** MTF reservation priorities shall be established separately from OTF or PTF reservation priorities.
- (iv)** Firm MTF Service: The MTF reservation priority for either Long-Term Firm MTF Service or Short-Term Firm MTF Service (which are based upon an award of rights to transmission service over the MTF pursuant to a Commission-approved rights allocation process) shall be determined by the date of the issuance of such award.
- (v)** Non-Firm MTF Service: Non-Firm MTF Service shall be available from transfer capability in excess of that needed for reliable service to Long-Term and Short-Term Firm MTF Service. A higher reservation priority will be assigned to Non-Firm MTF Service reservations with a longer duration of service than those reservations with a shorter duration. Competing requests of equal duration for Non-Firm MTF Service will be prioritized based on the highest price offered by the Eligible Customer for the transmission service, or in the event the price for all Eligible Customers is the same, will be prioritized on a first-come, first-served basis (i.e., in the chronological sequence in which each Transmission Customer has reserved service). Eligible Customers that have already reserved shorter-term service over MTF have the right of first refusal to match any longer-term request before being preempted, provided that such Eligible Customer's advance reservation is consistent with any modified request for Non-Firm MTF Service.

- (c) **Use of MTF Service By a Transmission Customer:** If a Transmission Customer elects to take MTF Service, it may reserve transmission service to facilitate both the delivery of energy and/or capacity to it over the MTF (to the extent permitted under the Transmission, Markets and Services Tariff) commensurate with the associated MTF transmission reservation designated by it in Completed Applications and the delivery of Energy and/or capacity to or from it over the MTF to the extent permitted under the Transmission, Markets and Services Tariff. In order to fulfill its obligations to serve load or to consummate a transaction, a Transmission Customer that takes MTF Service under this Schedule 18 must also take service under Schedule 8 or 9 of this OATT for use of the PTF and under Schedule 21 of this OATT for use of the Non-PTF, as applicable. Any load-serving entity may use MTF Service to effect transactions in bilateral arrangements.
- (d) **MTF Transmission Service Agreements:** A standard form MTF Transmission Service Agreement (Attachment A) will be offered to an Eligible Customer when it submits a Completed Application for Long-Term Firm, Short-Term Firm or Non-Firm MTF Service pursuant to this Schedule 18. Executed MTF Transmission Service Agreements that contain the information required under this Schedule 18 will be filed with the Commission in compliance with applicable Commission regulations.
- (e) **Classification of MTF Service:**
- (i) Transmission Customers requesting MTF Service for the transmission of capacity and energy do so with the full realization that such service is subject to availability and Curtailment pursuant to Section II.44 of this OATT and that the ISO will redispatch all Resources subject to its control, pursuant to the Transmission, Markets and Services Tariff, in order to meet load and to accommodate External Transactions. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Transmission, Markets and Services Tariff.
- (ii) Each Point of Receipt at which firm transmission capacity is reserved for Long-Term Firm MTF Service by the Transmission Customer shall be set forth in the MTF Transmission Service Agreement for such Service along with a corresponding capacity reservation over the MTF associated with each Point of Receipt.

- (iii) Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the MTF Provider and the Transmission Customer for Short-Term Firm MTF Service. Each Point of Delivery at which firm transmission capacity is reserved for Short-Term Firm MTF Service by the Transmission Customer shall be set forth in the MTF Transmission Service Agreement for such Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the MTF Provider and the Transmission Customer for Short-Term Firm MTF Service.
- (iv) Non-Firm MTF Service shall be offered under applicable terms and conditions contained in this Schedule 18. Non-Firm MTF 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.
- (v) 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 over the MTF. The Customer's use may not exceed its capacity reserved over the MTF at each Point of Receipt and each Point of Delivery except as otherwise specified in this Schedule 18.
- (f) **Scheduling Associated with MTF Service:** Market External Transactions submitted into the Real-time Market and associated with MTF Service shall be dispatched pursuant to the Transmission, Markets and Services Tariff. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such dispatch in accordance with the Transmission, Markets and Services Tariff.
- (g) **Curtailment Associated with MTF Service:** When the ISO determines that an electrical emergency exists on the New England Transmission System and implements emergency procedures to effect a Curtailment of MTF Service, the Transmission Customer shall make the required reductions upon the ISO's request. The ISO reserves the right to effect a Curtailment, as necessary, in whole or in part, of any MTF Service provided under this Schedule 18 when, in the ISO's sole discretion, an emergency or other unforeseen

condition impairs or degrades the reliability of the New England Transmission System. The ISO will notify all affected Transmission Customers in a timely manner of any Curtailments. The ISO will redispatch all Resources subject to its control, pursuant to this Tariff, in order to meet load and to accommodate External Transactions. To the extent not otherwise provided for in this Section, External Transactions using MTF Service shall be Curtailed or interrupted in accordance with Section II.44 of this OATT. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Transmission, Markets and Services Tariff. Pursuant to such redispatch, in the event that the ISO exercises its right to effect a Curtailment, in whole or part, of Firm MTF 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, unless provided for by the MTF Provider under arrangements between the MTF Provider and the Transmission Customer.

3.2 Availability of MTF Service: To the extent that transfer capability over MTF has not been fully allocated in accordance with Section 2 of this Schedule 18, a Transmission Customer that is an Eligible Customer (except as provided below) may reserve Firm or Non-Firm MTF Service. Such service shall be provided and administered by the MTF Provider(s) and shall be reserved pursuant to the applicable terms and conditions of this Schedule 18. MTF Service shall be reserved through the MTF Provider pursuant to this Schedule 18. Service on the MTF requires advance reservations.

MTF Service is available to any Eligible Customer unless an MTF Provider has informed the ISO that MTF Service shall not be made available to such Eligible Customer due to that Customer's failure to make necessary payments for previously assessed MTF Service Charges or failure to meet the creditworthiness or operational requirements posted by the MTF Provider on the MTF Transmission Provider Page on the OASIS.

3.3 Reservation of MTF Service: An Eligible Customer requesting Firm or Non-Firm MTF Service shall comply with the applicable provisions of this Schedule 18.

4. Transmission Customer Responsibilities

4.1 Conditions Required of Transmission Customers: MTF Service will be provided by the MTF Provider only if the following conditions are satisfied by the Transmission Customer. Conditions (a) through (e) apply to both Firm or Non-Firm MTF Service while (f) applies to Firm MTF Service only.

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in the information posted by the MTF Provider on the MTF Transmission Provider Page on the OASIS.
- (c) The Transmission Customer and the MTF Provider have executed a MTF Transmission Service Agreement pursuant to this Schedule 18;
- (d) The Transmission Customer agrees to have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Point of Receipt prior to the time service under this OATT commences;
- (e) The Transmission Customer agrees to submit External Transactions into the New England Markets in accordance with the applicable ISO System Rules; and
- (f) The Transmission Customer agrees to pay for any facilities or upgrades constructed or any Congestion Costs or other redispatch costs chargeable to such Transmission Customer under this Schedule 18, and the Transmission, Markets and Services Tariff, whether or not the Transmission Customer takes service for the full term of its MTF reservation.

4.2 Transmission Customer Responsibility for Third-Party Arrangements: Any arrangements for transmission service and the scheduling of capacity and energy that may be required by neighboring electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the ISO, notification to the ISO identifying such neighboring electric systems and authorizing them to schedule the capacity and energy to be transmitted pursuant to this OATT on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. The Transmission Customer shall arrange for transmission service, as necessary, in accordance with this OATT, including Schedules 8, 9, 20 and 21. The ISO 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 MTF Service

5.1 Application: Eligible Customers seeking MTF Service must submit a Completed Application for MTF Service to the MTF Provider. MTF Service Applications should be submitted by entering the information listed below in the MTF Transmission Provider Pages on the OASIS. MTF Service requests should be submitted by transmitting the Completed Application in accordance with the MTF Transmission Provider's rules, as posted on the MTF Transmission Provider Page on the OASIS.

5.2 Request for Firm MTF Service

- (a) Timing:** A request for Firm MTF Service for periods of one (1) year or longer must be made in an Application, delivered to the MTF Provider at their place of business. The request should be delivered at least sixty (60) days in advance of the calendar month in which service is requested to commence. The MTF Provider will consider requests for such Firm MTF Service on shorter notice when practicable. Requests for Firm MTF Service for periods of less than one (1) year will be subject to expedited procedures that will be negotiated between the MTF Provider and the party requesting service within the time constraints provided in this Schedule 18.
- (b) Completed Application:** A Completed Application for Firm Point-To-Point Service shall provide all of the information included at 18 C.F.R. § 2.20 of the Commission's regulations, 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 this Schedule 18;
 - (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) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (v) The Service Commencement Date and the term of the requested MTF transmission service; and
- (vi) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the PTF, MTF or OTF. Customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement.
- (vii) In addition to the information specified above and when required to properly evaluate the application for service, the MTF Provider also may request that the eligible Customer provider the following:
 - 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 MTF Provider will treat this information as confidential in accordance with the MTF Provider's information policy except to the extent that disclosure of such information is required by this Schedule 18, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice; and
 - A description of the supply characteristics of the capacity and energy to be delivered.

The MTF Provider will treat this information in (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by the MTF Transmission Service Agreement, MTF Provider's Business Practices, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice. The MTF Provider will treat this information consistent with the standards of conduct contained in 18 C.F.R. Part 37 of the Commission's regulations.

5.3 Request for Non-Firm MTF Service

- (a) **Timing:** When required, 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 five (5) days before service is to

commence; and requests for hourly service shall be submitted no earlier than 9:00 a.m. the second day before service is to commence. Requests for service received later than noon of the day prior to the day service is scheduled to commence will be accommodated if practicable.

(b) Completed Application: A Completed Application for MTF Service 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 this Schedule 18;

(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.

(vi) In addition to the information specified above, when required to properly evaluate the application for service, the MTF Provider also may ask the Transmission Customer to provide the following:

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

The MTF Provider will treat this information in (vi.) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by the MTO pursuant to this Schedule 18, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice.

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

5.4 Deposit: If required by the MTF Provider, a Completed Application for MTF Service by a Transmission Customer shall also include a deposit of no more than (a) one (1) month's charge for Reserved Capacity over the MTF for service requests of one (1) month or greater or (b) the full charge for Reserved Capacity over the MTF for service requests of less than one (1) month. If the Application for MTF Service is rejected by the MTF Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a request for proposals (RFP), the deposit will be returned with Interest, less any reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners in connection with the review of the Application for MTF Service. The deposit also will be returned with Interest, less any reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners if the new facilities or upgrades needed to provide the service cannot be completed. If an Application for MTF Service is withdrawn or the Eligible Customer decides not to enter into a MTF Transmission Service Agreement, the deposit will be refunded in full, with Interest, less reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners to the extent such costs have not already been recovered from the Eligible Customer. The MTF Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities or upgrades are subject to the provisions of this OATT. If a MTF Transmission Service Agreement for MTF Service is executed, the deposit, with Interest, will be returned to the Transmission Customer upon expiration or termination of the MTF Transmission Service Agreement. Applicable Interest will be calculated from the day the deposit is credited to the MTF Provider's account.

5.5 Notice of Deficient Application: If an Application for MTF Service fails to meet the requirements of this Schedule 18, the MTF Provider will notify the entity requesting service within fifteen (15) days of the MTF Provider's receipt of the Application for MTF Service of the reasons for such failure. The MTF Provider will attempt to remedy minor deficiencies in the Application for MTF Service through informal communications with the Eligible Customer. If such efforts are unsuccessful, the MTF Provider will return the Application for MTF Service, along with any deposit (less the reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners in connection with the Application for MTF Service), with Interest. Upon receipt of a new or revised

Application for MTF Service that fully complies with the requirements of this Schedule 18, the Eligible Customer will be assigned a new reservation priority based upon the date of receipt by the MTF Provider of the new or revised Application for MTF Service.

5.6 Response to a Completed Application: Following receipt of a Completed Application the Eligible Customer will be notified as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application for MTF Service. Responses by the MTF Provider must be made as soon as practicable to all Completed Applications for MTF Service and the timing of such responses must be made on a nondiscriminatory basis.

5.7 Execution of MTF Transmission Service Agreement: Whenever the MTF Provider determines that a System Impact Study is not required and that the requested service can be provided, it will notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application for MTF Service, and will tender a MTF Transmission Service Agreement to the Eligible Customer. Failure of an Eligible Customer to execute and return the MTF Transmission Service Agreement or request the filing of an unexecuted MTF Transmission Service Agreement, within fifteen (15) days after it is tendered by the MTF Provider shall be deemed a withdrawal and termination of the Application for MTF Service and any deposit (less the reasonable administrative costs incurred by the MTF Provider, the ISO and any affected Transmission Owners in connection with the Application for MTF Service) submitted will be refunded with Interest. Nothing herein limits the right of an Eligible Customer to file another Application for MTF Service after such withdrawal and termination. Where a System Impact Study is required, the provisions of this Schedule 18 will govern the execution of a MTF Transmission Service Agreement.

(a) Extensions for Commencement of Firm MTF Service: The Transmission Customer can obtain, subject to availability, up to five one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm MTF Service for each year or fraction thereof within 15 days of notifying the MTF Provider that 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 MTF Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity over the MTF, the original Reserved Capacity over the MTF will be released unless the following condition is satisfied: within thirty (30) days, the original Transmission Customer agrees to pay the applicable

rate for Firm MTF Service for its Reserved Capacity over the MTF for the period that its reservation overlaps the period covered by such Eligible Customer's Completed Application for MTF Service. In the event the Transmission Customer elects to release the Reserved Capacity over the MTF, the reservation fees or portions thereof previously paid will be forfeited.

5.8 Confidentiality of Information and Standards of Conduct. The MTF Provider will treat all information included in the Application as confidential in accordance with the MTF Provider's information policy except to the extent that disclosure of such information is required by this Schedule 18, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice. The MTF Provider will treat this information consistent with the standards of conduct contained in 18 C.F.R. Part 37 of the Commission's regulations.

6. Determination of Available Transfer Capability

Following approval of a tendered application for MTF Service, the MTF Provider will make a determination on a non-discriminatory basis of Available Transfer Capability pursuant to this Schedule 18 and Attachment C to this OATT. 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-five (35) minutes for hourly service, (ii) thirty-five (35) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

7. Payment for MTF Service

A Transmission Customer shall pay the MTF Service Charge to the MTF Provider, or its designated agent, if the Customer: (i) receives Firm or Non-Firm MTF Service based upon an allocation of rights to transmission service over the MTF awarded to the Transmission Customer through a Commission-approved rights allocation process; (ii) reserves on the MTF Transmission Provider Page transfer capability over the MTF not initially allocated in the Commission-approved rights allocation process; or (iii) reserves on the MTF Transmission Provider Page transfer capability over the MTF made available as a result of an assignment by a rights holder of MTF transfer capability, a default release pursuant to rules filed with the Commission and business practices or a capability forfeiture by a rights holder for non-use consistent with the terms of a Commission-approved rights allocation. The Transmission Customer will be billed for its Reserved Capacity over the MTF under the terms of this Schedule 18 for MTF.

8. Changes in Service Specifications of MTF Service

8.1 Modification on a Firm Basis: Any request by a Transmission Customer to modify Point(s) of Receipt and Point(s) of Delivery on a firm basis shall be treated as a new request for MTF Service in accordance with this Schedule 18, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation over the MTF does not exceed the amount reserved in the existing MTF Transmission Service Agreement. While such new request is pending, the Transmission Customer shall retain its reservation priority for service at the firm Point(s) of Receipt and Point(s) of Delivery specified in the Transmission Customer's MTF Transmission Service Agreement.

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

- (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 Transmission Customers under this OATT or by the Transmission Customers on behalf of their Native Load Customers or Excepted Transactions;
- (b) the Transmission Customer shall retain its right to schedule Firm MTF Service at the Point(s) of Receipt and Point(s) of Delivery specified in the relevant MTF Transmission Service Agreement in the amount of the Transmission Customer's original capacity reservation over the MTF; and
- (c) service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm MTF Service under the OATT. However, all other requirements of this OATT (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

9. Sale, Assignment or Transfer of MTF Service

9.1 Procedures for Sale, Assignment or Transfer of Service: Pursuant to Commission-approved rules posted by the MTF Provider on the MTF Transmission Provider Pages on the OASIS, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its MTF Transmission Service Agreement, but only to another Eligible Customer (the “Assignee”). The Transmission Customer that sells, assigns or transfers its rights under its MTF Transmission Service Agreement is hereafter referred to as the “Reseller.” Compensation to the Reseller shall be at rates established by the Reseller and posted on the MTF Transmission Provider Page. The Assignee must execute a service agreement with the MTF Provider governing reassignments of transmission service prior to the date on which the reassigned service. 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 MTF Transmission Service Agreement, the Assignee shall receive the same services as did the Reseller and the transmission priority of service for the Assignee shall be the same as that of the Reseller. A Reseller shall notify the MTF Provider as soon as possible after any sale, assignment or transfer of service occurs, but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee shall be subject to all terms and conditions of this Schedule 18. If the Assignee requests a change in service, the reservation priority of service will be determined by the MTF Provider pursuant to this Schedule 18.

9.2 Limitations on and Obligations of 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 MTF Transmission Service Agreement, the MTF Provider will consent to such change subject to the provisions of this Schedule 18, provided that the change will not impair the operation and reliability of the Market Participants’ generation systems or TO’s transmission or distribution systems. The Assignee shall compensate the MTF Provider, the ISO and any affected Transmission Owner for performing any System Impact Study needed to evaluate the capability of the MTF 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 MTF Transmission Service Agreement, except as specifically agreed to by the MTF Provider, the Reseller and the Assignee through an amendment to the MTF Transmission Service Agreement.

9.3 Information on Assignment or Transfer of Service: All re-sales or assignments of capacity must be conducted through or otherwise posted on the MTF Transmission Provider Page on or before the date the reassigned service commences and are subject to Section 9.1 of this Schedule 18. In accordance with this

Schedule 18, Transmission Customers may also use the MTF Transmission Provider Page to post information regarding transmission capacity over the MTF available for resale.

10. Real Power Losses

Real power losses across MTF shall be allocated solely to Transmission Customers that use MTF. Such allocation for transactions across MTF shall be pursuant to the Transmission, Markets and Services Tariff.

11. No Obligation to Build

The MTF Provider status under the OATT shall not impose an obligation to build transmission facilities on the MTF Provider. The offering of MTF Service under this OATT shall not impose an obligation to build transmission facilities on the Market Participants, Transmission Owners or the ISO.

12. No Effect on Rates; No Allocation of Revenues

MTF and MTF Service shall not affect rates for service on the PTF under this OATT and MTF Providers shall not be allocated any revenues collected under this OATT for such service.

13. Ancillary Services

Ancillary Services costs associated with MTF Service shall be assessed pursuant to this Tariff.

14. Congestion Costs and FTRs

Pursuant to the Transmission, Markets and Services Tariff, Congestion Costs will not be calculated, and therefore FTRs will not be offered, between any set of points on the MTF, so long as it remains MTF. Transmission Customers taking MTF Service, however, shall be subject to applicable Congestion Costs for any use of the PTF.

SCHEDULE 18 - IMPLEMENTATION RULE
CROSS-SOUND CABLE COMPANY, LLC
PROCEDURES FOR THE REASSIGNMENT OF TRANSMISSION RIGHTS

The procedures for reassignment of CSC transmission rights are consistent with, and supplement, the provisions of the ISO-NE OATT governing the provision of MTF Service. The applicable ISO-NE OATT rules include ISO-NE OATT Schedule 18 and ISO-NE OATT Section II.44 . The following procedures will apply to the release of unused transfer capability to third parties:

1. Definitions

- (a) “CSC” means the Cross Sound Cable.
- (b) “CSC LLC” means Cross-Sound Cable Company, LLC.
- (c) “CSC OASIS” means the CSC node on the ISO-NE OASIS site of the CSC.
- (d) “External Transaction” means a transaction as defined under Market Rule 1.
- (e) “Firm MTF Service” means firm service held by the primary rights holder to the transmission rights over the CSC.
- (f) “ISO-NE” means ISO New England, Inc.
- (g) “ISO-NE OATT” means the ISO-NE Open Access Transmission Tariff (Section II of the ISO-NE Transmission, Markets and Services Tariff), on file with the Federal Energy Regulatory Commission, as modified and amended from time to time.
- (h) “MTF Service” means service over the CSC taken under Schedule 18 and other relevant portions of the ISO-NE OATT.
- (i) “MTF Service Agreement” refers to the service agreement contained in Attachment A to Schedule 18 in the ISO-NE OATT, as modified and amended from time to time.

- (j) **“New England OASIS”** means the OASIS site of the New England System Operator.
- (k) **“Non-Firm MTF Service”** refers to any service over the CSC that is not Firm MTF Service.
- (l) **“NYISO”** refers to the New York Independent System Operator, Inc.
- (m) **“OASIS”** means Open Access Same Time Information System.
- (n) **“Rights Holder”** refers to the entity or entities that have an executed MTF Service Agreement for Firm MTF Service.
- (o) **“System Operator”** refers to the ISO-NE or any other entity that in the future has operational control over the CSC.

2. Process for Release

The release of unused transfer capability will be facilitated through the posting of available transfer capability on the CSC OASIS site. The posting of such releases and notices of assignment shall be consistent with FERC procedures regarding OASIS postings.

3. Character of Service to be Released

Unless otherwise posted on the CSC OASIS, all releases of transfer capability will be for Non-Firm MTF Service. Such Non-Firm MTF Service may be released on a monthly, weekly, daily or hourly basis. MTF Service is unidirectional (i.e. scheduling from New Haven to Shoreham as an export transaction from New England or Shoreham to New Haven as an import transaction into New England). The characteristics of Firm MTF Service and Non-Firm MTF Service are set forth in Schedule 18 of the ISO-NE OATT.

4. Assignment of Rights Holders’ MTF Service Reservation

A Rights Holder may separately assign its advance reservation for MTF Service to third parties provided that notice of such assignment is provided to CSC LLC and ISO-NE with such information then posted on the CSC OASIS. The assignment of such advance reservation may be on either a firm or non-firm basis, be in whole or in part, in segments, on a full or partial term basis, with or without recall rights or any combination thereof.

5. Transmission Customers

Market participants seeking to acquire an advance reservation over the CSC must meet the creditworthiness and financial security standards established by CSC LLC and the relevant Rights Holder and have an executed MTF Service Agreement.

6. Timing of Release

Rights Holder(s) shall notify CSC LLC and ISO-NE of the release of any transfer capability on a Monthly, Weekly, Daily and Hourly basis in accordance with the deadlines set forth below. All releases of transfer capability shall be posted on the CSC OASIS through an automated notification procedure.

- a.** *Monthly Releases:*
 - No later than 7 calendar days

- b.** *Weekly Releases:*
 - No later than 3 calendar days

- c.** *Daily Releases:*
 - No later than Noon on the day before the Operating Day.

- d.** *Hourly Release:*
 - No later than Noon on the day before the Operating Day.

The deadlines set forth above address voluntary releases of a Rights Holders' transfer capability to facilitate full access to transfer capability for third parties. Automatic release of transfer capability due to a Rights Holders' failure to schedule transmission service over the CSC is governed by and set forth below in the "Default Release" provision.

7. Award of Reservations

Releases of advance reservations for CSC transfer capability and bids for such advance reservations shall be submitted to the Transmission Provider via the CSC OASIS. The award of reservations shall be accomplished through either: (1) a public auction process conducted by the Rights Holder, with the released capability awarded to the highest bidder; or (2) the posting of released capability at a specified rate on the CSC OASIS, with the award of such capability performed on a first-come, first served basis for bidders that meet the posted rate for such capability. The rate for assignment either through a public

auction process or through a posting on the CSC OASIS shall be as determined by Section 9 of Schedule 18 of the ISO-NE OATT, and shall be posted on the CSC OASIS.

8. Effect of Advance Reservation

The issuance of an advance reservation is a prerequisite to scheduling an External Transaction in the ISO-NE Real-Time Energy Market that involves the use of the CSC. A party holding an advance reservation for Firm MTF Service or Non-Firm MTF Service and otherwise meeting the qualifications for submitting transactions under the ISO-NE OATT may submit scheduling transactions with ISO-NE that involve the submission of a bid/offer at the Shoreham node.

9. Default Release

In the event that a Rights Holder or any other holder of an advance reservation for MTF Service fails to submit a schedule for its full MTF Service reservation by Noon of the day prior to the Operating Day, the difference between all remaining advance reservations for which accepted bids/offers have been submitted to the New England energy market by advance reservation holders and the Total Transfer Capability over the CSC in the scheduling hour shall be automatically released for scheduling by third parties and posted on the CSC as Available Transfer Capability. Advance reservations for released capability under default release rules will be issued on a first-come, first-served basis through the CSC OASIS.

10. Priority of Capability Released Under the Default Release Provisions

Reservations for CSC transfer capability released due to the default release provisions shall be deemed Non-Firm MTF Service and assigned the NERC transmission service priority “2” (Hourly Non-Firm).

11. Curtailment and Interruptions of Service over MTF

Curtailment and interruptions of service over the CSC required to be initiated by the System Operator pursuant to the ISO-NE system rules or in response to conditions or constraints within the New York Control Area identified by the NYISO as requiring curtailment or interruption of service shall be based upon transmission priority. For Firm MTF Service, curtailment or interruptions within each reservation classification will be performed on a pro rata basis. Curtailment and interruptions within each reservation classification of Non-Firm MTF Service (i.e. Monthly, Weekly, Daily, Hourly) will be based upon the time stamp associated with the submission of valid bids/offers to the ISO-NE Real-Time Market.

Curtailments and interruptions of service over the CSC that relate to conditions or constraints on the Pool Transmission Facilities that may otherwise affect service over the CSC will be conducted consistent with

the priorities established in the ISO-NE Operating Procedures. The NYISO is responsible for determining the need for any curtailments and interruptions of service relating to conditions or constraints within the New York Control Area consistent with the priorities established by the NYISO's administration of its tariffs and procedures and will communicate the need for such curtailments or interruptions to the System Operator for implementation in compliance with prescribed NERC Policies.

12. Liability

The Transmission Provider and any Rights Holder releasing its advance reservation through the voluntary or default release procedures of these rules shall be held harmless with regard to any claim which may be raised by any party regarding the selection of a bid, except to the extent that such party successfully establishes that the Transmission Provider or the Rights Holder, as the case may be, has incorrectly selected the bidder as the result of gross negligence or willful misconduct.

13. Billing

A party holding advance reservation through releases in accordance with these CSC Releases shall be billed by the Transmission Provider and shall make payments to the Transmission Provider in accordance with the terms of the Service Agreements and the Transmission Provider shall simultaneously credit (on a contingent basis) all reservation charges billed the party releasing such advance reservation. If party acquiring advance reservations through releases fails to pay the reservation charges by the due date, the Transmission Provider shall reverse the credit and bill the party releasing such advance reservation for said reservation charges, plus interest, and the advance reservation shall, at the election of the releasing party, revert to the releasing party for the remaining term of the release.

SCHEDULE 18 - ATTACHMENTS

SCHEDULE 18 - ATTACHMENT A

Form of Blanket Service Agreement for MTF Service over the Cross Sound Cable

Reserved via the Cross Sound Cable Transmission Provider Page

on the ISO New England Inc. OASIS Node

- 1.0** This Service Agreement, dated as of _____, is entered into, by and between Cross-Sound Cable Company, LLC ("CSC LLC") and _____ ("Transmission Customer").
- 2.0** The Transmission Customer has been determined by CSC LLC to have a Completed Application for [Firm] [Non-Firm] MTF Transmission Service under the ISO New England Inc. ("ISO-NE")

Transmission, Markets and Services Tariff (“Tariff”) and the Cross Sound Cable Business Practices.

3.0 If required, the Transmission Customer has provided to CSC LLC an Application deposit in accordance with the provisions of the Tariff and the Cross Sound Cable Business Practices.

4.0 MTF Service under this Service Agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction or any Direct Assignment Facilities and/or facility additions or upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. MTF Service under this Service Agreement shall terminate on such date as is mutually agreed upon by the parties. [The Service Agreement may include a blanket agreement for non-firm MTF service.]

5.0 CSC LLC agrees to provide, and the Transmission Customer agrees to take and pay for, Transmission Service in accordance with the provisions of Schedule 18 of the Tariff (or its successor tariff), the Cross Sound Cable Business Practices, the Schedule 18 Implementation Rule -Cross-Sound Cable Company, LLC Procedures for the Reassignment of Transmission Rights 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, and shall be copied to the System Operator at the address below.

CSC LLC:

Cross-Sound Cable Company, LLC
200 Donald Lynch Blvd.
Marlborough, MA 01752

Transmission Customer:

System Operator:

ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040

- 7.0** The Tariff, including Schedule 18 and the Schedule 18 Implementation Rule, is incorporated in this Service Agreement and made a part hereof, except that all financial assurance requirements, billing arrangements, payment obligations and liabilities associated with MTF Service shall be solely the responsibility of CSC LLC and the Transmission Customer under this Service Agreement.

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

Cross-Sound Cable Company, LLC:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

**Specifications For MTF Service over the Cross Sound Cable
Reserved via the Cross Sound Cable Transmission Provider Page
on the ISO-NE OASIS Node**

A Transmission Customer must acquire an advance reservation for Firm MTF Service or Non-Firm MTF Service. The issuance of an advance reservation is a prerequisite to scheduling an External Transaction over the Cross Sound Cable in the ISO New England Real-Time Energy Market. While not required, an advance reservation for the ISO New England Day Ahead Market is highly recommended, as absent an advance reservation the financial transaction in the Day Ahead Market will not be supported by a corresponding External Transaction in the Real-Time Energy market, thus creating significant financial risks to the transacting party. A party holding an advance reservation and otherwise meeting the qualifications for submitting transactions under the ISO New England, Inc. (“ISO-NE”) Transmission, Markets and Services Tariff (“Tariff”) may submit scheduling transactions over the Cross Sound Cable with ISO-NE up to the total MW amount of the advance reservation.

- 1.0** Term of Transaction: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node
- Start Date: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node
- Termination Date: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node
- 2.0** Description of capacity and energy to be transmitted by Participants including the electric Control Area in which the transaction originates: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the CSC OASIS node
- 3.0** Point(s) of Receipt: Either Shoreham Substation in Brookhaven, New York, or East Shore

Substation in New Haven, Connecticut, as specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

Delivering party: The Transmission Customer

4.0 Point(s) of Delivery: Either Shoreham Substation in Brookhaven, New York, or East Shore Substation in New Haven, Connecticut, as specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

Receiving party: The Transmission Customer

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): As specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

6.0 Designation of party(ies) or other entity(ies) subject to reciprocal transmission service obligation: Not applicable

7.0 Name(s) of any intervening systems providing transmission service: New York ISO or ISO-NE pursuant to their respective tariffs

8.0 MTF 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 this Tariff.)

8.1 MTF Transmission Charge: As specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

8.2 System Impact Study and/or Facilities Study Charge(s): Not applicable

8.3 Direct assignment expansion charge: Not applicable

SCHEDULE 18 - ATTACHMENT C

Cross-Sound Cable TTC, CBM, TRM and ATC Methodology

Version 2.0; Issued: December 22, 2010

1. Introduction

Cross-Sound Cable (“CSC”) is an HVDC Transmission Facility located between New Haven, CT and Shoreham, NY (Long Island). The CSC is owned and operated by Cross-Sound Cable Company, LLC (“CSC LLC”). CSC LLC operates as Transmission Service Provider (“TSP”) for the CSC, which is a Merchant Transmission Facility (“MTF”) within the ISO New England (“ISO-NE”) regional transmission organization (“RTO”). ISO-NE serves the New England states through reliable minute to minute operation of the New England Bulk Power System; development, oversight, and fair administration of New England’s wholesale market; and management of comprehensive bulk electric power system and wholesale markets’ planning processes. ISO-NE serves as the Balancing Authority for the New England Area (“ISO-NE Area”). The ISO-NE Area is interconnected to three neighboring Balancing Authority Areas (“BAAs”): New Brunswick System Operator Balancing Authority Area (“NBSO BAA”), New York Independent System Operator Balancing Authority Area (“NYISO BAA”), and Hydro-Quebec TransEnergie Balancing Authority Area (“HQTE BAA”). As the RTO for New England, ISO-NE performs the reliability functions related to the calculation of Total Transfer Capability (“TTC”) for all of the external interfaces between the ISO Area and its neighboring Balancing Authority Areas and for the internal interfaces between the Pool Transmission Facilities (“PTF”), Other Transmission Facilities (“OTF”) and MTF such as the CSC. As a TSP offering MTF service pursuant to Schedule 18 of the ISO-NE Tariff, CSC LLC retains the responsibility for determining and posting the Available Transfer Capability (“ATC”) of its facilities.

1.1. Scope of Document

This document addresses the following items with respect to the CSC between ISO-NE and NYISO for Schedule 18 MTF Service:

- Total Transfer Capability (TTC) methodology
- Capacity Benefit Margin (CBM) methodology
- Transmission Reliability Margin (TRM) methodology
- Available Transfer Capability (ATC) methodology

1.2. Overview of Cross-Sound Cable

The Cross-Sound Cable is a 330 MW High Voltage Direct Current Merchant Transmission Facility with associated AC/DC converter stations that are directly interconnected with the 345 kV PTF in New Haven, CT at the East Shore substation, and 138 kV transmission facilities at the Shoreham substation in Long Island, NY. Firm Transmission Service for the entire transfer capability of the CSC was awarded to Long Island Power Authority (“LIPA”) through an allocation process approved by the Federal Energy Regulatory Commission (“FERC”). To the extent that the entire capacity of this firm Existing Transmission Commitment (“ETC_F”) is unused by LIPA, secondary rights to use the MTF service is offered on an hourly non-firm basis for the remaining ATC through non-firm Existing Transmission Commitment (“ETC_{NF}”). CSC ATC is described in section 5 below.

2. CSC Total Transfer Capability (“TTC”)

The Total Transfer Capability or TTC for an interface is the best engineering estimate of the total amount of electric power that can be transferred over the interface in a reliable manner in a given time frame. ISO-NE, acting as the Transmission Operator (“TOP”), determines the TTC for the Cross-Sound Cable based on the equipment ratings and availability provided by CSC LLC and system conditions, then posts the TTC on the ISO-NE OASIS Node. Due to the controllable and bi-directional nature of CSC, it is treated as two separate and independent transmission paths for scheduling purposes. Flow from ISO-NE to NYISO is treated as Export with a maximum TTC of 330 MW delivered, while flow from NYISO to ISO-NE is treated as Import with a maximum TTC of 346 MW received. Cross-Sound Cable is operated in accordance with the requirements of TTC methodology are addressed in Sections 1 and 3 of the ISO-NE document “Attachment C Available Transfer Capability Methodology”.

3. CSC Capacity Benefit Margin (“CBM”)

The use of Capacity Benefit Margin or CBM within the ISO-NE Area is governed by the overall ISO-NE approach to capacity planning requirements. Load Serving Entities (“LSEs”) operating within the ISO Area do not utilize CBM to ensure their capacity needs are met; therefore CBM is not applicable within the New England market design. Accordingly, for the purpose of ATC calculation, CBM for the New England Control Area, including CSC, is set to zero (0). For additional information on CBM, refer to Section 4 of the ISO-NE document “Attachment C Available Transfer Capability Methodology”.

4. CSC Transmission Reliability Margin (“TRM”)

The Transmission Reliability Margin or 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 the system conditions change.

ISO-NE, acting as a Transmission Operator, calculates the TRM on the CSC MTF interface by taking into account any operational uncertainties with CSC in accordance with MOD-008. Typically the operational uncertainties associated with an external HVDC facility are minimal and result in a TRM value of zero (0), as is the case for CSC.

For additional information on TRM, refer to Section 5.2.1 Calculation of TRM for the MTF and OTF of the ISO-NE document “Attachment C Available Transfer Capability Methodology”.

5. CSC Available Transfer Capability (“ATC”)

This section defines the Available Transfer Capability calculations performed for MTF service over the CSC. The general equation for calculation of ATC is derived from MOD-029 as follows:

$$ATC = TTC - ETC - CBM - TRM + \text{Postbacks} + \text{Counterflows}$$

The CBM and TRM Values have been previously discussed (CBM = 0, TRM = 0). The purpose of the ETC component of the ATC equation is for the TSP to define all elements that are reducing the amount of ATC available to market participants. Details regarding the ETC component, Postbacks and Counterflows of the ATC calculation and its impact on Firm and Non-firm ATC are described below.

5.1. Firm ATC for MTF Transmission Services

Firm Available Transfer Capability (“ATC_F”) is defined as the capability for firm transmission reservations that remains after allowing for CBM, TRM and firm existing transmission commitments. As described in Section 1.2, CSC LLC has a long term contract with LIPA for Yearly Firm Transmission Service for the entire transfer capability of the CSC.

Firm ATC is calculated using the following equation:

$$ATC_F = TTC - ETC_F - CBM - TRM + \text{Postbacks}_F + \text{Counterflows}_F$$

Where

ATC_F is the firm Available Transfer Capability for the ATC path during the period.

TTC is the Total Transfer Capability for the ATC path during the period.

ETC_F is the sum of firm Existing Transmission Commitments scheduled by LIPA in the Day Ahead Market, under contractual agreement, for the ATC path during the period.

CBM is set to 0 by ISO-NE per section 3 of this document.

TRM is set to 0 by ISO-NE per section 4 of this document.

$Postbacks_F$ is set to 0 because any changes to the ATC_F would be released as secondary market capacity resulting in a change to the ETC_{NF} value used to determine the resulting ATC_{NF} .

$Counterflows_F$ is set to 0 because Export point-to-point flow and Import point-to-point flow are treated as two independent directional paths. Since CSC calculates ATC in both directions independently, there are no Counterflows by definition.

Essentially, ATC_F is equal to zero (0) as ETC_F owned by LIPA over both directions of flow is equal to the entire TTC. The ATC_F will be equal to the TTC until LIPA schedules their actual transfers in the Day Ahead Market. At this point, any portion of the ETC_F that LIPA does not schedule will get released into the hourly market as ATC_{NF} .

5.2. Non-Firm ATC for MTF Transmission Services

Non-firm Available Transfer Capability (“ ATC_{NF} ”) is defined as the capability for non-firm transmission reservations that remain after allowing for CBM, TRM, ETC_F and non-firm Existing Transmission Commitments (“ ETC_{NF} ”) that have been Confirmed and Accepted. Although the entire TTC of the CSC is contracted to LIPA for Yearly Firm Transmission Service, any portion of the capacity that is not scheduled by LIPA in the Day-Ahead market will be released on an hourly non-firm basis. Customers may then purchase capacity in the Hourly Market, creating an ETC_{NF} contract which will in turn reduce the ATC_{NF} . Incorporating this into the determination of ATC, non-firm ATC is calculated using the following equation:

$$ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_S - TRM_U + Postbacks_{NF} + Counterflows_{NF}$$

Where

ATC_{NF} is the non-firm Available Transfer Capability for the ATC path during the period.

TTC is the Total Transfer Capability for the ATC path during the period.

ETC_F is the sum of firm Existing Transmission Commitments scheduled by LIPA in the Day Ahead

Market, under contractual agreement, for the ATC path during the period.

ETC_{NF} is the sum of non-firm Existing Transmission Commitments purchased by Secondary Market Customers in the Hourly Market, for the ATC path during the period.

CBM is set to 0 by ISO-NE per section 3 of this document.

TRM is set to 0 by ISO-NE per section 4 of this document.

$Postbacks_{NF}$ is set to 0 because any changes to the non-firm ATC would be re-released as secondary market capacity resulting in a change to the ETC_{NF} value.

$Counterflows_{NF}$ is set to 0 because Export point-to-point flow and Import point-to-point flow are treated as two independent directional paths. Since CSC calculates ATC in both directions independently, there are no Counterflows by definition.

Additional capacity may be purchased for MTF service on an Hourly non-firm basis until the ATC_{NF} equals zero (0) for the subject path. Purchases may take place on both paths individually up to their full TTC, which would effectively result in no transfer across CSC. In no case would purchases on one path result in increased ATC on the other path.

6. Posting of CSC ATC

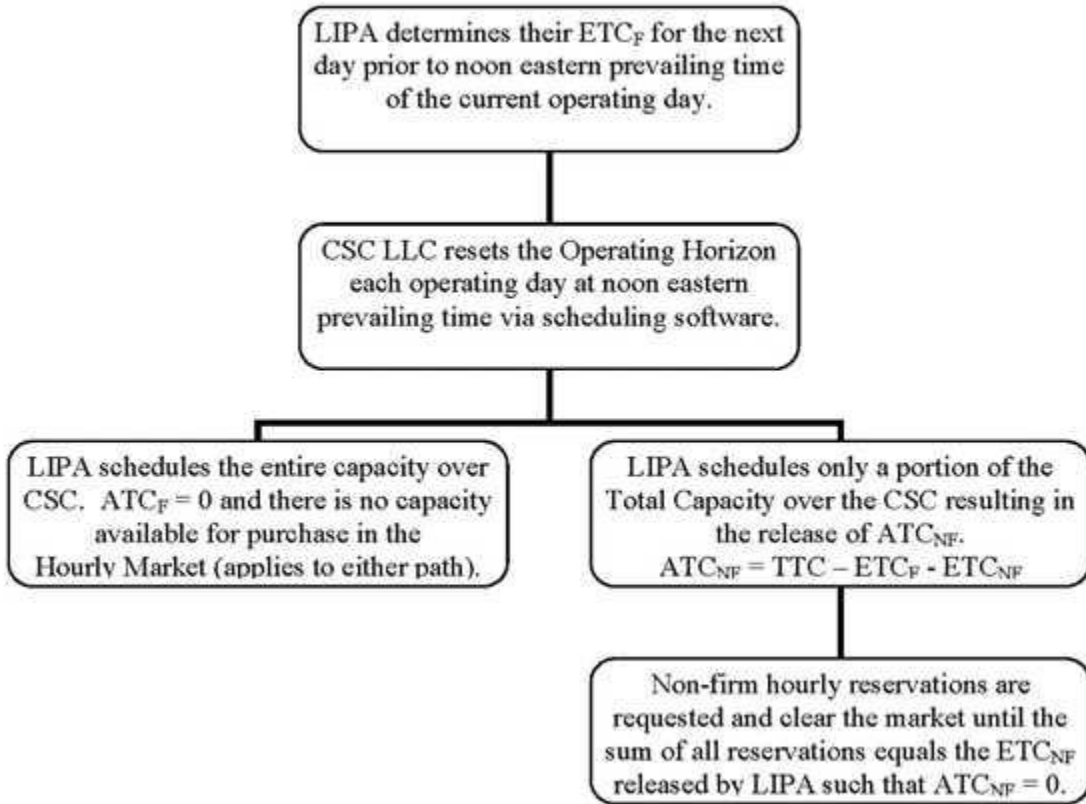
6.1. ATC Values

Using the process described in Section 5 above, the ATC calculations are performed for CSC automatically by the scheduling software. The ATC values for CSC are determined using the [Mathematical Algorithms for Calculation of ATC](https://www.oasis.oati.com/CSC/CSCdocs/Algorithms_for_ATC_Calculation_for_CSC.pdf) (https://www.oasis.oati.com/CSC/CSCdocs/Algorithms_for_ATC_Calculation_for_CSC.pdf) and posted in accordance with NAESB standards on the [CSC OASIS](https://www.oasis.oati.com/csc/index.html) (<https://www.oasis.oati.com/csc/index.html>).

As discussed, firm ATC is equal to zero at all times. LIPA determines the ETC_F for the next day prior to noon eastern prevailing time of each operating day. CSC LLC then resets the Operating Horizon (“OH”) through the scheduling software. The OH spans from noon of the current day through midnight of the next day, or for the next 36 hours calculating ATC_{NF} based on the ETC_F selected by LIPA. ATC_{NF} is calculated from the TTC and ETC_F and offered as non-firm Hourly MTF in the OH. Subsequent Capacity purchases are considered ETC_{NF} , which is then subtracted from the ATC_{NF} . Any changes to the ATC_{NF} are updated in real time through the scheduling software.

6.2. Diagram of Energy Transactions

Below is a diagram that describes how energy transactions are processed over the CSC interface. The timing of the submittal of the energy transactions is governed by the ISO-NE Market Rules.



SCHEDULE 18 – ATTACHMENT L

Creditworthiness Procedures

I. Overview

The creditworthiness of each Transmission Customer seeking MTF Service must be established before receiving service from the MTF Provider. The MTF Provider 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 the MTF Provider's Creditworthiness Requirements are described in this Attachment L to Schedule 18. Detailed information regarding the MTF Provider's Creditworthiness Requirements is available in the MTF Provider's Business Practices as posted on the MTF Transmission Provider Page on the OASIS.

II. Financial Information

Transmission Customers requesting MTF Service will be required to provide credit rating and financial information as part of the Credit Application for MTF Service. Required information may include: (a) all current credit rating reports from commercially accepted credit rating agencies including Standard and Poor's Inc. ("S&P"), Moody's Investors Service ("Moody's"), and Fitch Ratings ("Fitch"); (b) financial statements audited by a registered independent auditor; and (c) references from banks and utilities/vendors.

III. Creditworthiness Requirements and Process

Transmission Customers, rated and un-rated, will be required to meet the creditworthiness requirements specified in this Attachment L to Schedule 18 and the MTF Business Practices. Credit rating and financial information provided by Transmission Customers that would be used to establish creditworthiness include investment grade ratings for senior unsecured long-term debt and ratio analyses of audited financial statements. If the Customer does not meet the MTF Provider's creditworthiness requirements, the MTF Provider (at its discretion) may establish a credit limit for that Customer equal to the financial assurance (i.e., the security deposit) required from all Transmission Customers, as specified in this Attachment L to Schedule 18 and the MTF Provider's Business Practices.

The MTF Provider shall use the following criteria in reviewing the creditworthiness of Transmission Customers:

1. The Transmission Customer must meet and maintain the credit and financial assurance requirements applicable to market participants as established by ISO New England Inc.; and
2. The Transmission Customer must not be in default of any amounts owed to any MTF Providers.

If the Transmission Customer does not qualify using the above requirements, the MTF Provider may consider other qualitative factors on a case-by-case basis. The specific factors will depend upon the MTF Provider's Business Practices, and may include billing history and the Transmission Customer's anticipated use of the MTF service.

A. Procedure for Determining Creditworthiness

The MTF Service Credit Application is posted on the MTF Provider's OASIS and is available for download. The Credit Application may be submitted along with the Application for MTF Transmission Service. Because the amount of time required to complete the credit review varies widely, it is recommended that credit applications be submitted at least ten (10) business days before the Transmission Customer takes service for the first time. As part of the credit review process, the MTF Provider will assign a credit limit to each Transmission Customer. For a customer that holds a below investment grade rating from either S&P, Moody's or Fitch, or is not rated by any of those three rating agencies, the assigned credit limit will be the amount of the security deposit posted by such customer. For a customer that is rated by one or more of S&P, Moody's or Fitch and holds an investment grade rating from each agency that rates that customer, the credit limit will be established using standard commercial practices on a case-by-case basis based on an estimate of the customer's anticipated use of MTF Service.

IV. Financial Assurance

All Transmission Customers requesting MTF Service are required to submit a security deposit to the MTF Provider. For customers executing a Blanket MTF Transmission Service Agreement, the minimum security deposit shall be \$100,000.00, provided, however, that customers may choose to provide a higher security deposit. For customers executing a transaction-specific MTF Transmission Service Agreement, the security deposit requirement shall be determined on a case-by-case basis, the maximum security deposit that may be charged is equal to the cost of the Reserved Capacity over the MTF for the duration of the specific transaction. Security deposits will be held in separate accounts. Account statements will be provided to the customer on an annual basis upon request.

V. Credit Levels

Transmission Customers meeting the above Creditworthiness Requirements will be extended credit based on levels specified in the MTF Provider's Business Practices. Transmission Customers that do not meet the MTF Provider's creditworthiness requirements will not receive unsecured credit from the MTF Provider. The MTF Provider will monitor the credit status of all approved customers and may modify credit limits (higher or lower) for such customer to the extent that company circumstances or service changes occur. In the event that a customer is downgraded such that it holds a below investment grade rating from S&P, Moody's or Fitch, or is not rated by any of the three agencies, the customer's credit limit shall be immediately reduced to the amount of security deposit posted by that customer.

VI. Contesting Creditworthiness Determination

Should the MTF Provider reject a credit application, the MTF Provider will provide the customer the reasons for the rejection and an opportunity to revise and resubmit the credit application to address the identified deficiencies. Transmission Customers may also contest the MTF Provider's determination of creditworthiness by submitting a written request for re-evaluation. Such request should provide information supporting the basis for a request to re-evaluate a Transmission Customer's creditworthiness. The MTF Provider will review and respond to the request under the procedures outlined in this Attachment L to Schedule 18 and the MTF Provider's Business Practices.

VII. Procedures for Changes in Credit Levels and Collateral Requirements

The MTF Provider will immediately notify customers of any modifications to credit limits or required security deposits. Upon request, the MTF Provider will provide customers a written explanation for any change in credit limits or required security deposits, including an opportunity to cure any credit deficiencies within a specified time period.

VIII. Posting Collateral Requirements

In the event that the MTF Providers revises the level of collateral required (e.g., security deposit) as a result of changes to the Transmission Customer's financial information, the MTF Provider's criteria, or other events that result in the Transmission Customer being determined to be non-creditworthy, the Transmission Customer shall have the opportunity to cure such deficiency consistent with the procedures in this Attachment L to Schedule 18 and the MTF Provider's Business Practices, as posted on the MTF Transmission Provider Page on the OASIS.

IX. Additional Requirements

Along with the above criteria for determining creditworthiness, the MTF Provider may require the Transmission Customer to fulfill additional conditions under the MTF Provider's Business Practices, as posted on the MTF Transmission Provider Page on the OASIS.

SCHEDULE 18 - ATTACHMENT Z
Incorporation By Reference of NAESB Standards

In accordance with Commission Order No. 676-H, the NAESB Version 003 Standards listed below are hereby incorporated by reference to the extent that the requirements therein apply to Cross Sound Cable except as noted below:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information Systems (OASIS), Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards , 001-4.1, 001-4.7.2.1, 001-9.1 through 001-10.8.7, 001-14.1.3, 001-15.1.2 and 001-106.2.5;
- WEQ-002, Open Access Same-Time Information Systems (OASIS) Business Practice Standards and Communication Protocols, Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information Systems (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-004, Coordinate Interchange WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on December 28, 2012) excluding Standards 004-0.1 through 004-18.2, but including 004-A through 004-D;
- WEQ-012, Public Key Infrastructure (PKI) WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified October 4, 2102) March 11, 2009, with minor corrections applied on May 29, 2009 and September 8, 2009); and
- WEQ-013, Open Access Same-Time Information Systems (OASIS) Implementation Guide, OASIS Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).

CSC has requested waiver of the following NAESB Version 003 Standards pursuant to a compliance filing submitted to the Commission on December 1, 2014 and a Supplemental Waiver Request on April 14, 2015 to comply with FERC Order No. 676-H, *Standards for Business Practices and Communication Protocols for Public Utilities*, 148 FERC ¶ 61,205 (2014), as modified by the Commission's October 3, 2014 *Errata Notice*, 149 FERC ¶ 61,014 (2014).

- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012);
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;
- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas / Electric Coordination, WEQ Version 003, July 31, 2012;
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012;
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012;
- WEQ-000, WEQ-001, WEQ-002 and WEQ-003, related to Network Integration Transmission Service (“NITS”), WEQ Version 003, July 31, 2012; and
- WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013, related to Service Across Multiple Transmission Systems (“SAMTS”), WEQ Version 003, July 31, 2012.

SCHEDULE 20A
POINT-TO-POINT SERVICE OVER THE
PHASE I/II HVDC TRANSMISSION FACILITIES
(PHASE I/II HVDC-TF SERVICE)

In order to ensure continuity of service to customers, all agreements for transmission service over the Phase I/II HVDC-TF in effect as of the effective date of this Schedule 20A will remain in full force and effect under this Schedule 20A. This Schedule 20A contains the general terms and conditions regarding the treatment of Phase I/II HVDC-TF Service under the Tariff. In the event of a conflict between the terms and conditions of Part I and Part II of this Schedule, the terms and conditions of Part II shall govern. Phase I/II HVDC-TF Service is a Point-To-Point Service offered by certain Interconnection Rights Holders (“IRH”) under this Schedule 20A. Such IRH are referred to herein as the “Schedule 20A Service Providers”, have Phase I/II HVDC-TF Service Schedules in Part II of this Schedule 20A, and are listed on the ISO OASIS. Phase I/II HVDC-TF Service shall be offered to Eligible Customers by Schedule 20A Service Providers through their Phase I/II HVDC-TF Transmission Provider Page in accordance with this Schedule 20A and the HVDC Transmission Operating Agreement and is subject to the rights and obligations of the IRHs under the Restated Use Agreement, the Support Agreements, and the Phase I/II HVDC-TF Transmission Service Administration Agreement. Phase I/II HVDC-TF Service under this Schedule 20A is offered by the Schedule 20A Service Providers based on their Use Rights and on any Use Rights that they offer on behalf of any other IRH that are not Schedule 20A Service Providers. Pursuant to Section 2 of Part 1 of this Schedule 20A and subject to mutually agreeable contractual arrangements, the Schedule 20A Service Providers will offer, through this Schedule 20A and their Phase I/II HVDC-TF Transmission Provider Page, the Use Rights of any IRHs that are not Schedule 20A Service Providers. This Schedule 20A also includes the specific rates, terms and conditions for Phase I/II HVDC-TF Service for individual Schedule 20A Service Providers. All Transmission Customers taking Phase I/II HVDC-TF Service shall be subject to and comply with the terms and conditions of this Schedule 20A and the Tariff. The specific terms and conditions for rates and charges of the individual Schedule 20A Service Providers’ offering of their Phase I/II HVDC-TF Use Rights are found in the Phase I/II HVDC-TF Service Schedules in Part II of this Schedule 20A.

I. PHASE I/II HVDC-TF POINT-TO-POINT SERVICE

1. Definitions

Capitalized terms used and defined in this Schedule 20A shall have the meaning given them under this Schedule. Capitalized terms used and not defined in this Schedule 20A but defined in other sections of the Tariff shall have the meaning given them under those sections. Capitalized terms used in this Schedule 20A that are not defined in it or elsewhere in the Tariff shall have the meanings in the Restated Use Agreement or those customarily attributed to applicable criteria, rules, standards and operating procedures.

1.1 Interconnection Rights Holders (“IRHs”): means the entities that pay for and hold exclusive Use Rights to the transfer capability of the Phase I/II HVDC-TF, as granted under the Support Agreements and as further provided for under the Restated Use Agreement, either (i) directly, by virtue of being parties to the Support Agreements, or (ii) indirectly (“Indirect IRH(s)”), through a Transfer Agreement.

1.2 Phase I/II HVDC-TF: means the transmission facilities, identified in Schedule 2.01 (a) of the HVDC Transmission Operating Agreement or its successor schedule, constructed in two phases (“Phase I” and “Phase II”) that comprise the United States segment of the 2000 MW transmission interconnection which connects the Hydro-Quebec TransÉnergie control area and the New England Control Area. Phase I is the United States portion of the 450 kV high-voltage, direct-current (“Phase I/II HVDC”) transmission line from a terminal at the Des Cantons Substation on the Hydro-Quebec system near Sherbrooke, Quebec to a terminal with a nominal transfer capability of 690 MW at the Monroe Converter Station in New Hampshire. Phase II is the United States portion of the facilities required to increase to 2000 MW the nominal transfer capability of the Phase I/II HVDC-TF, including an extension of the Phase I/II HVDC transmission line from the terminus of Phase I at the Monroe Converter Station through New Hampshire to a terminal at the Sandy Pond Converter Station in Massachusetts. Phase I/II HVDC-TF is a form of OTF, as defined under Section II.1.85 of the Tariff.

1.3 Phase I/II HVDC-TF Owners: are: New England Hydro-Transmission Electric Company, Inc.; New England Hydro-Transmission Corporation; New England Electric Transmission Corporation; and Vermont Electric Transmission Company. The Phase I facilities in the United States are owned by New England Electric Transmission Corporation and Vermont Electric Transmission Company. The Phase II facilities in the United States are owned by New England Hydro-Transmission Electric Company, Inc. and New England Hydro-Transmission Corporation. The Phase I/II HVDC-TF Owners are parties to financial support agreements (the “Support Agreements”) with the IRHs.

1.4 Phase I/II HVDC-TF Service: means Firm and Non-Firm Point-To-Point Service over the Phase I/II HVDC-TF.

1.5 Phase I/II HVDC-TF Service Agreement: means an executed or unexecuted agreement for Phase I/II HVDC-TF Service, as reflected in Attachment A to Part I of this Schedule 20A.

1.6 Phase I/II HVDC-TF Transmission Service Administration Agreement: means the agreement among the ISO, the Schedule 20A Service Providers, and the IRH Management Committee specifying the rights and obligations of the parties regarding transmission service over the Phase I/II HVDC-TF, dated April 1, 2005, as may be amended and restated from time to time, and any successor agreement.

1.7 Phase I/II HVDC-TF Service Charge: is the charge for Phase I/II HVDC-TF Service, which shall be determined pursuant to arrangements between the applicable Schedule 20A Service Provider and Eligible Customers that take Phase I/II HVDC-TF Service under this Schedule 20A. The charge for Phase I/II HVDC-TF Service shall be determined by the applicable Phase I/II HVDC-TF Service Schedule in Part II of this Schedule 20A.

1.8 Phase I/II HVDC-TF Service Schedule: is an individual Schedule 20A Service Provider's schedule in Part II of this Schedule 20A that sets forth the terms and conditions for rates and charges, as applicable to Phase I/II HVDC-TF Service offered by that Schedule 20A Service Provider.

1.9 Phase I/II HVDC-TF Transmission Provider Page: means the respective Transmission Provider pages of the Schedule 20A Service Providers, which are located on the ISO OASIS, through which Phase I/II HVDC-TF Service is offered. Some of the information posted on the Transmission Provider pages of the Schedule 20A Service Providers shall include: values for Available Transmission Capability (ATC); offerings for Phase I/II HVDC-TF Service; and procedures for the application for and acquisition of Phase I/II HVDC-TF Service.

1.10 Pre-Confirmed Request: is an OASIS transmission service request that commits the Transmission Customer to take and pay for the requested Phase I/II HVDC-TF Service upon acceptance on OASIS by the Schedule 20A Service Provider that can provide the requested Phase I/II HVDC-TF Service.

1.11 Restated Use Agreement: is the Agreement among the IRH with respect to the Use Rights, dated as of December 1, 1981, as amended or restated as of September 1, 1985, November 19, 1997, April 8, 1998, and June 1, 2002, and as it may be further amended or restated from time to time.

1.12 Schedule 20A Service Provider: is an individual IRH that has a Phase I/II HVDC-TF Service Schedule and offers its own Use Rights or the Use Rights of other IRHs under this Schedule 20A.

1.12a Submittal Window: is the 5 minute window, beginning immediately after the expiration of the “no earlier than” request time, within which all service requests will be deemed to have been submitted simultaneously.

1.13 Support Agreements: are the certain agreements between the Phase I/II HVDC-TF Owners and the IRH that are not Indirect IRHs, under which the IRH are granted the exclusive rights to the transfer capability of the Phase I/II HVDC-TF and the obligation to pay the costs of the Phase I/II HVDC-TF.

1.14 Transfer Agreement: is an agreement, pursuant to the Restated Use Agreement, under which an IRH may transfer all or part of its Use Rights to another entity for a specified period of time.

1.15 Transmission Customer: is, for purposes of this Schedule 20A, an Eligible Customer that is receiving or has received Phase I/II HVDC-TF Service.

1.16 Use Rights: are the exclusive rights to the Combined Percentage Interest of the transfer capability of the Phase I/II HVDC-TF granted to the each of the IRH under the Support Agreement in exchange for the IRH’s obligation to pay for the Phase I/II HVDC-TF. The maximum MW amount of Use Rights that a Schedule 20A Service Provider may make available is its Combined Percentage Interest times the posted TTC value, plus the maximum MW amount of Use Rights of any other IRH on whose behalf the Schedule 20A Service Provider is posting, rounded down to whole MW.

1.17 FERC: The Federal Energy Regulatory Commission.

2. Phase I/II HVDC-TF Service

Phase I/II HVDC-TF Service is a Point-To-Point Service offered by the Schedule 20A Service Providers over Phase I/II HVDC-TF using the transfer capability associated with their own Use Rights and the Use Rights of any other IRH that has contracted with a Schedule 20A Service Provider for the offering of Use Rights under this Schedule 20A. Not all IRHs are FERC-jurisdictional utilities and, as such, these IRHs are not required to offer transmission service for their share of the Phase I/II HVDC-TF. An IRH that is not a Schedule 20A Service Provider may, however, choose to make all or a portion of its rights available through an individual Schedule 20A Service Provider and its Phase I/II HVDC-TF Service Schedule by entering into a Transfer Agreement. Subject to a mutually agreeable Transfer Agreement and associated contractual arrangements, a Schedule 20A Service Provider will offer the Use Rights of any other IRH that wishes to make its Use Rights available under this Schedule 20A. In the event that the parties cannot agree on a Transfer Agreement and associated contractual arrangements, either party may petition the FERC for relief.

2.1 Nature of Phase I/II HVDC-TF Service

(a) Term of Phase I/II HVDC-TF Service:

(i) Firm Phase I/II HVDC-TF Service: The minimum term of Firm Phase I/II HVDC-TF Service shall be one day and the maximum term shall be that specified in the Phase I/II HVDC-TF Service Agreement.

(ii) Non-Firm Phase I/II HVDC-TF Service: Non-Firm Phase I/II HVDC-TF Service will be available for periods ranging from one hour to one month and shall be that specified in the Phase I/II HVDC-TF Service Agreement. A Transmission Customer that purchases Non-Firm Phase I/II HVDC-TF 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 may be greater than one month, subject to the requirements of this Schedule 20A.

(b) Reservation, Interruption and Curtailment Priority for Phase I/II HVDC-TF Service:

(i) The Schedule 20A Service Providers, individually or collectively, shall post on the Phase I/II HVDC-TF Transmission Provider Page, rules setting reservation, interruption and Curtailment priorities for Firm and Non-Firm Phase I/II HVDC-TF Service. Such rules shall be non-discriminatory and consistent with Commission Orders and shall also be in accordance with the Restated Use Agreement.

In instances where an IRH is not a Schedule 20A Service Provider and it desires to offer its Use Rights, that IRH shall arrange for the posting of the associated transmission service and associated reservations on a Phase I/II HVDC-TF Transmission Provider Page.

Each Schedule 20A Service Provider shall be responsible for calculating the ATC for its Use Rights and for the Use Rights of any other IRH with whom it has contracted to offer such Use Rights, and for posting such ATC values on its Phase I/II HVDC-TF Transmission Provider Page.

Phase I/II HVDC-TF reservation priorities shall be established separately from PTF, other OTF or MTF reservation priorities.

(ii) If a Schedule 20A Service Provider fails to post such rules, then reservation, interruption and Curtailment priorities for Firm and Non-Firm Phase I/II HVDC-TF Service shall be those established by relevant reliability authorities (e.g., the Northeast Power Coordinating Council) and under such scheduling and curtailment rules as may be accepted and/or approved by the FERC for participation in the regional electricity markets.

(iii) Firm Phase I/II HVDC-TF Service Reservation Priority: The Phase I/II HVDC-TF reservation priority for either Long-Term or Short-Term Firm Phase I/II HVDC-TF Service shall be determined on a first come first served basis by the date and time of the service request, with requests received within the Submittal Window being subject to the procedures described in Section 2.1(b)(vi) below. However, Pre-Confirmed Requests for Short-Term Point-To-Point Transmission 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.

(iv) If the Phase I/II HVDC-TF 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 Firm Phase I/II HVDC-TF 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.2.1(f) of this Schedule 20A) from being notified by the Schedule 20A Service Provider of a longer-term competing request for Firm Phase I/II HVDC-TF Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations 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 20A. Firm Phase I/II HVDC-TF Service will always have a reservation priority over Non-Firm Phase I/II HVDC-TF Service under the Tariff.

(v) Non-Firm Phase I/II HVDC-TF Service Reservation Priority: Non-Firm Phase I/II HVDC-TF Service shall be available from transfer capability in excess of that needed for reliable service to Long-Term and Short-Term Firm Phase I/II HVDC-TF Service. A higher reservation priority will be assigned first to Non-Firm Phase I/II HVDC-TF Service requests or reservations with a longer duration of service than those reservations with a shorter duration and second to Pre-Confirmed Requests. Competing requests of the same pre-confirmation status and equal duration for Non-Firm Phase I/II HVDC-TF Service 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 Transmission Customer has reserved service). Requests for monthly service received within the Submittal Window shall be subject to the procedures described in Section 2.1(b)(vi) below. Transmission Customers that have already reserved shorter-term service over Phase I/II HVDC-TF have the right of first refusal to match any longer-term request before being preempted, provided that such Transmission Customer's

advance reservation is consistent with any modified request for Non-Firm Phase I/II HVDC-TF Service.

(vi) Requests for Firm and monthly Non-Firm Phase I/II HVDC-TF Service are subject to a Submittal Window and to an allocation in accordance with the procedures of this section.

Each Schedule 20A Service Provider will refuse those service requests for the same increment and class of service from the same Transmission Customer which, in aggregate, exceeds that Schedule 20A Service Provider's posted ATC. A single service request will be refused if it exceeds the posted ATC. If multiple identical service requests, as defined by NAESB Standard 001-0.5, for the entire posted ATC are received within the Submittal Window, only the first of those service requests will be considered valid. The remaining identical service requests will be refused.

If sufficient transfer capability is not available to meet all service requests for Phase I/II HVDC-TF Service submitted within the Submittal Window, the Schedule 20A Service Providers will allocate among valid requests received in the Submittal Window, allocating ATC pro-rata, on a whole MW basis, among those requests of the longest duration first and subject to the following order: pre-confirmed Firm, Firm, pre-confirmed Non-Firm and Non-Firm. If the total amount of valid pre-confirmed service requests exceeds a Schedule 20A Service Provider's Firm ATC, each valid pre-confirmed service request for Firm Phase I/II HVDC-TF Service will be multiplied by the ratio of that Schedule 20A Service Provider's Firm or Non-Firm ATC, as applicable, to the total MWs of valid Firm or Non-Firm pre-confirmed service requests, as applicable. If the total amount of valid pre-confirmed Firm service requests does not exceed ATC for Firm Phase I/II HVDC-TF Service, then any remaining non pre-confirmed Firm service requests will be allocated similarly across remaining ATC. Non-Firm service requests for monthly service will follow the same methodology for any remaining ATC.

If a customer withdraws its service request after it has been accepted but prior to the Customer Confirmation Time Limit as identified in FERC Order 638, the pro rata allocation of ATC for the remaining valid service requests will be recalculated and the service requests will be updated accordingly on OASIS.

The Schedule 20A Service Providers will address queue flooding, queue hoarding and denial of service in accordance with in NAESB WEQ-001. If the Schedule 20A Service Providers detect any of the above activities, the Schedule 20A Service Providers may extend the Submittal Window by additional 5 minute increments.

Each Schedule 20A Service Provider reserves the right to develop additional allocation criteria in the event that the above criteria do not address a particular situation that occurs during the Submittal Window. Such criteria shall either be included in the Business Practice posted on the Schedule 20A Service Provider's Phase I/II HVDC-TF Transmission Provider Page or the Schedule 20A Service Providers will file with the Commission, changes to this Schedule 20A, in compliance with applicable Commission regulations.

In cases where valid service requests received in the Submittal Window result in residual MW(s), the Schedule 20A Service Providers will allocate, via counter offer, the residual MW(s) to the first valid service request queued in the Submittal Window. In cases where more than one residual MW is available, 1 MW will be allocated, via counter offer, to each valid service request, starting with the first valid service request in the Submittal Window and moving to the next until all such MW(s) have been allocated.

(c) Use of Phase I/II HVDC-TF Service By a Transmission Customer: A Transmission Customer shall take and pay for Phase I/II HVDC-TF Service for the transmission of any scheduled Real-Time Energy Market transaction (including imports of energy into, exports of energy out of, and wheels of energy through, the New England Control Area) that requires the use of the Phase I/II HVDC-TF. If a Transmission Customer elects to take Phase I/II HVDC-TF Service, it must first reserve transmission capability (i.e., a confirmed advance Phase I/II HVDC-TF Service reservation) to allow both the delivery of energy and/or capacity to it over the Phase I/II HVDC-TF (to the extent permitted under the Tariff) commensurate with the associated Phase I/II HVDC-TF Service reservation designated by it in a Completed Application for Phase I/II HVDC-TF Service and the delivery of Energy and/or capacity to or from it over the Phase I/II HVDC-TF to the extent permitted under the Tariff. A Transmission Customer that takes Phase I/II HVDC-TF Service under this Schedule 20A must also take any other applicable service, in accordance with the Tariff.

(d) Phase I/II HVDC-TF Service Agreements: A standard form Phase I/II HVDC-TF Service Agreement (Attachment A to Part I of this Schedule 20A) will be offered to an Eligible Customer when it submits a Completed Application for Phase I/II HVDC-TF Service pursuant to this Schedule 20A. Executed Phase I/II HVDC-TF Service Agreements that contain the information required under this Schedule 20A will be reported and/or filed by the Schedule 20A Service Provider with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Phase I/II HVDC-TF Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Phase I/II HVDC-TF Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement.

(e) Classification of Phase I/II HVDC-TF Service:

(i) Transmission Customers requesting Phase I/II HVDC-TF Service do so with the full realization that such service is subject to availability and Curtailment pursuant to Section II.44 of the Tariff and that the ISO will redispatch all Resources subject to its control, pursuant to the Tariff, in order to meet load and to accommodate External Transactions. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Tariff.

(ii) The Point of Receipt and Point of Delivery on the Phase I/II HVDC-TF at which transmission capacity is reserved for Phase I/II HVDC-TF Service by the Transmission Customer shall be set forth in the Phase I/II HVDC-TF Service Agreement for such service along with a corresponding capacity reservation over the Phase I/II HVDC-TF. The Point of Receipt and Point of Delivery for Phase I/II HVDC-TF Service shall be as mutually agreed upon by the Schedule 20A Service Provider and the Transmission Customer for Phase I/II HVDC-TF Service.

(iii) Non-Firm Phase I/II HVDC-TF Service shall be offered on an hourly, daily, weekly or monthly basis, under applicable terms and conditions contained in this Schedule 20A, and shall not exceed one month's reservation. Firm Phase I/II HVDC-TF Service shall be offered on a daily, weekly, monthly or yearly basis under the applicable terms and conditions contained in this Schedule 20A.

(iv) The Transmission Customer's Reserved Capacity over the Phase I/II HVDC-TF shall be the sum of its Phase I/II HVDC-TF Service reservations.

(f) **Scheduling Associated with Phase I/II HVDC-TF Service:** An advance reservation is required for Phase I/II HVDC-TF Service for any External Transaction that imports energy into, exports energy out of, or wheels energy through, the New England Control Area over the Phase I/II HVDC-TF. The External Transaction, with its supporting advance reservation, shall be submitted by the Transmission Customer for inclusion in the Real-Time Energy Market pursuant to the Tariff and in accordance with applicable ISO New England Operating Procedures. External Transactions submitted into the Real-Time Energy Market and associated with Phase I/II HVDC-TF Service shall be dispatched pursuant to the Tariff. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such dispatch in accordance with the Tariff.

(g) **Curtailed Associated with Phase I/II HVDC-TF Service:** When the ISO determines that an electrical emergency exists on the New England Transmission System, the ISO shall implement emergency procedures to effect a Curtailment of Phase I/II HVDC-TF Service. The ISO will redispatch all Resources subject to its control, pursuant to the Tariff, in order to meet load and to accommodate External Transactions. External Transactions using Phase I/II HVDC-TF Service shall be curtailed or interrupted in accordance with Section II.44 of the Tariff. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Tariff. Pursuant to such redispatch, in the event that ISO exercises its right to effect a Curtailment of Phase I/II HVDC-TF Service, in whole or part, no credit or other adjustment shall be provided as a result of the Curtailment with respect to the charges payable by the Transmission Customer.

2.2 Transmission Customer Responsibility for Other Service: Phase I/II HVDC-TF Service only provides transmission service over the Phase I/II HVDC-TF. The Transmission Customer is responsible for obtaining and paying any applicable costs associated with any service on other transmission facilities that may be required to complete a transaction that utilizes Phase I/II HVDC-TF Service.

2.3 Availability of Phase I/II HVDC-TF Service: An Eligible Customer having a Phase I/II HVDC-TF Service Agreement with a Schedule 20A Service Provider is a Transmission

Customer (except as provided below) that may utilize the Use Rights offered by that Schedule 20A Service Provider for the transmission of any scheduled Real-Time transaction (includes imports of energy into, exports of energy out of, and wheels of energy through, the New England Control Area) that requires the use of the Phase I/II HVDC-TF. Such service shall be provided and administered by the individual Schedule 20A Service Provider and shall be requested pursuant to the applicable terms and conditions of this Schedule 20A. Phase I/II HVDC-TF Service is available to any Eligible Customer who meets the financial assurance requirements of this Schedule 20A. The provision of Phase I/II HVDC-TF Service under this Schedule 20A requires that the Transmission Customer acquire an advance reservation over the Phase I/II HVDC-TF prior to the scheduling of an associated Real-Time transaction that requires the use of the Phase I/II HVDC-TF.

2.4 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 elect to continue to take Phase I/II HVDC-TF Service from the Schedule 20A Service Providers when the contract expires, rolls over or is renewed, subject to the rights and obligations of the Schedule 20A Service Providers under the Restated Use Agreement, the Support Agreements, and the Phase I/II HVDC-TF Transmission Service Administration Agreement. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Schedule 20A Service Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Schedule 20A Service Provider's Use Rights cannot accommodate all of the requests for Phase I/II HVDC-TF Service, the existing firm service customer must agree to accept a contract term at least equal to the longest competing request by any new Transmission 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 Schedule 20A Service Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its Phase I/II HVDC-TF 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, subject to the rights and obligations of the Schedule 20A Service Providers under the Restated Use Agreement, the Support Agreements, and the Phase I/II HVDC-TF Transmission Service Administration Agreement. Service Agreements subject to a right of first refusal entered into

prior to the date of the Schedule 20A Service Providers' 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 Schedule 20A Service Providers' 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 Schedule 20A Service Providers' filing adopting the reformed rollover language herein in compliance with Order No. 890.

3. Transmission Customer Responsibilities

3.1 Conditions Required of Transmission Customers: Phase I/II HVDC-TF Service will be provided by the Schedule 20A Service Provider only if the following conditions are satisfied by the Transmission Customer.

- (a) The Transmission Customer has submitted a Completed Application for Phase I/II HVDC-TF Service in accordance with this Schedule 20A;
- (b) The Transmission Customer continues to qualify as an Eligible Customer;
- (c) The Transmission Customer and the Schedule 20A Service Provider have executed a Phase I/II HVDC-TF Service Agreement pursuant to this Schedule 20A;
- (d) The Transmission Customer agrees to have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Point of Receipt prior to the time service commences;
- (e) The Transmission Customer agrees to submit External Transactions into the New England Markets in accordance with the applicable ISO New England Operating Documents;
- (f) The Transmission Customer agrees to pay for Phase I/II HVDC-TF Service Charges, any Congestion Costs or other redispatch costs chargeable to such Transmission Customer under this Schedule 20A, and the Tariff, whether or not the Transmission Customer takes service for the full term of its Phase I/II HVDC-TF Service reservation;

(g) The Transmission Customer has an advance reservation with a Schedule 20A Service Provider for Phase I/II HVDC-TF Service;

(h) The Transmission Customer meets the creditworthiness procedures in Attachment L to the Schedule 20A Service Provider's Phase I/II HVDC-TF Service Schedule in Part II of Schedule 20A; and

(i) The Transmission Customer provides the information required by the ISO's regional system planning process.

3.2 Transmission Customer Responsibility for Third-Party Arrangements: Any arrangements for Transmission Service and the scheduling of transactions that may be required by neighboring electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by ISO, notification to ISO identifying such neighboring electric systems and authorizing them to schedule the transactions to be transmitted pursuant to the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt.

The Transmission Customer shall arrange for Transmission Service, as necessary, in accordance with the Tariff. The ISO 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.

4. Procedures for Arranging Phase I/II HVDC-TF Service

4.1 Application: Eligible Customers seeking Phase I/II HVDC-TF Service must submit a Completed Application for Phase I/II HVDC-TF Service to the Schedule 20A Service Provider in accordance with the applicable section of this Schedule 20A and in accordance with the Schedule 20A Service Provider's rules, as posted on the Phase I/II HVDC-TF Transmission Provider Page. The Schedule 20A Service Provider shall post a copy of its form of Application for Phase I/II HVDC-TF Service on its Phase I/II HVDC-TF Transmission Provider Page.

4.2 Completed Application: A Completed Application for Phase I/II HVDC-TF Service shall provide all of the information included at 18 C.F.R. § 2.20 of the Commission's regulations, 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 this Schedule 20A;
- (iii) The Point(s) of Receipt and Point(s) of Delivery;
- (iv) The maximum amount of capacity and energy expected to be utilized under the Phase I/II HVDC-TF Service Agreement;
- (v) The Service Commencement Date and the term of the requested Phase I/II HVDC-TF Service;
- (vi) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Phase I/II HVDC-TF. Customers may combine their requests for Phase I/II HVDC-TF Service in order to satisfy the minimum transmission capacity requirement;
- (vii) A statement indicating that if the Transmission Customer submits a Pre-Confirmed Request, then the Transmission Customer will take and pay for the requested Phase I/II HVDC-TF Service upon acceptance on OASIS by the Schedule 20A Service Provider that can provide the requested Phase I/II HVDC-TF Service; and
- (viii) Any additional information required by the ISO's regional system planning process.
- (ix) In addition to the information specified above and when required to properly evaluate the application for service, the Schedule 20A Service Provider also may request that the Eligible Customer provide the following:

- 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.
- A description of the supply characteristics of the capacity and energy to be delivered.

4.3 Deposit: If required by the Schedule 20A Service Provider, a Completed Application for Phase I/II HVDC-TF Service by a Transmission Customer shall also include a deposit of either (a) one (1) month's charge for Reserved Capacity over the Phase I/II HVDC-TF for service requests of one (1) month or greater or (b) the full charge for Reserved Capacity over the Phase I/II HVDC-TF for service requests of less than one (1) month. If the Application for Phase I/II HVDC-TF Service is rejected by the Schedule 20A Service Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a request for proposals (RFP), the deposit will be returned with interest, less any reasonable costs incurred by the Schedule 20A Service Provider, the ISO or any affected Transmission Owners in connection with the review of the Application for Phase I/II HVDC-TF Service. If an Application for Phase I/II HVDC-TF Service is withdrawn or the Eligible Customer decides not to enter into a Phase I/II HVDC-TF Service Agreement, the deposit will be refunded in full, with interest, less reasonable costs incurred by the Schedule 20A Service Provider, the ISO or any affected Transmission Owners to the extent such costs have not already been recovered from the Eligible Customer. The Schedule 20A Service Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. If a Phase I/II HVDC-TF Service Agreement is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Phase I/II HVDC-TF Service Agreement. Applicable interest will be calculated in accordance with Commission regulations from the day the deposit is credited to the Schedule 20A Service Provider's account.

4.4 Notice of Deficient Application: If an Application for Phase I/II HVDC-TF Service fails to meet the requirements of this Schedule 20A, the Schedule 20A Service Provider will notify the entity requesting service within fifteen (15) days of the Schedule 20A Service Provider's receipt of the Application for Phase I/II HVDC-TF Service of the reasons for such failure. The Schedule 20A Service Provider and the Eligible Customer will attempt to remedy minor deficiencies in the Application for Phase I/II HVDC-TF Service through informal communications. If such efforts are unsuccessful, the Schedule 20A Service Provider will return the Application for Phase I/II HVDC-TF Service, along with any deposit (less the reasonable

costs incurred by the Schedule 20A Service Provider, the ISO or any affected Transmission Owners in connection with the Application for Phase I/II HVDC-TF Service), with interest, to the Eligible Customer. Upon receipt of a new or revised Application for Phase I/II HVDC-TF Service that fully complies with the requirements of this Schedule 20A, the Eligible Customer will be assigned a new reservation priority based upon the date of receipt by the Schedule 20A Service Provider of the new or revised Application for Phase I/II HVDC-TF Service.

4.5 Response to a Completed Application: Following receipt of a Completed Application for Phase I/II HVDC-TF Service, the Eligible Customer will be notified as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application for Phase I/II HVDC-TF Service. Responses by the Schedule 20A Service Provider must be made as soon as practicable to all Completed Applications for Phase I/II HVDC-TF Service and the timing of such responses must be made on a nondiscriminatory basis.

4.6 Execution of Phase I/II HVDC-TF Service Agreement: Whenever the Schedule 20A Service Provider determines that the requested service can be provided, it will notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application for Phase I/II HVDC-TF Service, and will tender a Phase I/II HVDC-TF Service Agreement to the Eligible Customer. Failure of an Eligible Customer to execute and return the Phase I/II HVDC-TF Service Agreement or request the filing of an unexecuted Phase I/II HVDC-TF Service Agreement, within fifteen (15) days after it is tendered by the Schedule 20A Service Provider, shall be deemed a withdrawal and termination of the Application for Phase I/II HVDC-TF Service and any deposit (less the reasonable costs incurred by the Schedule 20A Service Provider, the ISO and any affected Transmission Owners in connection with the Application for Phase I/II HVDC-TF Service) submitted will be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Completed Application for Phase I/II HVDC-TF Service after such withdrawal and termination.

4.7 Reservation of Phase I/II HVDC-TF Service: OASIS requests for yearly or monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly, daily and hourly service shall be submitted no earlier than twenty-one (21) days before service is to commence.

4.8 Extensions for Commencement of Firm Phase I/II HVDC-TF Service: The Transmission Customer can obtain, subject to availability, up to five one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Phase I/II HVDC-TF Service for each year or fraction thereof within 15 days of notifying the Schedule 20A Service Provider 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 Phase I/II HVDC-TF Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity over the Phase I/II HVDC-TF, the original Reserved Capacity over the Phase I/II HVDC-TF will be released unless the following condition is satisfied: within thirty (30) days, the original Transmission Customer agrees to pay the applicable rate for Firm Phase I/II HVDC-TF Service for its Reserved Capacity over the Phase I/II HVDC-TF for the period that its reservation overlaps the period covered by such Eligible Customer's Completed Application for Phase I/II HVDC-TF Service. In the event the Transmission Customer elects to release the Reserved Capacity over the Phase I/II HVDC-TF, the reservation fees or portions thereof previously paid will be forfeited.

4.9 Confidentiality of Information and Standards of Conduct. The Schedule 20A Service Provider will treat all information included in the Completed Application for Phase I/II HVDC-TF Service as confidential in accordance with the standards of conduct contained in 18 C.F.R. Part 37 of the Commission's regulations except to the extent that disclosure of such information is required by this Schedule 20A, the Phase I/II HVDC-TF Service Agreement, Schedule 20A Service Provider's Business Practices, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice.

5. Determination of Available Transfer Capability

The Schedule 20A Service Provider will make a determination on a non-discriminatory basis of ATC pursuant to Attachment C to this Schedule 20A and Section II, Attachment C of the Tariff.

6. Payment for Phase I/II HVDC-TF Service

6.1 Phase I/II HVDC-TF Service Charge: A Transmission Customer shall pay the Schedule 20A Service Provider's Phase I/II HVDC-TF Service Charge to the Schedule 20A Service Provider under the terms of this Schedule 20A.

6.2 Discounts: Information regarding any discounts to the Phase I/II HVDC-TF Service Charge shall be offered by the Schedule 20A Service Provider in a not unduly discriminatory manner and posted on its Phase I/II HVDC-TF Transmission Provider Page pursuant to Commission regulations. Three principal requirements apply to discounts for transmission service over the Phase I/II HVDC-TF: (1) any offer of a discount made by a Schedule 20A Service Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted by the Schedule 20A Service Provider on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, the individual Schedule 20A Service Provider must offer the same discounted Phase I/II HVDC-TF Service rate for the same time period to all of its Eligible Customers.

6.3 Resales: The rates and rules governing charges and discounts stated in Sections 6.1 and 6.2 above shall not apply to resales of transmission service, compensation for which shall be governed by Section 8 of this Schedule 20A.

7. Changes in Service Specifications of Phase I/II HVDC-TF Service

7.1 Modification on a Firm Basis: Any request by a Transmission Customer to modify Point(s) of Receipt and Point(s) of Delivery on a firm basis shall be treated as a new request for Phase I/II HVDC-TF Service in accordance with this Schedule 20A, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation over the Phase I/II HVDC-TF does not exceed the amount reserved in the existing Phase I/II HVDC-TF Service Agreement. While such new request is pending, the Transmission Customer shall retain its reservation priority for service at the firm Receipt Point(s) and Delivery Point(s) specified in the Transmission Customer's existing Phase I/II HVDC-TF Service Agreement.

7.2 Modifications on a Non-Firm Basis: The Transmission Customer taking Firm Phase I/II HVDC-TF Service may submit a request to the Schedule 20A Service Provider for transmission service on a non-firm basis over Point(s) of Receipt and Point(s) of Delivery other

than those specified in the Phase I/II HVDC-TF Service Agreement (“Secondary Receipt and Delivery Points”), in amounts not to exceed the Transmission Customer’s firm capacity reservation over the Phase I/II HVDC-TF, without incurring an additional Non-Firm Phase I/II HVDC-TF Service charge or executing a new Phase I/II HVDC-TF Service Agreement, subject to the following conditions:

- (a) Phase I/II HVDC-TF 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 Phase I/II HVDC-TF Service reserved by Transmission Customers under this Schedule;
- (b) the Transmission Customer shall retain its right to schedule Firm Phase I/II HVDC-TF Service at the Point(s) of Receipt and Point(s) of Delivery specified in the relevant Phase I/II HVDC-TF Service Agreement in the amount of the Transmission Customer’s original Phase I/II HVDC-TF Service reservation over the Phase I/II HVDC-TF; and
- (c) Phase I/II HVDC-TF Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Phase I/II HVDC-TF Service under this Schedule. However, all other requirements of this Schedule (except as to Phase I/II HVDC-TF Service charges) shall apply to Phase I/II HVDC-TF Service on a non-firm basis over Secondary Receipt and Delivery Points.

8. Sale, Assignment or Transfer of Phase I/II HVDC-TF Service

8.1 Procedures for Sale, Assignment or Transfer of Service: Pursuant to Commission-approved rules posted by the Schedule 20A Service Provider on its Phase I/II HVDC-TF Transmission Provider Page, and subject to the requirements of the Restated Use Agreement, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Phase I/II HVDC-TF Service Agreement, but only to another Eligible Customer (the “Assignee”). The Transmission Customer that sells, assigns or transfers its rights under its Phase I/II HVDC-TF Service Agreement is hereafter referred to as the “Reseller” as the term is used throughout this Schedule 20A. 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 Schedule 20A Service Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Schedule 20A Service Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Schedule 20A Service Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Schedule 20A Service Provider 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 Phase I/II HVDC-TF Service Agreement, the Assignee shall receive the same services as did the Reseller and the transmission priority of service for the Assignee shall be the same as that of the Reseller. The Assignee shall be subject to all terms and conditions of this Schedule 20A. If the Assignee requests a change in service, the reservation priority of service will be determined by the Schedule 20A Service Provider pursuant to this Schedule 20A.

8.2 Limitations on and Obligations of 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 Phase I/II HVDC-TF Service Agreement, the Schedule 20A Service Provider will consent to such change subject to the provisions of this Schedule 20A, provided that the change will not impair the operation of the New England Markets or the operation and reliability of the New England Transmission System. The Reseller shall remain liable for the performance of all obligations under the Phase I/II HVDC-TF Service Agreement, except as specifically agreed to by the Schedule 20A Service Provider, the Reseller and the Assignee through an amendment to the Phase I/II HVDC-TF Service Agreement.

8.3 Information on Resale of Service: In accordance with this Schedule 20A, Transmission Customers may use the Phase I/II HVDC-TF Transmission Provider Page to post information regarding transmission capacity over the Phase I/II HVDC-TF available for resale. All sales or assignments of capacity must be conducted through or otherwise posted on the Schedule 20A Service Provider's OASIS on or before the date the reassigned service commences and are subject to Section 8.1.

9. Real Power Losses

Real power losses across the Phase I/II HVDC-TF shall be allocated solely to Transmission Customers that use Phase I/II HVDC-TF. Such allocation for transactions across the Phase I/II HVDC-TF shall be pursuant to the Tariff and in accordance with the operating protocols adopted by TransÉnergie and the Phase I/II HVDC-TF Owners. The Transmission Customer will be responsible for the losses associated with Phase I/II HVDC-TF Service, in addition to any losses associated with other transmission service under the Tariff.

10. No Obligation to Build or Expand the Phase I/II HVDC-TF

A Schedule 20A Service Provider's status under the Tariff shall not impose any obligation on it to build transmission facilities or expand the Phase I/II HVDC-TF. The offering of Phase I/II HVDC-TF Service under the Tariff shall not impose on the Phase I/II HVDC-TF Owners, the IRH or the ISO an obligation to build any transmission facilities to accommodate Phase I/II HVDC-TF Service.

11. No Effect on PTF Rates

Inclusion of Phase I/II HVDC-TF Service under the Tariff shall not affect rates for service on the PTF under the Tariff.

12. Ancillary Services

Transmission Customers taking service over the Phase I/II HVDC-TF Transmission System are required to acquire Ancillary Services from (a) the Schedule 20A Service Provider pursuant to the provisions within Section II to this Schedule 20A and (b) the Control Area Operator pursuant to the provisions within the Tariff. The specific Ancillary Services, prices and/or compensation methods are described in Section II to this Schedule 20A and in the applicable Schedules of the OATT.

13. Congestion Costs and FTRs

Congestion Costs will not be calculated, and therefore FTRs will not be offered, between any set of points on the Phase I/II HVDC-TF. Transmission Customers taking Phase I/II HVDC-TF Service in conjunction with service over the PTF, however, shall be subject to applicable Congestion Costs for any use of the PTF.

14. Creditworthiness

Each Schedule 20A Service Provider will specify its Creditworthiness procedures in Attachment L to its Phase I/II HVDC-TF Service Schedule in Part II of Schedule 20A.

15. Billing and Payment

15.1 Billing Procedure: Within a reasonable time after the first day of each month, the Schedule 20A Service Provider shall submit an invoice to the Transmission Customer for the charges for all Phase I/II HVDC-TF Service furnished under this Schedule 20A 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 the Schedule 20A Service Provider, or by wire transfer to a bank named by the Schedule 20A Service Provider.

15.2 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. 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 Schedule 20A Service Provider.

15.3 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 Schedule 20A Service Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Schedule 20A Service Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Schedule 20A Service Provider may initiate a proceeding with the Commission to terminate Phase I/II HVDC-TF Service but shall not terminate such service until the Commission approves any such request. In the event of a billing dispute between the Schedule 20A Service Provider and the Transmission Customer, the Schedule 20A Service Provider will continue to provide Phase I/II HVDC-TF 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 Phase I/II HVDC-TF Service, then the Schedule 20A Service Provider may provide notice to the Transmission Customer of its intention to suspend such service in sixty (60) days, in accordance with Commission policy.

16. Standards for Business Practices and Communication Protocols for Public Utilities

The following NAESB Version 003 Standards are hereby incorporated by reference in this Schedule 20A to the extent they apply to the Schedule 20A Service Providers:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information System (OASIS), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2 and 001-106.2.5;
- WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).
- WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on December 28, 2012);
- WEQ-012, Public Key Infrastructure (PKI) WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on October 4, 2012); and
- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).

The Schedule 20A Service Providers have requested a waiver of the following NAESB Version 003 Standards pursuant to a compliance filing submitted to the Commission on December 1, 2014 and a Supplemental Waiver Request on April 14, 2015 to comply with FERC Order No. 676-H, *Standards for Business Practices and Communication Protocols for Public Utilities*, 148 FERC ¶ 61,205 (2014), as modified by the Commission's October 3, 2014 *Errata Notice*, 149 FERC ¶ 61,014 (2014).

- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012);
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;

- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas / Electric Coordination, WEQ Version 003, July 31, 2012; *(To the extent that this standard does apply to an individual Schedule 20A Service Provider, the incorporation of this standard shall be addressed within the respective Schedule 20A Service Provider-specific schedule under Part II of this Schedule 20A.)*
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012;
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012; and
- WEQ-000, WEQ-001, WEQ-002 and WEQ-003, related to Network Integration Transmission Service (“NITS”), WEQ Version 003, July 31, 2012; and
- WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013, related to Service Across Multiple Transmission Systems (“SAMTS”), WEQ Version 003, July 31, 2012.

SCHEDULE 20A

ATTACHMENT A

PHASE I/II HVDC-TF SERVICE AGREEMENT

This Phase I/II HVDC-TF Service Agreement (“Service Agreement”), dated as of _____, is entered into, by and between _____ (“Schedule 20A Service Provider”) and _____ (“Transmission Customer”).

PART I – General Terms and Conditions

1. Service Provided: Phase I/II HVDC-TF Service under Part II, Schedule 20A of the ISO New England Inc., Transmission, Markets and Services Tariff (“Tariff”) (Check applicable service):

Non-Firm (Part I) Firm (Parts I & II)

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 Phase I/II HVDC-TF Service under this Service Agreement and the Tariff.

4. The Transmission Customer agrees to supply information associated with its request for Phase I/II HVDC-TF Service to the Schedule 20A Service Provider that the Schedule 20A Service Provider deems reasonably necessary in accordance with Schedule 20A and Good Utility Practice in order for it to receive the requested service.

5. The Schedule 20A Service Provider agrees to provide and the Transmission Customer agrees to take and pay for Phase I/II HVDC-TF Service in accordance with the provisions of the Tariff and this Service Agreement.

6. Service will be subject to some combination of the charges detailed in Part II, Schedule 20A of the Tariff. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 20A.

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

Transmission Customer:

Schedule 20A Service Provider:

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

9. Nothing contained in this Service Agreement shall be construed as affecting in any way the right of the Schedule 20A Service Provider 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 Service Agreement. Nothing contained in this 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 Service Agreement.

10. Phase I/II HVDC-TF Service under this Service Agreement shall commence on the later of: (1) _____, or (2) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

PART II – Firm Phase I/II HVDC-TF Service

1. Specifications for Phase I/II HVDC-TF Service.

a. Term of Transaction: _____

b. Description of capacity and energy to be transmitted over the Phase I/II HVDC-TF including the electric Control Area in which the transaction originates:

c. Point(s) of Receipt and Capacity Reservation:

d. Delivering Party: _____

e. Point(s) of Delivery and Capacity Reservation:

f. Receiving Party: _____

g. Reserved Capacity: _____

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

Additional terms and conditions as may be specified in individual Schedule 20A Service Providers' Service Schedule:

IN WITNESS WHEREOF, the Parties have caused this Phase I/II HVDC-TF Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By: _____
Name Title Date

Print Name

Schedule 20A Service Provider:

By: _____
Name Title Date

Print Name

SCHEDULE 20A

ATTACHMENT A-1

**Form of PHASE I/II-TF Service Agreement For
The Resale, Reassignment or Transfer of
Point-To-Point Phase I/II HVDC-TF Service**

1. This Phase I/II HVDC-TF Service Agreement (“Service Agreement”), dated as of _____, is entered into, by and between _____ (“Schedule 20A Service Provider”) and _____ (“Assignee”).
2. The Assignee has been determined by the Schedule 20A Service Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
3. The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part I of Schedule 20A and the Schedule 20A Service Provider’s Service Schedule of Schedule 20A, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section I.8.1 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.8.2 of this Tariff.
4. The Schedule 20A Service Provider shall credit the Reseller for the price reflected in the Assignee’s Service Agreement or the associated OASIS schedule.
5. 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.

Schedule 20A Service Provider:

Assignee:

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

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

Schedule 20A Service Provider:

By: _____
Name Title Date

Print Name

Assignee:

By: _____
Name Title Date

Print Name

**Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Phase I/II HVDC-TF Service**

1. Term of Transaction: _____

Start Date: _____

Termination Date: _____

2. Description of capacity and energy to be transmitted by the Schedule 20A Service Provider including the electric Control Area in which the transaction originates.

3. Point(s) of Receipt: _____

Delivering Party: _____

4. Point(s) of Delivery: _____

Receiving Party: _____

5. Maximum amount of reassigned capacity: _____

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

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

(Name of Transmission Owner) Open Access Transmission Tariff

8. 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 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:

II. PHASE I/II HVDC-TF SERVICE SCHEDULES

The specific terms and conditions for rates and charges of the individual Schedule 20A Service Providers' offering of their Phase I/II HVDC-TF Use Rights are found in the Phase I/II HVDC-TF Service Schedules in this Part II of Schedule 20A.

SCHEDULE 20A

ATTACHMENT C

METHODOLOGY TO ASSESS AVAILABLE TRANSFER CAPABILITY

1. INTRODUCTION

This Attachment C to Schedule 20A applies to the calculation of transfer capability of the Phase I/II HVDC-TF by the Schedule 20A Service Providers.

1.1 Scope of Document

This Attachment C to Schedule 20A addresses the following items with respect to the Phase I/II HVDC-TF between the Hydro-Quebec Control Area and the New England Control Area for the Schedule 20A Service Providers:

- Total Transfer Capability (TTC) methodology
- Available Transfer Capability (ATC) methodology
- Existing Transmission Commitments (ETC)
- Use of Transmission Reliability Margin (TRM)
- Use of Capacity Benefit Margin (CBM)
- Use of Roll-over Rights (ROR) in the calculation of ETC

1.2 Overview of Phase I/II HVDC-TF

The Phase I/II HVDC-TF is a 2,000 MW HVDC tie line in New England that interconnects the New England Control Area with the Hydro-Québec Control Area in the Province of Québec, Canada. This HVDC line has one termination point in New England (with paired operation with complementary facilities in Québec). The specific facilities in New England are the Sandy Pond HVDC Terminal, which interconnects Central Massachusetts and the Nicolet and/or Radisson HVDC terminals of Hydro-Québec. Additional information on the Phase I/II HVDC-TF can be found at ISO New England OASIS web site under the “IRH”.

1.3 Definitions

Capitalized terms used and defined in this Attachment C to Schedule 20A shall have the meaning given them under this Attachment. Capitalized terms used and not defined in this Schedule 20A but defined in other sections of Schedule 20A or the ISO Tariff shall have the meaning given them under those sections. Capitalized terms used in this Attachment C to Schedule 20A that are not defined in it or elsewhere in Schedule 20A or the ISO Tariff shall have the meanings in the Restated Use Agreement or those customarily attributed to applicable criteria, rules, standards and operating procedures.

Balancing Authority (BA): The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

Balancing Authority Area: The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Export: New England to Hydro-Quebec

Import: Hydro-Quebec to New England

Operating Horizon (OH): For the purposes of this document,

- CVPS resets the OH at 16:00 eastern prevailing time each day. At that time, the OH spans from 16:00 through midnight two days out for a total of 56 hours. As time progresses the total hours remaining in the OH decreases until 16:00 the following day when the OH is once again reset to 56 hours.
- All SSPs (except CVPS) individually reset their OHs at 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.

Planning Horizon (PH): For the purpose of this Attachment C to Schedule 20A, PH for any Schedule 20A Service Provider is any period before the OH.

Scheduling Horizon (SH): For the purpose of this Attachment C to Schedule 20A, SH is Real-Time and the hour before and utilizes Firm and Non-Firm Phase I/II HVDC-TF Service pursuant to ISO New England Operating Documents.

2. PHASE I/II HVDC-TF 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 the Phase I/II HVDC-TF is calculated by the ISO as Transmission Operator using the NERC Standard MOD-029-1 Rated System Path Methodology and posted on the ISO New England OASIS site. Therefore, all requirements associated with the documentation of TTC methodology are addressed in Sections 1 and 3 of Section II, Attachment C – Available Transfer Capability Methodology of the ISO Tariff.

3. PHASE I/II HVDC-TF AVAILABLE TRANSFER CAPABILITY (ATC)

General

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. However, several of those items are not applicable to the Phase I/II HVDC-TF due to the fact that the Phase I/II HVDC-TF is a DC facility and sinks into a region where advance transmission service is not required. Because of this arrangement, loop flow is not an issue; and since associated Regional Transmission Service is not sold in advance of real-time flow within ISO New England, the flow on the Phase I/II HVDC-TF does not typically impact the calculation of any other transfer capability.

Each Schedule 20A Service Provider, based on its Planning and Operating Horizon timing guidelines, will calculate and post as specified in Section 5 of this document Firm and Non-Firm Phase I/II HVDC-TF ATC separately using the NERC Standard MOD-029-1 Rated System Path Methodology.

Phase I/II HVDC-TF 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 use of CBM on Phase I/II HVDC-TF is governed by the overall ISO 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 their Capacity Requirements prior to the beginning of any given month in accordance with the ISO Tariff. As such, no CBM on Phase I/II HVDC-TF is set aside by any SSP for use by Load Serving Entities in ATC calculations. Therefore CBM is zero and will not be included in the calculations of ATC. As long as this market design is in place in New England, the CBM will continue to be set to zero.

Existing Transmission Commitments, Firm (ETC_F)

The ETC_F are those Phase I/II HVDC-TF 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 Phase I/II HVDC-TF 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 TRM is the amount of transmission transfer capability 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. TRM is only applicable to Firm Phase I/II HVDC-TF ATC and shall not be applied to Non-Firm Phase I/II HVDC-TF ATC.

The ISO, as Transmission Operator, is responsible for calculating the TRM on the Phase I/II HVDC-TF interface. The Phase I/II HVDC-TF interface poses one of the largest contingency risks in the NYISO, PJM and New England Control Areas. As such, the Import TRM on the Phase I/II HVDC-TF is directly related to these operational limits which can be enforced at any time and the Import TRM is calculated as TTC minus the largest single source contingency. Therefore the SSPs set the Import TRM at 800 MW such that Firm Transmission Service is not sold above this operational limit.

Export TRM is established based on the methodology to account for operational uncertainties on the Hydro-Quebec TransEnergie transmission system. Therefore, the Export TRM is calculated as TTC minus these operational uncertainties.

For additional information on TRM, refer to the ISO Tariff, Attachment C – Available Transfer Capability Methodology, Section 5.2.2 – TRM Calculation for the OTF.

4. CALCULATION OF PHASE I/II HVDC-TF ATC

4.1 Calculation of Phase I/II HVDC-TF Firm ATC (ATC_F)

4.1.1 Calculation of ATC_F in the PH

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, Phase I/II HVDC-TF CBM is zero. Firm Transmission Service over the Phase I/II HVDC-TF that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_F$ and $counterflows_F$ of Phase I/II HVDC-TF transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F and TRM.

4.1.2 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 ETC_F , CBM, TRM, $Postbacks_F$ and $counterflows_F$.

As discussed above, Phase I/II HVDC-TF CBM is zero. Daily Firm Transmission Service over the Phase I/II HVDC-TF is the only firm service offered in the Operating Horizon (OH). $Postbacks_F$ and $counterflows_F$ of Phase I/II HVDC-TF transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F and TRM.

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

4.2.1 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 CBM for Phase I/II HVDC-TF is zero. Non-Firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U , $Postbacks_{NF}$ and $counterflows_{NF}$ of Phase I/II HVDC-TF 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} .

4.2.2 Calculation of ATC_{NF} in the OH

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

TRM_U and $counterflows_{NF}$ are not considered in this calculation and CBM is zero. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F , and ETC_{NF} plus $Postbacks_{NF}$.

4.3 Negative ATC

Due to the calculation methodologies defined above, typically there should not be negative ATC values posted.

5. POSTING OF PHASE I/II HVDC-TF ATC

5.1 Location of ATC Posting

ATC values are posted separately on the Phase I/II HVDC-TF Transmission Provider's Page for the Schedule 20A Service Providers. In addition, a summary of the level of service available from the Schedule 20A Service Providers is available on the ISO New England OASIS site under the "IRH".

5.2 Updates To ATC

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

5.3 Coordination of ATC Calculations

The Phase I/II HVDC-TF is a controllable DC inter-Control Area tie line. Therefore it is not necessary to coordinate the Phase I/II HVDC-TF ATC values with the Hydro-Québec Control Area.

5.4 Load Forecast

The Phase I/II HVDC-TF is a controllable DC inter-Control Area tie line. Therefore, the ISO load forecast has no impact on the Phase I/II HVDC-TF ATC. The ISO is responsible for calculating the load forecast for the region and posts the load forecast on the ISO New England OASIS site.

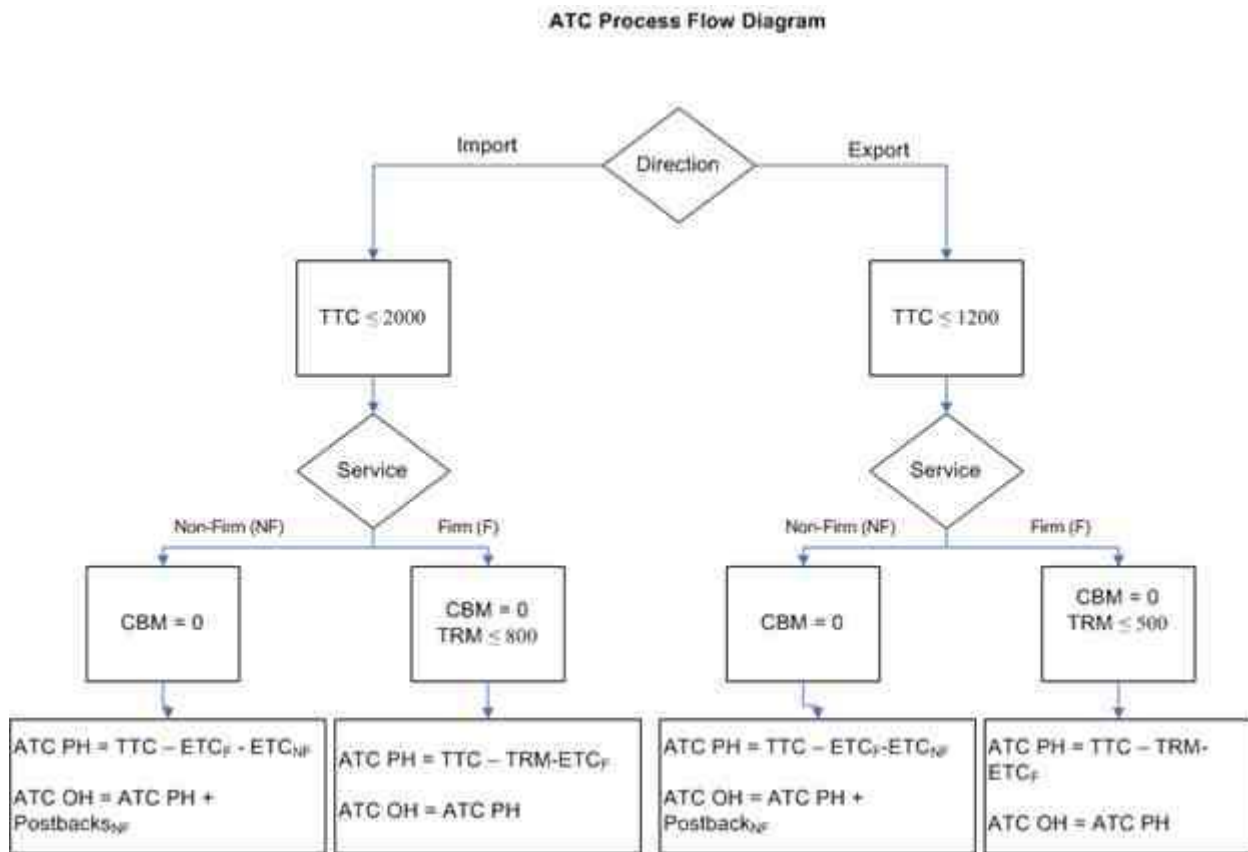
5.5 ATC Mathematical Algorithms

The mathematical algorithms are posted on the ISO New England OASIS web site at http://www.oatioasis.com/ISNE/ISNEdocs/sched20A_atc_algorithm.docx. Each SSP will provide a link to this document on their individual web sites.

5.6 Generation and Transmission Outages

The Phase I/II HVDC-TF is a controllable DC inter-Control Area tie line and therefore generation or transmission outages have no impact on the Phase I/II HVDC-TF ATC.

6. ATC PROCESS FLOW DIAGRAM



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 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.

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.

With the exception of waivers specified in certain PTO-specific Local Service Schedules, 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:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information System (OASIS), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2 and 001-106.2.5;
- WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);

- WEQ-012, Public Key Infrastructure (PKI) WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on October 4, 2012); and
- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).

The Participating Transmission Owners have requested a waiver of the following NAESB WEQ Version 003 Standards pursuant to a compliance filing submitted to the Commission on December 1, 2014 and a Supplemental Waiver Request on April 14, 2015 to comply with FERC Order No. 676-H, *Standards for Business Practices and Communication Protocols for Public Utilities*, 148 FERC ¶ 61,205 (2014), as modified by the Commission's October 3, 2014 *Errata Notice*, 149 FERC ¶ 61,014 (2014).

- WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on December 28, 2012);
- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012);
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;
- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas / Electric Coordination, WEQ Version 003, July 31, 2012; (*To the extent that this standard does apply to an individual PTO, the incorporation of this standard shall be addressed within the respective PTO-specific Local Service Schedule.*)
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012;
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012;
- WEQ-000, WEQ-001, WEQ-002 and WEQ-003, related to Network Integration Transmission Service (“NITS”), WEQ Version 003, July 31, 2012; and
- WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013, related to Service Across Multiple Transmission Systems (“SAMTS”), WEQ Version 003, July 31, 2012.

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 Agreements¹: 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 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

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.

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 its 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.

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

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.

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.

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

Regional Network Service customers must take either Local Network Service or Local Point-To-Point 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: (1) _____, 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.

Estimated Time

Milestone

(Activity)

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 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: (1) _____, 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.
- | Estimated Time | |
|----------------|-----------------------|
| Milestone | Period For Completion |
| (Activity) | (# 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 18 - MTF; MTF SERVICE

This Schedule 18 contains the main substantive provisions regarding the treatment of MTF and MTF Service under the OATT.

1. Definitions

Capitalized terms used and defined in this Schedule 18 shall have the meaning given them under this Schedule. Capitalized terms used and not defined in this Schedule 18 but defined in other provisions of the Tariff shall have the meaning given them under those provisions. Capitalized terms used in this Schedule 18 that are not defined in it or elsewhere in the Tariff shall have the meanings customarily attributed to such terms by the electric utility industry in New England.

1.1 MTF: The Cross Sound Cable high voltage, direct current Merchant Transmission Facilities of +/- 150 kV and associated dc/ac converter facilities that are directly interconnected with the 345 kV PTF in Connecticut at the East Shore substation, and the 138kV transmission facilities at the Shoreham substation on Long Island, New York that were subject to the Commission order in TransEnergie U.S., Ltd., 91 FERC 61,230 (2000) (Docket No. ER00-1-000).

1.2 MTF Provider: The owner of MTF, or its Designated Agent, that offers transmission service over the MTF to Eligible Customers through the MTF Transmission Provider Page on the OASIS.

1.3 MTF Service: Point-To-Point Transmission Service over MTF.

1.4 MTF Service Charge: The charge applicable to MTF Service, which shall be determined pursuant to arrangements between the MTF Provider and Eligible Customers that take MTF Service under this Schedule 18. The charge applicable to MTF Service shall be in accordance with the Commission's authorization for the MTF Provider to charge negotiated rates (i.e., rates established pursuant to market mechanisms as recognized for merchant transmission projects and not included in other OATT rates) for the use of transmission service over its MTF.

1.5 MTF Transmission Provider Page: The transmission provider page for the MTF located on the OASIS. Transmission Service over the MTF to Eligible Customers will be offered through the MTF Transmission Provider Page. Some of the information posted on the MTF Transmission Provider Page shall include: values for Available Transfer Capability (ATC); offerings for MTF Service (including

Firm, Non-Firm and secondary transmission rights); the parameters and results of the Commission-mandated open-season process used to initially allocate transmission rights; a description of the Commission-approved rights allocation process; and procedures for the application for and acquisition of MTF Service.

2. Allocation of Available Transfer Capability Over MTF

2.1 Commission-Approved Allocation Process: All available transfer capability over MTF shall be allocated to the owner of the MTF who may assign it under a Commission-approved rights allocation process. The MTF Provider shall post the results of the Commission-approved rights allocation process on the MTF Transmission Provider Page. To the extent that transfer capability over MTF is not fully reserved through the Commission-approved rights allocation process, such excess transfer capability shall be available in accordance with this Schedule 18. In the event that the entire capability of the MTF is reserved under the Commission-approved rights allocation process, secondary rights to use the MTF, to the extent unused by the primary rights holders, shall be offered on the MTF Transmission Provider Page on the OASIS by MTF Providers in accordance with a Commission-approved process for offering such rights.

3. MTF Service

3.1 Nature of MTF Service

(a) Term of MTF Service:

- (i) Firm MTF Service:** The minimum term of Firm MTF Service shall be one day and the maximum term shall be that specified in the MTF Transmission Service Agreement.
- (ii) Non-firm MTF Service:** Non-Firm MTF Service will be available for periods ranging from one hour to one month and shall be that specified in the MTF Transmission Service Agreement. However, a Transmission Customer who purchases Non-Firm MTF 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 may be greater than one month, subject to the requirements of this Schedule 18.

(b) Reservation, Interruption, and Curtailment Priority for MTF Service:

- (i)** The MTF Provider shall post on the MTF Transmission Provider Page, rules setting reservation, interruption and Curtailment priorities for Firm and Non-Firm MTF Service. Such rules shall be non-discriminatory and consistent with the Commission's approval of the rights to charge negotiated rates (i.e., rates established pursuant to market mechanisms as recognized for merchant transmission projects and not included in other OATT rates).
- (ii)** If an MTF Provider fails to post such rules, then reservation, interruption and Curtailment priorities for Firm and Non-Firm MTF Service shall be the same as those established under the OATT for transmission service over the PTF.
- (iii)** MTF reservation priorities shall be established separately from OTF or PTF reservation priorities.
- (iv)** Firm MTF Service: The MTF reservation priority for either Long-Term Firm MTF Service or Short-Term Firm MTF Service (which are based upon an award of rights to transmission service over the MTF pursuant to a Commission-approved rights allocation process) shall be determined by the date of the issuance of such award.
- (v)** Non-Firm MTF Service: Non-Firm MTF Service shall be available from transfer capability in excess of that needed for reliable service to Long-Term and Short-Term Firm MTF Service. A higher reservation priority will be assigned to Non-Firm MTF Service reservations with a longer duration of service than those reservations with a shorter duration. Competing requests of equal duration for Non-Firm MTF Service will be prioritized based on the highest price offered by the Eligible Customer for the transmission service, or in the event the price for all Eligible Customers is the same, will be prioritized on a first-come, first-served basis (i.e., in the chronological sequence in which each Transmission Customer has reserved service). Eligible Customers that have already reserved shorter-term service over MTF have the right of first refusal to match any longer-term request before being preempted, provided that such Eligible Customer's advance reservation is consistent with any modified request for Non-Firm MTF Service.

- (c) **Use of MTF Service By a Transmission Customer:** If a Transmission Customer elects to take MTF Service, it may reserve transmission service to facilitate both the delivery of energy and/or capacity to it over the MTF (to the extent permitted under the Transmission, Markets and Services Tariff) commensurate with the associated MTF transmission reservation designated by it in Completed Applications and the delivery of Energy and/or capacity to or from it over the MTF to the extent permitted under the Transmission, Markets and Services Tariff. In order to fulfill its obligations to serve load or to consummate a transaction, a Transmission Customer that takes MTF Service under this Schedule 18 must also take service under Schedule 8 or 9 of this OATT for use of the PTF and under Schedule 21 of this OATT for use of the Non-PTF, as applicable. Any load-serving entity may use MTF Service to effect transactions in bilateral arrangements.
- (d) **MTF Transmission Service Agreements:** A standard form MTF Transmission Service Agreement (Attachment A) will be offered to an Eligible Customer when it submits a Completed Application for Long-Term Firm, Short-Term Firm or Non-Firm MTF Service pursuant to this Schedule 18. Executed MTF Transmission Service Agreements that contain the information required under this Schedule 18 will be filed with the Commission in compliance with applicable Commission regulations.
- (e) **Classification of MTF Service:**
- (i) Transmission Customers requesting MTF Service for the transmission of capacity and energy do so with the full realization that such service is subject to availability and Curtailment pursuant to Section II.44 of this OATT and that the ISO will redispatch all Resources subject to its control, pursuant to the Transmission, Markets and Services Tariff, in order to meet load and to accommodate External Transactions. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Transmission, Markets and Services Tariff.
- (ii) Each Point of Receipt at which firm transmission capacity is reserved for Long-Term Firm MTF Service by the Transmission Customer shall be set forth in the MTF Transmission Service Agreement for such Service along with a corresponding capacity reservation over the MTF associated with each Point of Receipt.

- (iii) Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the MTF Provider and the Transmission Customer for Short-Term Firm MTF Service. Each Point of Delivery at which firm transmission capacity is reserved for Short-Term Firm MTF Service by the Transmission Customer shall be set forth in the MTF Transmission Service Agreement for such Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the MTF Provider and the Transmission Customer for Short-Term Firm MTF Service.
- (iv) Non-Firm MTF Service shall be offered under applicable terms and conditions contained in this Schedule 18. Non-Firm MTF 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.
- (v) 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 over the MTF. The Customer's use may not exceed its capacity reserved over the MTF at each Point of Receipt and each Point of Delivery except as otherwise specified in this Schedule 18.
- (f) **Scheduling Associated with MTF Service:** Market External Transactions submitted into the Real-time Market and associated with MTF Service shall be dispatched pursuant to the Transmission, Markets and Services Tariff. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such dispatch in accordance with the Transmission, Markets and Services Tariff.
- (g) **Curtailment Associated with MTF Service:** When the ISO determines that an electrical emergency exists on the New England Transmission System and implements emergency procedures to effect a Curtailment of MTF Service, the Transmission Customer shall make the required reductions upon the ISO's request. The ISO reserves the right to effect a Curtailment, as necessary, in whole or in part, of any MTF Service provided under this Schedule 18 when, in the ISO's sole discretion, an emergency or other unforeseen

condition impairs or degrades the reliability of the New England Transmission System. The ISO will notify all affected Transmission Customers in a timely manner of any Curtailments. The ISO will redispatch all Resources subject to its control, pursuant to this Tariff, in order to meet load and to accommodate External Transactions. To the extent not otherwise provided for in this Section, External Transactions using MTF Service shall be Curtailed or interrupted in accordance with Section II.44 of this OATT. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Transmission, Markets and Services Tariff. Pursuant to such redispatch, in the event that the ISO exercises its right to effect a Curtailment, in whole or part, of Firm MTF 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, unless provided for by the MTF Provider under arrangements between the MTF Provider and the Transmission Customer.

3.2 Availability of MTF Service: To the extent that transfer capability over MTF has not been fully allocated in accordance with Section 2 of this Schedule 18, a Transmission Customer that is an Eligible Customer (except as provided below) may reserve Firm or Non-Firm MTF Service. Such service shall be provided and administered by the MTF Provider(s) and shall be reserved pursuant to the applicable terms and conditions of this Schedule 18. MTF Service shall be reserved through the MTF Provider pursuant to this Schedule 18. Service on the MTF requires advance reservations.

MTF Service is available to any Eligible Customer unless an MTF Provider has informed the ISO that MTF Service shall not be made available to such Eligible Customer due to that Customer's failure to make necessary payments for previously assessed MTF Service Charges or failure to meet the creditworthiness or operational requirements posted by the MTF Provider on the MTF Transmission Provider Page on the OASIS.

3.3 Reservation of MTF Service: An Eligible Customer requesting Firm or Non-Firm MTF Service shall comply with the applicable provisions of this Schedule 18.

4. Transmission Customer Responsibilities

4.1 Conditions Required of Transmission Customers: MTF Service will be provided by the MTF Provider only if the following conditions are satisfied by the Transmission Customer. Conditions (a) through (e) apply to both Firm or Non-Firm MTF Service while (f) applies to Firm MTF Service only.

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in the information posted by the MTF Provider on the MTF Transmission Provider Page on the OASIS.
- (c) The Transmission Customer and the MTF Provider have executed a MTF Transmission Service Agreement pursuant to this Schedule 18;
- (d) The Transmission Customer agrees to have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Point of Receipt prior to the time service under this OATT commences;
- (e) The Transmission Customer agrees to submit External Transactions into the New England Markets in accordance with the applicable ISO System Rules; and
- (f) The Transmission Customer agrees to pay for any facilities or upgrades constructed or any Congestion Costs or other redispatch costs chargeable to such Transmission Customer under this Schedule 18, and the Transmission, Markets and Services Tariff, whether or not the Transmission Customer takes service for the full term of its MTF reservation.

4.2 Transmission Customer Responsibility for Third-Party Arrangements: Any arrangements for transmission service and the scheduling of capacity and energy that may be required by neighboring electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the ISO, notification to the ISO identifying such neighboring electric systems and authorizing them to schedule the capacity and energy to be transmitted pursuant to this OATT on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. The Transmission Customer shall arrange for transmission service, as necessary, in accordance with this OATT, including Schedules 8, 9, 20 and 21. The ISO 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 MTF Service

5.1 Application: Eligible Customers seeking MTF Service must submit a Completed Application for MTF Service to the MTF Provider. MTF Service Applications should be submitted by entering the information listed below in the MTF Transmission Provider Pages on the OASIS. MTF Service requests should be submitted by transmitting the Completed Application in accordance with the MTF Transmission Provider's rules, as posted on the MTF Transmission Provider Page on the OASIS.

5.2 Request for Firm MTF Service

- (a) Timing:** A request for Firm MTF Service for periods of one (1) year or longer must be made in an Application, delivered to the MTF Provider at their place of business. The request should be delivered at least sixty (60) days in advance of the calendar month in which service is requested to commence. The MTF Provider will consider requests for such Firm MTF Service on shorter notice when practicable. Requests for Firm MTF Service for periods of less than one (1) year will be subject to expedited procedures that will be negotiated between the MTF Provider and the party requesting service within the time constraints provided in this Schedule 18.
- (b) Completed Application:** A Completed Application for Firm Point-To-Point Service shall provide all of the information included at 18 C.F.R. § 2.20 of the Commission's regulations, 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 this Schedule 18;
 - (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) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (v) The Service Commencement Date and the term of the requested MTF transmission service; and
- (vi) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the PTF, MTF or OTF. Customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement.
- (vii) In addition to the information specified above and when required to properly evaluate the application for service, the MTF Provider also may request that the eligible Customer provider the following:
 - 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 MTF Provider will treat this information as confidential in accordance with the MTF Provider's information policy except to the extent that disclosure of such information is required by this Schedule 18, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice; and
 - A description of the supply characteristics of the capacity and energy to be delivered.

The MTF Provider will treat this information in (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by the MTF Transmission Service Agreement, MTF Provider's Business Practices, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice. The MTF Provider will treat this information consistent with the standards of conduct contained in 18 C.F.R. Part 37 of the Commission's regulations.

5.3 Request for Non-Firm MTF Service

- (a) **Timing:** When required, 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 five (5) days before service is to

commence; and requests for hourly service shall be submitted no earlier than 9:00 a.m. the second day before service is to commence. Requests for service received later than noon of the day prior to the day service is scheduled to commence will be accommodated if practicable.

(b) Completed Application: A Completed Application for MTF Service 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 this Schedule 18;

(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.

(vi) In addition to the information specified above, when required to properly evaluate the application for service, the MTF Provider also may ask the Transmission Customer to provide the following:

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

The MTF Provider will treat this information in (vi.) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by the MTO pursuant to this Schedule 18, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice.

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

5.4 Deposit: If required by the MTF Provider, a Completed Application for MTF Service by a Transmission Customer shall also include a deposit of no more than (a) one (1) month's charge for Reserved Capacity over the MTF for service requests of one (1) month or greater or (b) the full charge for Reserved Capacity over the MTF for service requests of less than one (1) month. If the Application for MTF Service is rejected by the MTF Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a request for proposals (RFP), the deposit will be returned with Interest, less any reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners in connection with the review of the Application for MTF Service. The deposit also will be returned with Interest, less any reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners if the new facilities or upgrades needed to provide the service cannot be completed. If an Application for MTF Service is withdrawn or the Eligible Customer decides not to enter into a MTF Transmission Service Agreement, the deposit will be refunded in full, with Interest, less reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners to the extent such costs have not already been recovered from the Eligible Customer. The MTF Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities or upgrades are subject to the provisions of this OATT. If a MTF Transmission Service Agreement for MTF Service is executed, the deposit, with Interest, will be returned to the Transmission Customer upon expiration or termination of the MTF Transmission Service Agreement. Applicable Interest will be calculated from the day the deposit is credited to the MTF Provider's account.

5.5 Notice of Deficient Application: If an Application for MTF Service fails to meet the requirements of this Schedule 18, the MTF Provider will notify the entity requesting service within fifteen (15) days of the MTF Provider's receipt of the Application for MTF Service of the reasons for such failure. The MTF Provider will attempt to remedy minor deficiencies in the Application for MTF Service through informal communications with the Eligible Customer. If such efforts are unsuccessful, the MTF Provider will return the Application for MTF Service, along with any deposit (less the reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners in connection with the Application for MTF Service), with Interest. Upon receipt of a new or revised

Application for MTF Service that fully complies with the requirements of this Schedule 18, the Eligible Customer will be assigned a new reservation priority based upon the date of receipt by the MTF Provider of the new or revised Application for MTF Service.

5.6 Response to a Completed Application: Following receipt of a Completed Application the Eligible Customer will be notified as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application for MTF Service. Responses by the MTF Provider must be made as soon as practicable to all Completed Applications for MTF Service and the timing of such responses must be made on a nondiscriminatory basis.

5.7 Execution of MTF Transmission Service Agreement: Whenever the MTF Provider determines that a System Impact Study is not required and that the requested service can be provided, it will notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application for MTF Service, and will tender a MTF Transmission Service Agreement to the Eligible Customer. Failure of an Eligible Customer to execute and return the MTF Transmission Service Agreement or request the filing of an unexecuted MTF Transmission Service Agreement, within fifteen (15) days after it is tendered by the MTF Provider shall be deemed a withdrawal and termination of the Application for MTF Service and any deposit (less the reasonable administrative costs incurred by the MTF Provider, the ISO and any affected Transmission Owners in connection with the Application for MTF Service) submitted will be refunded with Interest. Nothing herein limits the right of an Eligible Customer to file another Application for MTF Service after such withdrawal and termination. Where a System Impact Study is required, the provisions of this Schedule 18 will govern the execution of a MTF Transmission Service Agreement.

(a) Extensions for Commencement of Firm MTF Service: The Transmission Customer can obtain, subject to availability, up to five one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm MTF Service for each year or fraction thereof within 15 days of notifying the MTF Provider that 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 MTF Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity over the MTF, the original Reserved Capacity over the MTF will be released unless the following condition is satisfied: within thirty (30) days, the original Transmission Customer agrees to pay the applicable

rate for Firm MTF Service for its Reserved Capacity over the MTF for the period that its reservation overlaps the period covered by such Eligible Customer's Completed Application for MTF Service. In the event the Transmission Customer elects to release the Reserved Capacity over the MTF, the reservation fees or portions thereof previously paid will be forfeited.

5.8 Confidentiality of Information and Standards of Conduct. The MTF Provider will treat all information included in the Application as confidential in accordance with the MTF Provider's information policy except to the extent that disclosure of such information is required by this Schedule 18, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice. The MTF Provider will treat this information consistent with the standards of conduct contained in 18 C.F.R. Part 37 of the Commission's regulations.

6. Determination of Available Transfer Capability

Following approval of a tendered application for MTF Service, the MTF Provider will make a determination on a non-discriminatory basis of Available Transfer Capability pursuant to this Schedule 18 and Attachment C to this OATT. 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-five (35) minutes for hourly service, (ii) thirty-five (35) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

7. Payment for MTF Service

A Transmission Customer shall pay the MTF Service Charge to the MTF Provider, or its designated agent, if the Customer: (i) receives Firm or Non-Firm MTF Service based upon an allocation of rights to transmission service over the MTF awarded to the Transmission Customer through a Commission-approved rights allocation process; (ii) reserves on the MTF Transmission Provider Page transfer capability over the MTF not initially allocated in the Commission-approved rights allocation process; or (iii) reserves on the MTF Transmission Provider Page transfer capability over the MTF made available as a result of an assignment by a rights holder of MTF transfer capability, a default release pursuant to rules filed with the Commission and business practices or a capability forfeiture by a rights holder for non-use consistent with the terms of a Commission-approved rights allocation. The Transmission Customer will be billed for its Reserved Capacity over the MTF under the terms of this Schedule 18 for MTF.

8. Changes in Service Specifications of MTF Service

8.1 Modification on a Firm Basis: Any request by a Transmission Customer to modify Point(s) of Receipt and Point(s) of Delivery on a firm basis shall be treated as a new request for MTF Service in accordance with this Schedule 18, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation over the MTF does not exceed the amount reserved in the existing MTF Transmission Service Agreement. While such new request is pending, the Transmission Customer shall retain its reservation priority for service at the firm Point(s) of Receipt and Point(s) of Delivery specified in the Transmission Customer's MTF Transmission Service Agreement.

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

- (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 Transmission Customers under this OATT or by the Transmission Customers on behalf of their Native Load Customers or Excepted Transactions;
- (b) the Transmission Customer shall retain its right to schedule Firm MTF Service at the Point(s) of Receipt and Point(s) of Delivery specified in the relevant MTF Transmission Service Agreement in the amount of the Transmission Customer's original capacity reservation over the MTF; and
- (c) service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm MTF Service under the OATT. However, all other requirements of this OATT (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

9. Sale, Assignment or Transfer of MTF Service

9.1 Procedures for Sale, Assignment or Transfer of Service: Pursuant to Commission-approved rules posted by the MTF Provider on the MTF Transmission Provider Pages on the OASIS, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its MTF Transmission Service Agreement, but only to another Eligible Customer (the “Assignee”). The Transmission Customer that sells, assigns or transfers its rights under its MTF Transmission Service Agreement is hereafter referred to as the “Reseller.” Compensation to the Reseller shall be at rates established by the Reseller and posted on the MTF Transmission Provider Page. The Assignee must execute a service agreement with the MTF Provider governing reassignments of transmission service prior to the date on which the reassigned service. 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 MTF Transmission Service Agreement, the Assignee shall receive the same services as did the Reseller and the transmission priority of service for the Assignee shall be the same as that of the Reseller. A Reseller shall notify the MTF Provider as soon as possible after any sale, assignment or transfer of service occurs, but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee shall be subject to all terms and conditions of this Schedule 18. If the Assignee requests a change in service, the reservation priority of service will be determined by the MTF Provider pursuant to this Schedule 18.

9.2 Limitations on and Obligations of 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 MTF Transmission Service Agreement, the MTF Provider will consent to such change subject to the provisions of this Schedule 18, provided that the change will not impair the operation and reliability of the Market Participants’ generation systems or TO’s transmission or distribution systems. The Assignee shall compensate the MTF Provider, the ISO and any affected Transmission Owner for performing any System Impact Study needed to evaluate the capability of the MTF 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 MTF Transmission Service Agreement, except as specifically agreed to by the MTF Provider, the Reseller and the Assignee through an amendment to the MTF Transmission Service Agreement.

9.3 Information on Assignment or Transfer of Service: All re-sales or assignments of capacity must be conducted through or otherwise posted on the MTF Transmission Provider Page on or before the date the reassigned service commences and are subject to Section 9.1 of this Schedule 18. In accordance with this

Schedule 18, Transmission Customers may also use the MTF Transmission Provider Page to post information regarding transmission capacity over the MTF available for resale.

10. Real Power Losses

Real power losses across MTF shall be allocated solely to Transmission Customers that use MTF. Such allocation for transactions across MTF shall be pursuant to the Transmission, Markets and Services Tariff.

11. No Obligation to Build

The MTF Provider status under the OATT shall not impose an obligation to build transmission facilities on the MTF Provider. The offering of MTF Service under this OATT shall not impose an obligation to build transmission facilities on the Market Participants, Transmission Owners or the ISO.

12. No Effect on Rates; No Allocation of Revenues

MTF and MTF Service shall not affect rates for service on the PTF under this OATT and MTF Providers shall not be allocated any revenues collected under this OATT for such service.

13. Ancillary Services

Ancillary Services costs associated with MTF Service shall be assessed pursuant to this Tariff.

14. Congestion Costs and FTRs

Pursuant to the Transmission, Markets and Services Tariff, Congestion Costs will not be calculated, and therefore FTRs will not be offered, between any set of points on the MTF, so long as it remains MTF. Transmission Customers taking MTF Service, however, shall be subject to applicable Congestion Costs for any use of the PTF.

SCHEDULE 18 - IMPLEMENTATION RULE
CROSS-SOUND CABLE COMPANY, LLC
PROCEDURES FOR THE REASSIGNMENT OF TRANSMISSION RIGHTS

The procedures for reassignment of CSC transmission rights are consistent with, and supplement, the provisions of the ISO-NE OATT governing the provision of MTF Service. The applicable ISO-NE OATT rules include ISO-NE OATT Schedule 18 and ISO-NE OATT Section II.44 . The following procedures will apply to the release of unused transfer capability to third parties:

1. Definitions

- (a) “CSC” means the Cross Sound Cable.
- (b) “CSC LLC” means Cross-Sound Cable Company, LLC.
- (c) “CSC OASIS” means the CSC node on the ISO-NE OASIS site of the CSC.
- (d) “External Transaction” means a transaction as defined under Market Rule 1.
- (e) “Firm MTF Service” means firm service held by the primary rights holder to the transmission rights over the CSC.
- (f) “ISO-NE” means ISO New England, Inc.
- (g) “ISO-NE OATT” means the ISO-NE Open Access Transmission Tariff (Section II of the ISO-NE Transmission, Markets and Services Tariff), on file with the Federal Energy Regulatory Commission, as modified and amended from time to time.
- (h) “MTF Service” means service over the CSC taken under Schedule 18 and other relevant portions of the ISO-NE OATT.
- (i) “MTF Service Agreement” refers to the service agreement contained in Attachment A to Schedule 18 in the ISO-NE OATT, as modified and amended from time to time.

- (j) **“New England OASIS”** means the OASIS site of the New England System Operator.
- (k) **“Non-Firm MTF Service”** refers to any service over the CSC that is not Firm MTF Service.
- (l) **“NYISO”** refers to the New York Independent System Operator, Inc.
- (m) **“OASIS”** means Open Access Same Time Information System.
- (n) **“Rights Holder”** refers to the entity or entities that have an executed MTF Service Agreement for Firm MTF Service.
- (o) **“System Operator”** refers to the ISO-NE or any other entity that in the future has operational control over the CSC.

2. Process for Release

The release of unused transfer capability will be facilitated through the posting of available transfer capability on the CSC OASIS site. The posting of such releases and notices of assignment shall be consistent with FERC procedures regarding OASIS postings.

3. Character of Service to be Released

Unless otherwise posted on the CSC OASIS, all releases of transfer capability will be for Non-Firm MTF Service. Such Non-Firm MTF Service may be released on a monthly, weekly, daily or hourly basis. MTF Service is unidirectional (i.e. scheduling from New Haven to Shoreham as an export transaction from New England or Shoreham to New Haven as an import transaction into New England). The characteristics of Firm MTF Service and Non-Firm MTF Service are set forth in Schedule 18 of the ISO-NE OATT.

4. Assignment of Rights Holders’ MTF Service Reservation

A Rights Holder may separately assign its advance reservation for MTF Service to third parties provided that notice of such assignment is provided to CSC LLC and ISO-NE with such information then posted on the CSC OASIS. The assignment of such advance reservation may be on either a firm or non-firm basis, be in whole or in part, in segments, on a full or partial term basis, with or without recall rights or any combination thereof.

5. Transmission Customers

Market participants seeking to acquire an advance reservation over the CSC must meet the creditworthiness and financial security standards established by CSC LLC and the relevant Rights Holder and have an executed MTF Service Agreement.

6. Timing of Release

Rights Holder(s) shall notify CSC LLC and ISO-NE of the release of any transfer capability on a Monthly, Weekly, Daily and Hourly basis in accordance with the deadlines set forth below. All releases of transfer capability shall be posted on the CSC OASIS through an automated notification procedure.

- a.** *Monthly Releases:*
 - No later than 7 calendar days

- b.** *Weekly Releases:*
 - No later than 3 calendar days

- c.** *Daily Releases:*
 - No later than Noon on the day before the Operating Day.

- d.** *Hourly Release:*
 - No later than Noon on the day before the Operating Day.

The deadlines set forth above address voluntary releases of a Rights Holders' transfer capability to facilitate full access to transfer capability for third parties. Automatic release of transfer capability due to a Rights Holders' failure to schedule transmission service over the CSC is governed by and set forth below in the "Default Release" provision.

7. Award of Reservations

Releases of advance reservations for CSC transfer capability and bids for such advance reservations shall be submitted to the Transmission Provider via the CSC OASIS. The award of reservations shall be accomplished through either: (1) a public auction process conducted by the Rights Holder, with the released capability awarded to the highest bidder; or (2) the posting of released capability at a specified rate on the CSC OASIS, with the award of such capability performed on a first-come, first served basis for bidders that meet the posted rate for such capability. The rate for assignment either through a public

auction process or through a posting on the CSC OASIS shall be as determined by Section 9 of Schedule 18 of the ISO-NE OATT, and shall be posted on the CSC OASIS.

8. Effect of Advance Reservation

The issuance of an advance reservation is a prerequisite to scheduling an External Transaction in the ISO-NE Real-Time Energy Market that involves the use of the CSC. A party holding an advance reservation for Firm MTF Service or Non-Firm MTF Service and otherwise meeting the qualifications for submitting transactions under the ISO-NE OATT may submit scheduling transactions with ISO-NE that involve the submission of a bid/offer at the Shoreham node.

9. Default Release

In the event that a Rights Holder or any other holder of an advance reservation for MTF Service fails to submit a schedule for its full MTF Service reservation by Noon of the day prior to the Operating Day, the difference between all remaining advance reservations for which accepted bids/offers have been submitted to the New England energy market by advance reservation holders and the Total Transfer Capability over the CSC in the scheduling hour shall be automatically released for scheduling by third parties and posted on the CSC as Available Transfer Capability. Advance reservations for released capability under default release rules will be issued on a first-come, first-served basis through the CSC OASIS.

10. Priority of Capability Released Under the Default Release Provisions

Reservations for CSC transfer capability released due to the default release provisions shall be deemed Non-Firm MTF Service and assigned the NERC transmission service priority “2” (Hourly Non-Firm).

11. Curtailment and Interruptions of Service over MTF

Curtailment and interruptions of service over the CSC required to be initiated by the System Operator pursuant to the ISO-NE system rules or in response to conditions or constraints within the New York Control Area identified by the NYISO as requiring curtailment or interruption of service shall be based upon transmission priority. For Firm MTF Service, curtailment or interruptions within each reservation classification will be performed on a pro rata basis. Curtailment and interruptions within each reservation classification of Non-Firm MTF Service (i.e. Monthly, Weekly, Daily, Hourly) will be based upon the time stamp associated with the submission of valid bids/offers to the ISO-NE Real-Time Market.

Curtailments and interruptions of service over the CSC that relate to conditions or constraints on the Pool Transmission Facilities that may otherwise affect service over the CSC will be conducted consistent with

the priorities established in the ISO-NE Operating Procedures. The NYISO is responsible for determining the need for any curtailments and interruptions of service relating to conditions or constraints within the New York Control Area consistent with the priorities established by the NYISO's administration of its tariffs and procedures and will communicate the need for such curtailments or interruptions to the System Operator for implementation in compliance with prescribed NERC Policies.

12. Liability

The Transmission Provider and any Rights Holder releasing its advance reservation through the voluntary or default release procedures of these rules shall be held harmless with regard to any claim which may be raised by any party regarding the selection of a bid, except to the extent that such party successfully establishes that the Transmission Provider or the Rights Holder, as the case may be, has incorrectly selected the bidder as the result of gross negligence or willful misconduct.

13. Billing

A party holding advance reservation through releases in accordance with these CSC Releases shall be billed by the Transmission Provider and shall make payments to the Transmission Provider in accordance with the terms of the Service Agreements and the Transmission Provider shall simultaneously credit (on a contingent basis) all reservation charges billed the party releasing such advance reservation. If party acquiring advance reservations through releases fails to pay the reservation charges by the due date, the Transmission Provider shall reverse the credit and bill the party releasing such advance reservation for said reservation charges, plus interest, and the advance reservation shall, at the election of the releasing party, revert to the releasing party for the remaining term of the release.

SCHEDULE 18 - ATTACHMENTS

SCHEDULE 18 - ATTACHMENT A

Form of Blanket Service Agreement for MTF Service over the Cross Sound Cable

Reserved via the Cross Sound Cable Transmission Provider Page

on the ISO New England Inc. OASIS Node

- 1.0** This Service Agreement, dated as of _____, is entered into, by and between Cross-Sound Cable Company, LLC ("CSC LLC") and _____ ("Transmission Customer").
- 2.0** The Transmission Customer has been determined by CSC LLC to have a Completed Application for [Firm] [Non-Firm] MTF Transmission Service under the ISO New England Inc. ("ISO-NE")

Transmission, Markets and Services Tariff (“Tariff”) and the Cross Sound Cable Business Practices.

3.0 If required, the Transmission Customer has provided to CSC LLC an Application deposit in accordance with the provisions of the Tariff and the Cross Sound Cable Business Practices.

4.0 MTF Service under this Service Agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction or any Direct Assignment Facilities and/or facility additions or upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. MTF Service under this Service Agreement shall terminate on such date as is mutually agreed upon by the parties. [The Service Agreement may include a blanket agreement for non-firm MTF service.]

5.0 CSC LLC agrees to provide, and the Transmission Customer agrees to take and pay for, Transmission Service in accordance with the provisions of Schedule 18 of the Tariff (or its successor tariff), the Cross Sound Cable Business Practices, the Schedule 18 Implementation Rule -Cross-Sound Cable Company, LLC Procedures for the Reassignment of Transmission Rights 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, and shall be copied to the System Operator at the address below.

CSC LLC:

Cross-Sound Cable Company, LLC
200 Donald Lynch Blvd.
Marlborough, MA 01752

Transmission Customer:

System Operator:

ISO New England Inc.
One Sullivan Road
Holyoke, MA 01040

- 7.0** The Tariff, including Schedule 18 and the Schedule 18 Implementation Rule, is incorporated in this Service Agreement and made a part hereof, except that all financial assurance requirements, billing arrangements, payment obligations and liabilities associated with MTF Service shall be solely the responsibility of CSC LLC and the Transmission Customer under this Service Agreement.

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

Cross-Sound Cable Company, LLC:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

**Specifications For MTF Service over the Cross Sound Cable
Reserved via the Cross Sound Cable Transmission Provider Page
on the ISO-NE OASIS Node**

A Transmission Customer must acquire an advance reservation for Firm MTF Service or Non-Firm MTF Service. The issuance of an advance reservation is a prerequisite to scheduling an External Transaction over the Cross Sound Cable in the ISO New England Real-Time Energy Market. While not required, an advance reservation for the ISO New England Day Ahead Market is highly recommended, as absent an advance reservation the financial transaction in the Day Ahead Market will not be supported by a corresponding External Transaction in the Real-Time Energy market, thus creating significant financial risks to the transacting party. A party holding an advance reservation and otherwise meeting the qualifications for submitting transactions under the ISO New England, Inc. (“ISO-NE”) Transmission, Markets and Services Tariff (“Tariff”) may submit scheduling transactions over the Cross Sound Cable with ISO-NE up to the total MW amount of the advance reservation.

- 1.0** Term of Transaction: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node
- Start Date: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node
- Termination Date: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node
- 2.0** Description of capacity and energy to be transmitted by Participants including the electric Control Area in which the transaction originates: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the CSC OASIS node

3.0 Point(s) of Receipt: Either Shoreham Substation in Brookhaven, New York, or East Shore Substation in New Haven, Connecticut, as specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

Delivering party: The Transmission Customer

4.0 Point(s) of Delivery: Either Shoreham Substation in Brookhaven, New York, or East Shore Substation in New Haven, Connecticut, as specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

Receiving party: The Transmission Customer

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): As specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

6.0 Designation of party(ies) or other entity(ies) subject to reciprocal transmission service obligation: Not applicable

7.0 Name(s) of any intervening systems providing transmission service: New York ISO or ISO-NE pursuant to their respective tariffs

8.0 MTF 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 this Tariff.)

8.1 MTF Transmission Charge: As specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

8.2 System Impact Study and/or Facilities Study Charge(s): Not applicable

8.3 Direct assignment expansion charge: Not applicable

SCHEDULE 18 - ATTACHMENT C
Cross-Sound Cable TTC, CBM, TRM and ATC Methodology
Version 2.0; Issued: December 22, 2010

1. Introduction

Cross-Sound Cable (“CSC”) is an HVDC Transmission Facility located between New Haven, CT and Shoreham, NY (Long Island). The CSC is owned and operated by Cross-Sound Cable Company, LLC (“CSC LLC”). CSC LLC operates as Transmission Service Provider (“TSP”) for the CSC, which is a Merchant Transmission Facility (“MTF”) within the ISO New England (“ISO-NE”) regional transmission organization (“RTO”). ISO-NE serves the New England states through reliable minute to minute operation of the New England Bulk Power System; development, oversight, and fair administration of New England’s wholesale market; and management of comprehensive bulk electric power system and wholesale markets' planning processes. ISO-NE serves as the Balancing Authority for the New England Area (“ISO-NE Area”). The ISO-NE Area is interconnected to three neighboring Balancing Authority Areas (“BAAs”): New Brunswick System Operator Balancing Authority Area (“NBSO BAA”), New York Independent System Operator Balancing Authority Area (“NYISO BAA”), and Hydro-Quebec TransEnergie Balancing Authority Area (“HQTE BAA”). As the RTO for New England, ISO-NE performs the reliability functions related to the calculation of Total Transfer Capability (“TTC”) for all of the external interfaces between the ISO Area and its neighboring Balancing Authority Areas and for the internal interfaces between the Pool Transmission Facilities (“PTF”), Other Transmission Facilities (“OTF”) and MTF such as the CSC. As a TSP offering MTF service pursuant to Schedule 18 of the ISO-NE Tariff, CSC LLC retains the responsibility for determining and posting the Available Transfer Capability (“ATC”) of its facilities.

1.1. Scope of Document

This document addresses the following items with respect to the CSC between ISO-NE and NYISO for Schedule 18 MTF Service:

- Total Transfer Capability (TTC) methodology
- Capacity Benefit Margin (CBM) methodology
- Transmission Reliability Margin (TRM) methodology
- Available Transfer Capability (ATC) methodology

1.2. Overview of Cross-Sound Cable

The Cross-Sound Cable is a 330 MW High Voltage Direct Current Merchant Transmission Facility with associated AC/DC converter stations that are directly interconnected with the 345 kV PTF in New Haven, CT at the East Shore substation, and 138 kV transmission facilities at the Shoreham substation in Long Island, NY. Firm Transmission Service for the entire transfer capability of the CSC was awarded to Long Island Power Authority (“LIPA”) through an allocation process approved by the Federal Energy Regulatory Commission (“FERC”). To the extent that the entire capacity of this firm Existing Transmission Commitment (“ETC_F”) is unused by LIPA, secondary rights to use the MTF service is offered on an hourly non-firm basis for the remaining ATC through non-firm Existing Transmission Commitment (“ETC_{NF}”). CSC ATC is described in section 5 below.

2. CSC Total Transfer Capability (“TTC”)

The Total Transfer Capability or TTC for an interface is the best engineering estimate of the total amount of electric power that can be transferred over the interface in a reliable manner in a given time frame. ISO-NE, acting as the Transmission Operator (“TOP”), determines the TTC for the Cross-Sound Cable based on the equipment ratings and availability provided by CSC LLC and system conditions, then posts the TTC on the ISO-NE OASIS Node. Due to the controllable and bi-directional nature of CSC, it is treated as two separate and independent transmission paths for scheduling purposes. Flow from ISO-NE to NYISO is treated as Export with a maximum TTC of 330 MW delivered, while flow from NYISO to ISO-NE is treated as Import with a maximum TTC of 346 MW received. Cross-Sound Cable is operated in accordance with the requirements of TTC methodology are addressed in Sections 1 and 3 of the ISO-NE document “Attachment C Available Transfer Capability Methodology”.

3. CSC Capacity Benefit Margin (“CBM”)

The use of Capacity Benefit Margin or CBM within the ISO-NE Area is governed by the overall ISO-NE approach to capacity planning requirements. Load Serving Entities (“LSEs”) operating within the ISO Area do not utilize CBM to ensure their capacity needs are met; therefore CBM is not applicable within the New England market design. Accordingly, for the purpose of ATC calculation, CBM for the New England Control Area, including CSC, is set to zero (0). For additional information on CBM, refer to Section 4 of the ISO-NE document “Attachment C Available Transfer Capability Methodology”.

4. CSC Transmission Reliability Margin (“TRM”)

The Transmission Reliability Margin or 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 the system conditions change.

ISO-NE, acting as a Transmission Operator, calculates the TRM on the CSC MTF interface by taking into account any operational uncertainties with CSC in accordance with MOD-008. Typically the operational uncertainties associated with an external HVDC facility are minimal and result in a TRM value of zero (0), as is the case for CSC.

For additional information on TRM, refer to Section 5.2.1 Calculation of TRM for the MTF and OTF of the ISO-NE document “Attachment C Available Transfer Capability Methodology”.

5. CSC Available Transfer Capability (“ATC”)

This section defines the Available Transfer Capability calculations performed for MTF service over the CSC. The general equation for calculation of ATC is derived from MOD-029 as follows:

$$\text{ATC} = \text{TTC} - \text{ETC} - \text{CBM} - \text{TRM} + \text{Postbacks} + \text{Counterflows}$$

The CBM and TRM Values have been previously discussed (CBM = 0, TRM = 0). The purpose of the ETC component of the ATC equation is for the TSP to define all elements that are reducing the amount of ATC available to market participants. Details regarding the ETC component, Postbacks and Counterflows of the ATC calculation and its impact on Firm and Non-firm ATC are described below.

5.1. Firm ATC for MTF Transmission Services

Firm Available Transfer Capability (“ATC_F”) is defined as the capability for firm transmission reservations that remains after allowing for CBM, TRM and firm existing transmission commitments. As described in Section 1.2, CSC LLC has a long term contract with LIPA for Yearly Firm Transmission Service for the entire transfer capability of the CSC.

Firm ATC is calculated using the following equation:

$$\text{ATC}_F = \text{TTC} - \text{ETC}_F - \text{CBM} - \text{TRM} + \text{Postbacks}_F + \text{Counterflows}_F$$

Where

ATC_F is the firm Available Transfer Capability for the ATC path during the period.

TTC is the Total Transfer Capability for the ATC path during the period.

ETC_F is the sum of firm Existing Transmission Commitments scheduled by LIPA in the Day Ahead Market, under contractual agreement, for the ATC path during the period.

CBM is set to 0 by ISO-NE per section 3 of this document.

TRM is set to 0 by ISO-NE per section 4 of this document.

$Postbacks_F$ is set to 0 because any changes to the ATC_F would be released as secondary market capacity resulting in a change to the ETC_{NF} value used to determine the resulting ATC_{NF} .

$Counterflows_F$ is set to 0 because Export point-to-point flow and Import point-to-point flow are treated as two independent directional paths. Since CSC calculates ATC in both directions independently, there are no Counterflows by definition.

Essentially, ATC_F is equal to zero (0) as ETC_F owned by LIPA over both directions of flow is equal to the entire TTC. The ATC_F will be equal to the TTC until LIPA schedules their actual transfers in the Day Ahead Market. At this point, any portion of the ETC_F that LIPA does not schedule will get released into the hourly market as ATC_{NF} .

5.2. Non-Firm ATC for MTF Transmission Services

Non-firm Available Transfer Capability (“ ATC_{NF} ”) is defined as the capability for non-firm transmission reservations that remain after allowing for CBM, TRM, ETC_F and non-firm Existing Transmission Commitments (“ ETC_{NF} ”) that have been Confirmed and Accepted. Although the entire TTC of the CSC is contracted to LIPA for Yearly Firm Transmission Service, any portion of the capacity that is not scheduled by LIPA in the Day-Ahead market will be released on an hourly non-firm basis. Customers may then purchase capacity in the Hourly Market, creating an ETC_{NF} contract which will in turn reduce the ATC_{NF} . Incorporating this into the determination of ATC, non-firm ATC is calculated using the following equation:

$$ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_S - TRM_U + Postbacks_{NF} + Counterflows_{NF}$$

Where

ATC_{NF} is the non-firm Available Transfer Capability for the ATC path during the period.

TTC is the Total Transfer Capability for the ATC path during the period.

ETC_F is the sum of firm Existing Transmission Commitments scheduled by LIPA in the Day Ahead Market, under contractual agreement, for the ATC path during the period.

ETC_{NF} is the sum of non-firm Existing Transmission Commitments purchased by Secondary Market Customers in the Hourly Market, for the ATC path during the period.

CBM is set to 0 by ISO-NE per section 3 of this document.

TRM is set to 0 by ISO-NE per section 4 of this document.

$Postbacks_{NF}$ is set to 0 because any changes to the non-firm ATC would be re-released as secondary market capacity resulting in a change to the ETC_{NF} value.

$Counterflows_{NF}$ is set to 0 because Export point-to-point flow and Import point-to-point flow are treated as two independent directional paths. Since CSC calculates ATC in both directions independently, there are no Counterflows by definition.

Additional capacity may be purchased for MTF service on an Hourly non-firm basis until the ATC_{NF} equals zero (0) for the subject path. Purchases may take place on both paths individually up to their full TTC, which would effectively result in no transfer across CSC. In no case would purchases on one path result in increased ATC on the other path.

6. Posting of CSC ATC

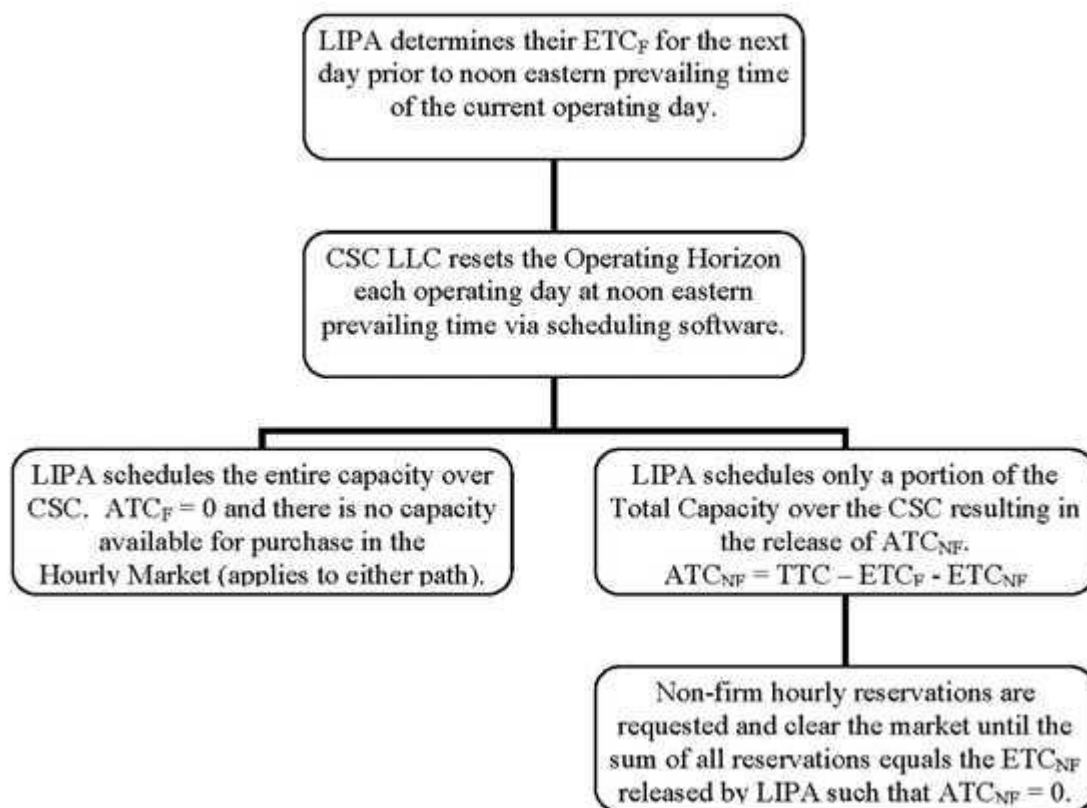
6.1. ATC Values

Using the process described in Section 5 above, the ATC calculations are performed for CSC automatically by the scheduling software. The ATC values for CSC are determined using the [Mathematical Algorithms for Calculation of ATC](#) (https://www.oasis.oati.com/CSC/CSCdocs/Algorithms_for_ATC_Calculation_for_CSC.pdf) and posted in accordance with NAESB standards on the [CSC OASIS](#) (<https://www.oasis.oati.com/csc/index.html>).

As discussed, firm ATC is equal to zero at all times. LIPA determines the ETC_F for the next day prior to noon eastern prevailing time of each operating day. CSC LLC then resets the Operating Horizon (“OH”) through the scheduling software. The OH spans from noon of the current day through midnight of the next day, or for the next 36 hours calculating ATC_{NF} based on the ETC_F selected by LIPA. ATC_{NF} is calculated from the TTC and ETC_F and offered as non-firm Hourly MTF in the OH. Subsequent Capacity purchases are considered ETC_{NF} , which is then subtracted from the ATC_{NF} . Any changes to the ATC_{NF} are updated in real time through the scheduling software.

6.2. Diagram of Energy Transactions

Below is a diagram that describes how energy transactions are processed over the CSC interface. The timing of the submittal of the energy transactions is governed by the ISO-NE Market Rules.



SCHEDULE 18 – ATTACHMENT L

Creditworthiness Procedures

I. Overview

The creditworthiness of each Transmission Customer seeking MTF Service must be established before receiving service from the MTF Provider. The MTF Provider 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 the MTF Provider's Creditworthiness Requirements are described in this Attachment L to Schedule 18. Detailed information regarding the MTF Provider's Creditworthiness Requirements is available in the MTF Provider's Business Practices as posted on the MTF Transmission Provider Page on the OASIS.

II. Financial Information

Transmission Customers requesting MTF Service will be required to provide credit rating and financial information as part of the Credit Application for MTF Service. Required information may include: (a) all current credit rating reports from commercially accepted credit rating agencies including Standard and Poor's Inc. ("S&P"), Moody's Investors Service ("Moody's"), and Fitch Ratings ("Fitch"); (b) financial statements audited by a registered independent auditor; and (c) references from banks and utilities/vendors.

III. Creditworthiness Requirements and Process

Transmission Customers, rated and un-rated, will be required to meet the creditworthiness requirements specified in this Attachment L to Schedule 18 and the MTF Business Practices. Credit rating and financial information provided by Transmission Customers that would be used to establish creditworthiness include investment grade ratings for senior unsecured long-term debt and ratio analyses of audited financial statements. If the Customer does not meet the MTF Provider's creditworthiness requirements, the MTF Provider (at its discretion) may establish a credit limit for that Customer equal to the financial assurance (i.e., the security deposit) required from all Transmission Customers, as specified in this Attachment L to Schedule 18 and the MTF Provider's Business Practices.

The MTF Provider shall use the following criteria in reviewing the creditworthiness of Transmission Customers:

1. The Transmission Customer must meet and maintain the credit and financial assurance requirements applicable to market participants as established by ISO New England Inc.; and
2. The Transmission Customer must not be in default of any amounts owed to any MTF Providers.

If the Transmission Customer does not qualify using the above requirements, the MTF Provider may consider other qualitative factors on a case-by-case basis. The specific factors will depend upon the MTF Provider's Business Practices, and may include billing history and the Transmission Customer's anticipated use of the MTF service.

A. Procedure for Determining Creditworthiness

The MTF Service Credit Application is posted on the MTF Provider's OASIS and is available for download. The Credit Application may be submitted along with the Application for MTF Transmission Service. Because the amount of time required to complete the credit review varies widely, it is recommended that credit applications be submitted at least ten (10) business days before the Transmission Customer takes service for the first time. As part of the credit review process, the MTF Provider will assign a credit limit to each Transmission Customer. For a customer that holds a below investment grade rating from either S&P, Moody's or Fitch, or is not rated by any of those three rating agencies, the assigned credit limit will be the amount of the security deposit posted by such customer. For a customer that is rated by one or more of S&P, Moody's or Fitch and holds an investment grade rating from each agency that rates that customer, the credit limit will be established using standard commercial practices on a case-by-case basis based on an estimate of the customer's anticipated use of MTF Service.

IV. Financial Assurance

All Transmission Customers requesting MTF Service are required to submit a security deposit to the MTF Provider. For customers executing a Blanket MTF Transmission Service Agreement, the minimum security deposit shall be \$100,000.00, provided, however, that customers may choose to provide a higher security deposit. For customers executing a transaction-specific MTF Transmission Service Agreement, the security deposit requirement shall be determined on a case-by-case basis, the maximum security deposit that may be charged is equal to the cost of the Reserved Capacity over the MTF for the duration of the specific transaction. Security deposits will be held in separate accounts. Account statements will be provided to the customer on an annual basis upon request.

V. Credit Levels

Transmission Customers meeting the above Creditworthiness Requirements will be extended credit based on levels specified in the MTF Provider's Business Practices. Transmission Customers that do not meet the MTF Provider's creditworthiness requirements will not receive unsecured credit from the MTF Provider. The MTF Provider will monitor the credit status of all approved customers and may modify credit limits (higher or lower) for such customer to the extent that company circumstances or service changes occur. In the event that a customer is downgraded such that it holds a below investment grade rating from S&P, Moody's or Fitch, or is not rated by any of the three agencies, the customer's credit limit shall be immediately reduced to the amount of security deposit posted by that customer.

VI. Contesting Creditworthiness Determination

Should the MTF Provider reject a credit application, the MTF Provider will provide the customer the reasons for the rejection and an opportunity to revise and resubmit the credit application to address the identified deficiencies. Transmission Customers may also contest the MTF Provider's determination of creditworthiness by submitting a written request for re-evaluation. Such request should provide information supporting the basis for a request to re-evaluate a Transmission Customer's creditworthiness. The MTF Provider will review and respond to the request under the procedures outlined in this Attachment L to Schedule 18 and the MTF Provider's Business Practices.

VII. Procedures for Changes in Credit Levels and Collateral Requirements

The MTF Provider will immediately notify customers of any modifications to credit limits or required security deposits. Upon request, the MTF Provider will provide customers a written explanation for any change in credit limits or required security deposits, including an opportunity to cure any credit deficiencies within a specified time period.

VIII. Posting Collateral Requirements

In the event that the MTF Providers revises the level of collateral required (e.g., security deposit) as a result of changes to the Transmission Customer's financial information, the MTF Provider's criteria, or other events that result in the Transmission Customer being determined to be non-creditworthy, the Transmission Customer shall have the opportunity to cure such deficiency consistent with the procedures in this Attachment L to Schedule 18 and the MTF Provider's Business Practices, as posted on the MTF Transmission Provider Page on the OASIS.

IX. Additional Requirements

Along with the above criteria for determining creditworthiness, the MTF Provider may require the Transmission Customer to fulfill additional conditions under the MTF Provider's Business Practices, as posted on the MTF Transmission Provider Page on the OASIS.

SCHEDULE 18 - ATTACHMENT Z
Incorporation By Reference of NAESB Standards

In accordance with Commission Order No. 676-H, the NAESB Version 003 Standards listed below are hereby incorporated by reference to the extent that the requirements therein apply to Cross Sound Cable except as noted below:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information Systems (OASIS), Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards , 001-4.1, 001-4.7.2.1, 001-9.1 through 001-10.8.7, 001-14.1.3, 001-15.1.2 and 001-106.2.5;
- WEQ-002, Open Access Same-Time Information Systems (OASIS) Business Practice Standards and Communication Protocols, Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information Systems (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-004, Coordinate Interchange WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on December 28, 2012) excluding Standards 004-0.1 through 004-18.2, but including 004-A through 004-D;
- WEQ-012, Public Key Infrastructure (PKI) WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified October 4, 2102) March 11, 2009, with minor corrections applied on May 29, 2009 and September 8, 2009); and

- WEQ-013, Open Access Same-Time Information Systems (OASIS) Implementation Guide, OASIS Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).

CSC has requested waiver of the following NAESB Version 003 Standards pursuant to a compliance filing submitted to the Commission on December 1, 2014 [and a Supplemental Waiver Request on April 14, 2015](#) to comply with FERC Order No. 676-H, *Standards for Business Practices and Communication Protocols for Public Utilities*, 148 FERC ¶ 61,205 (2014), as modified by the Commission's October 3, 2014 *Errata Notice*, 149 FERC ¶ 61,014 (2014).

- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012);
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;
- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas / Electric Coordination, WEQ Version 003, July 31, 2012;
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012; ~~and~~
- [WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012;](#)
- [WEQ-000, WEQ-001, WEQ-002 and WEQ-003, related to Network Integration Transmission Service \(“NITS”\), WEQ Version 003, July 31, 2012; and](#)
- [WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013, related to Service Across Multiple Transmission Systems \(“SAMTS”\), WEQ Version 003, July 31, 2012.](#)

SCHEDULE 20A
POINT-TO-POINT SERVICE OVER THE
PHASE I/II HVDC TRANSMISSION FACILITIES
(PHASE I/II HVDC-TF SERVICE)

In order to ensure continuity of service to customers, all agreements for transmission service over the Phase I/II HVDC-TF in effect as of the effective date of this Schedule 20A will remain in full force and effect under this Schedule 20A. This Schedule 20A contains the general terms and conditions regarding the treatment of Phase I/II HVDC-TF Service under the Tariff. In the event of a conflict between the terms and conditions of Part I and Part II of this Schedule, the terms and conditions of Part II shall govern. Phase I/II HVDC-TF Service is a Point-To-Point Service offered by certain Interconnection Rights Holders (“IRH”) under this Schedule 20A. Such IRH are referred to herein as the “Schedule 20A Service Providers”, have Phase I/II HVDC-TF Service Schedules in Part II of this Schedule 20A, and are listed on the ISO OASIS. Phase I/II HVDC-TF Service shall be offered to Eligible Customers by Schedule 20A Service Providers through their Phase I/II HVDC-TF Transmission Provider Page in accordance with this Schedule 20A and the HVDC Transmission Operating Agreement and is subject to the rights and obligations of the IRHs under the Restated Use Agreement, the Support Agreements, and the Phase I/II HVDC-TF Transmission Service Administration Agreement. Phase I/II HVDC-TF Service under this Schedule 20A is offered by the Schedule 20A Service Providers based on their Use Rights and on any Use Rights that they offer on behalf of any other IRH that are not Schedule 20A Service Providers. Pursuant to Section 2 of Part 1 of this Schedule 20A and subject to mutually agreeable contractual arrangements, the Schedule 20A Service Providers will offer, through this Schedule 20A and their Phase I/II HVDC-TF Transmission Provider Page, the Use Rights of any IRHs that are not Schedule 20A Service Providers. This Schedule 20A also includes the specific rates, terms and conditions for Phase I/II HVDC-TF Service for individual Schedule 20A Service Providers. All Transmission Customers taking Phase I/II HVDC-TF Service shall be subject to and comply with the terms and conditions of this Schedule 20A and the Tariff. The specific terms and conditions for rates and charges of the individual Schedule 20A Service Providers’ offering of their Phase I/II HVDC-TF Use Rights are found in the Phase I/II HVDC-TF Service Schedules in Part II of this Schedule 20A.

I. PHASE I/II HVDC-TF POINT-TO-POINT SERVICE

1. Definitions

Capitalized terms used and defined in this Schedule 20A shall have the meaning given them under this Schedule. Capitalized terms used and not defined in this Schedule 20A but defined in other sections of the Tariff shall have the meaning given them under those sections. Capitalized terms used in this Schedule 20A that are not defined in it or elsewhere in the Tariff shall have the meanings in the Restated Use Agreement or those customarily attributed to applicable criteria, rules, standards and operating procedures.

1.1 Interconnection Rights Holders (“IRHs”): means the entities that pay for and hold exclusive Use Rights to the transfer capability of the Phase I/II HVDC-TF, as granted under the Support Agreements and as further provided for under the Restated Use Agreement, either (i) directly, by virtue of being parties to the Support Agreements, or (ii) indirectly (“Indirect IRH(s)”), through a Transfer Agreement.

1.2 Phase I/II HVDC-TF: means the transmission facilities, identified in Schedule 2.01 (a) of the HVDC Transmission Operating Agreement or its successor schedule, constructed in two phases (“Phase I” and “Phase II”) that comprise the United States segment of the 2000 MW transmission interconnection which connects the Hydro-Quebec TransÉnergie control area and the New England Control Area. Phase I is the United States portion of the 450 kV high-voltage, direct-current (“Phase I/II HVDC”) transmission line from a terminal at the Des Cantons Substation on the Hydro-Quebec system near Sherbrooke, Quebec to a terminal with a nominal transfer capability of 690 MW at the Monroe Converter Station in New Hampshire. Phase II is the United States portion of the facilities required to increase to 2000 MW the nominal transfer capability of the Phase I/II HVDC-TF, including an extension of the Phase I/II HVDC transmission line from the terminus of Phase I at the Monroe Converter Station through New Hampshire to a terminal at the Sandy Pond Converter Station in Massachusetts. Phase I/II HVDC-TF is a form of OTF, as defined under Section II.1.85 of the Tariff.

1.3 Phase I/II HVDC-TF Owners: are: New England Hydro-Transmission Electric Company, Inc.; New England Hydro-Transmission Corporation; New England Electric Transmission Corporation; and Vermont Electric Transmission Company. The Phase I facilities in the United States are owned by New England Electric Transmission Corporation and Vermont Electric Transmission Company. The Phase II facilities in the United States are owned by New England Hydro-Transmission Electric Company, Inc. and New England Hydro-Transmission Corporation. The Phase I/II HVDC-TF Owners are parties to financial support agreements (the “Support Agreements”) with the IRHs.

1.4 Phase I/II HVDC-TF Service: means Firm and Non-Firm Point-To-Point Service over the Phase I/II HVDC-TF.

1.5 Phase I/II HVDC-TF Service Agreement: means an executed or unexecuted agreement for Phase I/II HVDC-TF Service, as reflected in Attachment A to Part I of this Schedule 20A.

1.6 Phase I/II HVDC-TF Transmission Service Administration Agreement: means the agreement among the ISO, the Schedule 20A Service Providers, and the IRH Management Committee specifying the rights and obligations of the parties regarding transmission service over the Phase I/II HVDC-TF, dated April 1, 2005, as may be amended and restated from time to time, and any successor agreement.

1.7 Phase I/II HVDC-TF Service Charge: is the charge for Phase I/II HVDC-TF Service, which shall be determined pursuant to arrangements between the applicable Schedule 20A Service Provider and Eligible Customers that take Phase I/II HVDC-TF Service under this Schedule 20A. The charge for Phase I/II HVDC-TF Service shall be determined by the applicable Phase I/II HVDC-TF Service Schedule in Part II of this Schedule 20A.

1.8 Phase I/II HVDC-TF Service Schedule: is an individual Schedule 20A Service Provider's schedule in Part II of this Schedule 20A that sets forth the terms and conditions for rates and charges, as applicable to Phase I/II HVDC-TF Service offered by that Schedule 20A Service Provider.

1.9 Phase I/II HVDC-TF Transmission Provider Page: means the respective Transmission Provider pages of the Schedule 20A Service Providers, which are located on the ISO OASIS, through which Phase I/II HVDC-TF Service is offered. Some of the information posted on the Transmission Provider pages of the Schedule 20A Service Providers shall include: values for Available Transmission Capability (ATC); offerings for Phase I/II HVDC-TF Service; and procedures for the application for and acquisition of Phase I/II HVDC-TF Service.

1.10 Pre-Confirmed Request: is an OASIS transmission service request that commits the Transmission Customer to take and pay for the requested Phase I/II HVDC-TF Service upon acceptance on OASIS by the Schedule 20A Service Provider that can provide the requested Phase I/II HVDC-TF Service.

1.11 Restated Use Agreement: is the Agreement among the IRH with respect to the Use Rights, dated as of December 1, 1981, as amended or restated as of September 1, 1985, November 19, 1997, April 8, 1998, and June 1, 2002, and as it may be further amended or restated from time to time.

1.12 Schedule 20A Service Provider: is an individual IRH that has a Phase I/II HVDC-TF Service Schedule and offers its own Use Rights or the Use Rights of other IRHs under this Schedule 20A.

1.12a Submittal Window: is the 5 minute window, beginning immediately after the expiration of the “no earlier than” request time, within which all service requests will be deemed to have been submitted simultaneously.

1.13 Support Agreements: are the certain agreements between the Phase I/II HVDC-TF Owners and the IRH that are not Indirect IRHs, under which the IRH are granted the exclusive rights to the transfer capability of the Phase I/II HVDC-TF and the obligation to pay the costs of the Phase I/II HVDC-TF.

1.14 Transfer Agreement: is an agreement, pursuant to the Restated Use Agreement, under which an IRH may transfer all or part of its Use Rights to another entity for a specified period of time.

1.15 Transmission Customer: is, for purposes of this Schedule 20A, an Eligible Customer that is receiving or has received Phase I/II HVDC-TF Service.

1.16 Use Rights: are the exclusive rights to the Combined Percentage Interest of the transfer capability of the Phase I/II HVDC-TF granted to the each of the IRH under the Support Agreement in exchange for the IRH’s obligation to pay for the Phase I/II HVDC-TF. The maximum MW amount of Use Rights that a Schedule 20A Service Provider may make available is its Combined Percentage Interest times the posted TTC value, plus the maximum MW amount of Use Rights of any other IRH on whose behalf the Schedule 20A Service Provider is posting, rounded down to whole MW.

1.17 FERC: The Federal Energy Regulatory Commission.

2. Phase I/II HVDC-TF Service

Phase I/II HVDC-TF Service is a Point-To-Point Service offered by the Schedule 20A Service Providers over Phase I/II HVDC-TF using the transfer capability associated with their own Use Rights and the Use Rights of any other IRH that has contracted with a Schedule 20A Service Provider for the offering of Use Rights under this Schedule 20A. Not all IRHs are FERC-jurisdictional utilities and, as such, these IRHs are not required to offer transmission service for their share of the Phase I/II HVDC-TF. An IRH that is not a Schedule 20A Service Provider may, however, choose to make all or a portion of its rights available through an individual Schedule 20A Service Provider and its Phase I/II HVDC-TF Service Schedule by entering into a Transfer Agreement. Subject to a mutually agreeable Transfer Agreement and associated contractual arrangements, a Schedule 20A Service Provider will offer the Use Rights of any other IRH that wishes to make its Use Rights available under this Schedule 20A. In the event that the parties cannot agree on a Transfer Agreement and associated contractual arrangements, either party may petition the FERC for relief.

2.1 Nature of Phase I/II HVDC-TF Service

(a) Term of Phase I/II HVDC-TF Service:

(i) **Firm Phase I/II HVDC-TF Service:** The minimum term of Firm Phase I/II HVDC-TF Service shall be one day and the maximum term shall be that specified in the Phase I/II HVDC-TF Service Agreement.

(ii) **Non-Firm Phase I/II HVDC-TF Service:** Non-Firm Phase I/II HVDC-TF Service will be available for periods ranging from one hour to one month and shall be that specified in the Phase I/II HVDC-TF Service Agreement. A Transmission Customer that purchases Non-Firm Phase I/II HVDC-TF 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 may be greater than one month, subject to the requirements of this Schedule 20A.

(b) Reservation, Interruption and Curtailment Priority for Phase I/II HVDC-TF Service:

(i) The Schedule 20A Service Providers, individually or collectively, shall post on the Phase I/II HVDC-TF Transmission Provider Page, rules setting reservation, interruption and Curtailment priorities for Firm and Non-Firm Phase I/II HVDC-TF Service. Such rules shall be non-discriminatory and consistent with Commission Orders and shall also be in accordance with the Restated Use Agreement.

In instances where an IRH is not a Schedule 20A Service Provider and it desires to offer its Use Rights, that IRH shall arrange for the posting of the associated transmission service and associated reservations on a Phase I/II HVDC-TF Transmission Provider Page.

Each Schedule 20A Service Provider shall be responsible for calculating the ATC for its Use Rights and for the Use Rights of any other IRH with whom it has contracted to offer such Use Rights, and for posting such ATC values on its Phase I/II HVDC-TF Transmission Provider Page.

Phase I/II HVDC-TF reservation priorities shall be established separately from PTF, other OTF or MTF reservation priorities.

(ii) If a Schedule 20A Service Provider fails to post such rules, then reservation, interruption and Curtailment priorities for Firm and Non-Firm Phase I/II HVDC-TF Service shall be those established by relevant reliability authorities (e.g., the Northeast Power Coordinating Council) and under such scheduling and curtailment rules as may be accepted and/or approved by the FERC for participation in the regional electricity markets.

(iii) Firm Phase I/II HVDC-TF Service Reservation Priority: The Phase I/II HVDC-TF reservation priority for either Long-Term or Short-Term Firm Phase I/II HVDC-TF Service shall be determined on a first come first served basis by the date and time of the service request, with requests received within the Submittal Window being subject to the procedures described in Section 2.1(b)(vi) below. However, Pre-Confirmed Requests for Short-Term Point-To-Point Transmission 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.

(iv) If the Phase I/II HVDC-TF 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 Firm Phase I/II HVDC-TF 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.2.1(f) of this Schedule 20A) from being notified by the Schedule 20A Service Provider of a longer-term competing request for Firm Phase I/II HVDC-TF Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations 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 20A. Firm Phase I/II HVDC-TF Service will always have a reservation priority over Non-Firm Phase I/II HVDC-TF Service under the Tariff.

(v) Non-Firm Phase I/II HVDC-TF Service Reservation Priority: Non-Firm Phase I/II HVDC-TF Service shall be available from transfer capability in excess of that needed for reliable service to Long-Term and Short-Term Firm Phase I/II HVDC-TF Service. A higher reservation priority will be assigned first to Non-Firm Phase I/II HVDC-TF Service requests or reservations with a longer duration of service than those reservations with a shorter duration and second to Pre-Confirmed Requests. Competing requests of the same pre-confirmation status and equal duration for Non-Firm Phase I/II HVDC-TF Service 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 Transmission Customer has reserved service). Requests for monthly service received within the Submittal Window shall be subject to the procedures described in Section 2.1(b)(vi) below. Transmission Customers that have already reserved shorter-term service over Phase I/II HVDC-TF have the right of first refusal to match any longer-term request before being preempted, provided that such Transmission Customer's

advance reservation is consistent with any modified request for Non-Firm Phase I/II HVDC-TF Service.

(vi) Requests for Firm and monthly Non-Firm Phase I/II HVDC-TF Service are subject to a Submittal Window and to an allocation in accordance with the procedures of this section.

Each Schedule 20A Service Provider will refuse those service requests for the same increment and class of service from the same Transmission Customer which, in aggregate, exceeds that Schedule 20A Service Provider's posted ATC. A single service request will be refused if it exceeds the posted ATC. If multiple identical service requests, as defined by NAESB Standard 001-0.5, for the entire posted ATC are received within the Submittal Window, only the first of those service requests will be considered valid. The remaining identical service requests will be refused.

If sufficient transfer capability is not available to meet all service requests for Phase I/II HVDC-TF Service submitted within the Submittal Window, the Schedule 20A Service Providers will allocate among valid requests received in the Submittal Window, allocating ATC pro-rata, on a whole MW basis, among those requests of the longest duration first and subject to the following order: pre-confirmed Firm, Firm, pre-confirmed Non-Firm and Non-Firm. If the total amount of valid pre-confirmed service requests exceeds a Schedule 20A Service Provider's Firm ATC, each valid pre-confirmed service request for Firm Phase I/II HVDC-TF Service will be multiplied by the ratio of that Schedule 20A Service Provider's Firm or Non-Firm ATC, as applicable, to the total MWs of valid Firm or Non-Firm pre-confirmed service requests, as applicable. If the total amount of valid pre-confirmed Firm service requests does not exceed ATC for Firm Phase I/II HVDC-TF Service, then any remaining non pre-confirmed Firm service requests will be allocated similarly across remaining ATC. Non-Firm service requests for monthly service will follow the same methodology for any remaining ATC.

If a customer withdraws its service request after it has been accepted but prior to the Customer Confirmation Time Limit as identified in FERC Order 638, the pro rata allocation of ATC for the remaining valid service requests will be recalculated and the service requests will be updated accordingly on OASIS.

The Schedule 20A Service Providers will address queue flooding, queue hoarding and denial of service in accordance with in NAESB WEQ-001. If the Schedule 20A Service Providers detect any of the above activities, the Schedule 20A Service Providers may extend the Submittal Window by additional 5 minute increments.

Each Schedule 20A Service Provider reserves the right to develop additional allocation criteria in the event that the above criteria do not address a particular situation that occurs during the Submittal Window. Such criteria shall either be included in the Business Practice posted on the Schedule 20A Service Provider's Phase I/II HVDC-TF Transmission Provider Page or the Schedule 20A Service Providers will file with the Commission, changes to this Schedule 20A, in compliance with applicable Commission regulations.

In cases where valid service requests received in the Submittal Window result in residual MW(s), the Schedule 20A Service Providers will allocate, via counter offer, the residual MW(s) to the first valid service request queued in the Submittal Window. In cases where more than one residual MW is available, 1 MW will be allocated, via counter offer, to each valid service request, starting with the first valid service request in the Submittal Window and moving to the next until all such MW(s) have been allocated.

(c) Use of Phase I/II HVDC-TF Service By a Transmission Customer: A Transmission Customer shall take and pay for Phase I/II HVDC-TF Service for the transmission of any scheduled Real-Time Energy Market transaction (including imports of energy into, exports of energy out of, and wheels of energy through, the New England Control Area) that requires the use of the Phase I/II HVDC-TF. If a Transmission Customer elects to take Phase I/II HVDC-TF Service, it must first reserve transmission capability (i.e., a confirmed advance Phase I/II HVDC-TF Service reservation) to allow both the delivery of energy and/or capacity to it over the Phase I/II HVDC-TF (to the extent permitted under the Tariff) commensurate with the associated Phase I/II HVDC-TF Service reservation designated by it in a Completed Application for Phase I/II HVDC-TF Service and the delivery of Energy and/or capacity to or from it over the Phase I/II HVDC-TF to the extent permitted under the Tariff. A Transmission Customer that takes Phase I/II HVDC-TF Service under this Schedule 20A must also take any other applicable service, in accordance with the Tariff.

(d) Phase I/II HVDC-TF Service Agreements: A standard form Phase I/II HVDC-TF Service Agreement (Attachment A to Part I of this Schedule 20A) will be offered to an Eligible Customer when it submits a Completed Application for Phase I/II HVDC-TF Service pursuant to this Schedule 20A. Executed Phase I/II HVDC-TF Service Agreements that contain the information required under this Schedule 20A will be reported and/or filed by the Schedule 20A Service Provider with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Phase I/II HVDC-TF Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Phase I/II HVDC-TF Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement.

(e) Classification of Phase I/II HVDC-TF Service:

(i) Transmission Customers requesting Phase I/II HVDC-TF Service do so with the full realization that such service is subject to availability and Curtailment pursuant to Section II.44 of the Tariff and that the ISO will redispatch all Resources subject to its control, pursuant to the Tariff, in order to meet load and to accommodate External Transactions. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Tariff.

(ii) The Point of Receipt and Point of Delivery on the Phase I/II HVDC-TF at which transmission capacity is reserved for Phase I/II HVDC-TF Service by the Transmission Customer shall be set forth in the Phase I/II HVDC-TF Service Agreement for such service along with a corresponding capacity reservation over the Phase I/II HVDC-TF. The Point of Receipt and Point of Delivery for Phase I/II HVDC-TF Service shall be as mutually agreed upon by the Schedule 20A Service Provider and the Transmission Customer for Phase I/II HVDC-TF Service.

(iii) Non-Firm Phase I/II HVDC-TF Service shall be offered on an hourly, daily, weekly or monthly basis, under applicable terms and conditions contained in this Schedule 20A, and shall not exceed one month's reservation. Firm Phase I/II HVDC-TF Service shall be offered on a daily, weekly, monthly or yearly basis under the applicable terms and conditions contained in this Schedule 20A.

(iv) The Transmission Customer's Reserved Capacity over the Phase I/II HVDC-TF shall be the sum of its Phase I/II HVDC-TF Service reservations.

(f) Scheduling Associated with Phase I/II HVDC-TF Service: An advance reservation is required for Phase I/II HVDC-TF Service for any External Transaction that imports energy into, exports energy out of, or wheels energy through, the New England Control Area over the Phase I/II HVDC-TF. The External Transaction, with its supporting advance reservation, shall be submitted by the Transmission Customer for inclusion in the Real-Time Energy Market pursuant to the Tariff and in accordance with applicable ISO New England Operating Procedures. External Transactions submitted into the Real-Time Energy Market and associated with Phase I/II HVDC-TF Service shall be dispatched pursuant to the Tariff. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such dispatch in accordance with the Tariff.

(g) Curtailment Associated with Phase I/II HVDC-TF Service: When the ISO determines that an electrical emergency exists on the New England Transmission System, the ISO shall implement emergency procedures to effect a Curtailment of Phase I/II HVDC-TF Service. The ISO will redispatch all Resources subject to its control, pursuant to the Tariff, in order to meet load and to accommodate External Transactions. External Transactions using Phase I/II HVDC-TF Service shall be curtailed or interrupted in accordance with Section II.44 of the Tariff. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Tariff. Pursuant to such redispatch, in the event that ISO exercises its right to effect a Curtailment of Phase I/II HVDC-TF Service, in whole or part, no credit or other adjustment shall be provided as a result of the Curtailment with respect to the charges payable by the Transmission Customer.

2.2 Transmission Customer Responsibility for Other Service: Phase I/II HVDC-TF Service only provides transmission service over the Phase I/II HVDC-TF. The Transmission Customer is responsible for obtaining and paying any applicable costs associated with any service on other transmission facilities that may be required to complete a transaction that utilizes Phase I/II HVDC-TF Service.

2.3 Availability of Phase I/II HVDC-TF Service: An Eligible Customer having a Phase I/II HVDC-TF Service Agreement with a Schedule 20A Service Provider is a Transmission

Customer (except as provided below) that may utilize the Use Rights offered by that Schedule 20A Service Provider for the transmission of any scheduled Real-Time transaction (includes imports of energy into, exports of energy out of, and wheels of energy through, the New England Control Area) that requires the use of the Phase I/II HVDC-TF. Such service shall be provided and administered by the individual Schedule 20A Service Provider and shall be requested pursuant to the applicable terms and conditions of this Schedule 20A. Phase I/II HVDC-TF Service is available to any Eligible Customer who meets the financial assurance requirements of this Schedule 20A. The provision of Phase I/II HVDC-TF Service under this Schedule 20A requires that the Transmission Customer acquire an advance reservation over the Phase I/II HVDC-TF prior to the scheduling of an associated Real-Time transaction that requires the use of the Phase I/II HVDC-TF.

2.4 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 elect to continue to take Phase I/II HVDC-TF Service from the Schedule 20A Service Providers when the contract expires, rolls over or is renewed, subject to the rights and obligations of the Schedule 20A Service Providers under the Restated Use Agreement, the Support Agreements, and the Phase I/II HVDC-TF Transmission Service Administration Agreement. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Schedule 20A Service Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Schedule 20A Service Provider's Use Rights cannot accommodate all of the requests for Phase I/II HVDC-TF Service, the existing firm service customer must agree to accept a contract term at least equal to the longest competing request by any new Transmission 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 Schedule 20A Service Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its Phase I/II HVDC-TF 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, subject to the rights and obligations of the Schedule 20A Service Providers under the Restated Use Agreement, the Support Agreements, and the Phase I/II HVDC-TF Transmission Service Administration Agreement. Service Agreements subject to a right of first refusal entered into

prior to the date of the Schedule 20A Service Providers' 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 Schedule 20A Service Providers' 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 Schedule 20A Service Providers' filing adopting the reformed rollover language herein in compliance with Order No. 890.

3. Transmission Customer Responsibilities

3.1 Conditions Required of Transmission Customers: Phase I/II HVDC-TF Service will be provided by the Schedule 20A Service Provider only if the following conditions are satisfied by the Transmission Customer.

- (a) The Transmission Customer has submitted a Completed Application for Phase I/II HVDC-TF Service in accordance with this Schedule 20A;
- (b) The Transmission Customer continues to qualify as an Eligible Customer;
- (c) The Transmission Customer and the Schedule 20A Service Provider have executed a Phase I/II HVDC-TF Service Agreement pursuant to this Schedule 20A;
- (d) The Transmission Customer agrees to have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Point of Receipt prior to the time service commences;
- (e) The Transmission Customer agrees to submit External Transactions into the New England Markets in accordance with the applicable ISO New England Operating Documents;
- (f) The Transmission Customer agrees to pay for Phase I/II HVDC-TF Service Charges, any Congestion Costs or other redispatch costs chargeable to such Transmission Customer under this Schedule 20A, and the Tariff, whether or not the Transmission Customer takes service for the full term of its Phase I/II HVDC-TF Service reservation;

(g) The Transmission Customer has an advance reservation with a Schedule 20A Service Provider for Phase I/II HVDC-TF Service;

(h) The Transmission Customer meets the creditworthiness procedures in Attachment L to the Schedule 20A Service Provider's Phase I/II HVDC-TF Service Schedule in Part II of Schedule 20A; and

(i) The Transmission Customer provides the information required by the ISO's regional system planning process.

3.2 Transmission Customer Responsibility for Third-Party Arrangements: Any arrangements for Transmission Service and the scheduling of transactions that may be required by neighboring electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by ISO, notification to ISO identifying such neighboring electric systems and authorizing them to schedule the transactions to be transmitted pursuant to the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt.

The Transmission Customer shall arrange for Transmission Service, as necessary, in accordance with the Tariff. The ISO 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.

4. Procedures for Arranging Phase I/II HVDC-TF Service

4.1 Application: Eligible Customers seeking Phase I/II HVDC-TF Service must submit a Completed Application for Phase I/II HVDC-TF Service to the Schedule 20A Service Provider in accordance with the applicable section of this Schedule 20A and in accordance with the Schedule 20A Service Provider's rules, as posted on the Phase I/II HVDC-TF Transmission Provider Page. The Schedule 20A Service Provider shall post a copy of its form of Application for Phase I/II HVDC-TF Service on its Phase I/II HVDC-TF Transmission Provider Page.

4.2 Completed Application: A Completed Application for Phase I/II HVDC-TF Service shall provide all of the information included at 18 C.F.R. § 2.20 of the Commission's regulations, 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 this Schedule 20A;
- (iii) The Point(s) of Receipt and Point(s) of Delivery;
- (iv) The maximum amount of capacity and energy expected to be utilized under the Phase I/II HVDC-TF Service Agreement;
- (v) The Service Commencement Date and the term of the requested Phase I/II HVDC-TF Service;
- (vi) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Phase I/II HVDC-TF. Customers may combine their requests for Phase I/II HVDC-TF Service in order to satisfy the minimum transmission capacity requirement;
- (vii) A statement indicating that if the Transmission Customer submits a Pre-Confirmed Request, then the Transmission Customer will take and pay for the requested Phase I/II HVDC-TF Service upon acceptance on OASIS by the Schedule 20A Service Provider that can provide the requested Phase I/II HVDC-TF Service; and
- (viii) Any additional information required by the ISO's regional system planning process.
- (ix) In addition to the information specified above and when required to properly evaluate the application for service, the Schedule 20A Service Provider also may request that the Eligible Customer provide the following:

- 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.
- A description of the supply characteristics of the capacity and energy to be delivered.

4.3 Deposit: If required by the Schedule 20A Service Provider, a Completed Application for Phase I/II HVDC-TF Service by a Transmission Customer shall also include a deposit of either (a) one (1) month's charge for Reserved Capacity over the Phase I/II HVDC-TF for service requests of one (1) month or greater or (b) the full charge for Reserved Capacity over the Phase I/II HVDC-TF for service requests of less than one (1) month. If the Application for Phase I/II HVDC-TF Service is rejected by the Schedule 20A Service Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a request for proposals (RFP), the deposit will be returned with interest, less any reasonable costs incurred by the Schedule 20A Service Provider, the ISO or any affected Transmission Owners in connection with the review of the Application for Phase I/II HVDC-TF Service. If an Application for Phase I/II HVDC-TF Service is withdrawn or the Eligible Customer decides not to enter into a Phase I/II HVDC-TF Service Agreement, the deposit will be refunded in full, with interest, less reasonable costs incurred by the Schedule 20A Service Provider, the ISO or any affected Transmission Owners to the extent such costs have not already been recovered from the Eligible Customer. The Schedule 20A Service Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. If a Phase I/II HVDC-TF Service Agreement is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Phase I/II HVDC-TF Service Agreement. Applicable interest will be calculated in accordance with Commission regulations from the day the deposit is credited to the Schedule 20A Service Provider's account.

4.4 Notice of Deficient Application: If an Application for Phase I/II HVDC-TF Service fails to meet the requirements of this Schedule 20A, the Schedule 20A Service Provider will notify the entity requesting service within fifteen (15) days of the Schedule 20A Service Provider's receipt of the Application for Phase I/II HVDC-TF Service of the reasons for such failure. The Schedule 20A Service Provider and the Eligible Customer will attempt to remedy minor deficiencies in the Application for Phase I/II HVDC-TF Service through informal communications. If such efforts are unsuccessful, the Schedule 20A Service Provider will return the Application for Phase I/II HVDC-TF Service, along with any deposit (less the reasonable

costs incurred by the Schedule 20A Service Provider, the ISO or any affected Transmission Owners in connection with the Application for Phase I/II HVDC-TF Service), with interest, to the Eligible Customer. Upon receipt of a new or revised Application for Phase I/II HVDC-TF Service that fully complies with the requirements of this Schedule 20A, the Eligible Customer will be assigned a new reservation priority based upon the date of receipt by the Schedule 20A Service Provider of the new or revised Application for Phase I/II HVDC-TF Service.

4.5 Response to a Completed Application: Following receipt of a Completed Application for Phase I/II HVDC-TF Service, the Eligible Customer will be notified as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application for Phase I/II HVDC-TF Service. Responses by the Schedule 20A Service Provider must be made as soon as practicable to all Completed Applications for Phase I/II HVDC-TF Service and the timing of such responses must be made on a nondiscriminatory basis.

4.6 Execution of Phase I/II HVDC-TF Service Agreement: Whenever the Schedule 20A Service Provider determines that the requested service can be provided, it will notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application for Phase I/II HVDC-TF Service, and will tender a Phase I/II HVDC-TF Service Agreement to the Eligible Customer. Failure of an Eligible Customer to execute and return the Phase I/II HVDC-TF Service Agreement or request the filing of an unexecuted Phase I/II HVDC-TF Service Agreement, within fifteen (15) days after it is tendered by the Schedule 20A Service Provider, shall be deemed a withdrawal and termination of the Application for Phase I/II HVDC-TF Service and any deposit (less the reasonable costs incurred by the Schedule 20A Service Provider, the ISO and any affected Transmission Owners in connection with the Application for Phase I/II HVDC-TF Service) submitted will be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Completed Application for Phase I/II HVDC-TF Service after such withdrawal and termination.

4.7 Reservation of Phase I/II HVDC-TF Service: OASIS requests for yearly or monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly, daily and hourly service shall be submitted no earlier than twenty-one (21) days before service is to commence.

4.8 Extensions for Commencement of Firm Phase I/II HVDC-TF Service: The Transmission Customer can obtain, subject to availability, up to five one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Phase I/II HVDC-TF Service for each year or fraction thereof within 15 days of notifying the Schedule 20A Service Provider 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 Phase I/II HVDC-TF Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity over the Phase I/II HVDC-TF, the original Reserved Capacity over the Phase I/II HVDC-TF will be released unless the following condition is satisfied: within thirty (30) days, the original Transmission Customer agrees to pay the applicable rate for Firm Phase I/II HVDC-TF Service for its Reserved Capacity over the Phase I/II HVDC-TF for the period that its reservation overlaps the period covered by such Eligible Customer's Completed Application for Phase I/II HVDC-TF Service. In the event the Transmission Customer elects to release the Reserved Capacity over the Phase I/II HVDC-TF, the reservation fees or portions thereof previously paid will be forfeited.

4.9 Confidentiality of Information and Standards of Conduct. The Schedule 20A Service Provider will treat all information included in the Completed Application for Phase I/II HVDC-TF Service as confidential in accordance with the standards of conduct contained in 18 C.F.R. Part 37 of the Commission's regulations except to the extent that disclosure of such information is required by this Schedule 20A, the Phase I/II HVDC-TF Service Agreement, Schedule 20A Service Provider's Business Practices, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice.

5. Determination of Available Transfer Capability

The Schedule 20A Service Provider will make a determination on a non-discriminatory basis of ATC pursuant to Attachment C to this Schedule 20A and Section II, Attachment C of the Tariff.

6. Payment for Phase I/II HVDC-TF Service

6.1 Phase I/II HVDC-TF Service Charge: A Transmission Customer shall pay the Schedule 20A Service Provider's Phase I/II HVDC-TF Service Charge to the Schedule 20A Service Provider under the terms of this Schedule 20A.

6.2 Discounts: Information regarding any discounts to the Phase I/II HVDC-TF Service Charge shall be offered by the Schedule 20A Service Provider in a not unduly discriminatory manner and posted on its Phase I/II HVDC-TF Transmission Provider Page pursuant to Commission regulations. Three principal requirements apply to discounts for transmission service over the Phase I/II HVDC-TF: (1) any offer of a discount made by a Schedule 20A Service Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted by the Schedule 20A Service Provider on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, the individual Schedule 20A Service Provider must offer the same discounted Phase I/II HVDC-TF Service rate for the same time period to all of its Eligible Customers.

6.3 Resales: The rates and rules governing charges and discounts stated in Sections 6.1 and 6.2 above shall not apply to resales of transmission service, compensation for which shall be governed by Section 8 of this Schedule 20A.

7. Changes in Service Specifications of Phase I/II HVDC-TF Service

7.1 Modification on a Firm Basis: Any request by a Transmission Customer to modify Point(s) of Receipt and Point(s) of Delivery on a firm basis shall be treated as a new request for Phase I/II HVDC-TF Service in accordance with this Schedule 20A, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation over the Phase I/II HVDC-TF does not exceed the amount reserved in the existing Phase I/II HVDC-TF Service Agreement. While such new request is pending, the Transmission Customer shall retain its reservation priority for service at the firm Receipt Point(s) and Delivery Point(s) specified in the Transmission Customer's existing Phase I/II HVDC-TF Service Agreement.

7.2 Modifications on a Non-Firm Basis: The Transmission Customer taking Firm Phase I/II HVDC-TF Service may submit a request to the Schedule 20A Service Provider for transmission service on a non-firm basis over Point(s) of Receipt and Point(s) of Delivery other

than those specified in the Phase I/II HVDC-TF Service Agreement (“Secondary Receipt and Delivery Points”), in amounts not to exceed the Transmission Customer’s firm capacity reservation over the Phase I/II HVDC-TF, without incurring an additional Non-Firm Phase I/II HVDC-TF Service charge or executing a new Phase I/II HVDC-TF Service Agreement, subject to the following conditions:

- (a) Phase I/II HVDC-TF 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 Phase I/II HVDC-TF Service reserved by Transmission Customers under this Schedule;
- (b) the Transmission Customer shall retain its right to schedule Firm Phase I/II HVDC-TF Service at the Point(s) of Receipt and Point(s) of Delivery specified in the relevant Phase I/II HVDC-TF Service Agreement in the amount of the Transmission Customer’s original Phase I/II HVDC-TF Service reservation over the Phase I/II HVDC-TF; and
- (c) Phase I/II HVDC-TF Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Phase I/II HVDC-TF Service under this Schedule. However, all other requirements of this Schedule (except as to Phase I/II HVDC-TF Service charges) shall apply to Phase I/II HVDC-TF Service on a non-firm basis over Secondary Receipt and Delivery Points.

8. Sale, Assignment or Transfer of Phase I/II HVDC-TF Service

8.1 Procedures for Sale, Assignment or Transfer of Service: Pursuant to Commission-approved rules posted by the Schedule 20A Service Provider on its Phase I/II HVDC-TF Transmission Provider Page, and subject to the requirements of the Restated Use Agreement, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Phase I/II HVDC-TF Service Agreement, but only to another Eligible Customer (the “Assignee”). The Transmission Customer that sells, assigns or transfers its rights under its Phase I/II HVDC-TF Service Agreement is hereafter referred to as the “Reseller” as the term is used throughout this Schedule 20A. 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 Schedule 20A Service Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Schedule 20A Service Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Schedule 20A Service Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Schedule 20A Service Provider 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 Phase I/II HVDC-TF Service Agreement, the Assignee shall receive the same services as did the Reseller and the transmission priority of service for the Assignee shall be the same as that of the Reseller. The Assignee shall be subject to all terms and conditions of this Schedule 20A. If the Assignee requests a change in service, the reservation priority of service will be determined by the Schedule 20A Service Provider pursuant to this Schedule 20A.

8.2 Limitations on and Obligations of 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 Phase I/II HVDC-TF Service Agreement, the Schedule 20A Service Provider will consent to such change subject to the provisions of this Schedule 20A, provided that the change will not impair the operation of the New England Markets or the operation and reliability of the New England Transmission System. The Reseller shall remain liable for the performance of all obligations under the Phase I/II HVDC-TF Service Agreement, except as specifically agreed to by the Schedule 20A Service Provider, the Reseller and the Assignee through an amendment to the Phase I/II HVDC-TF Service Agreement.

8.3 Information on Resale of Service: In accordance with this Schedule 20A, Transmission Customers may use the Phase I/II HVDC-TF Transmission Provider Page to post information regarding transmission capacity over the Phase I/II HVDC-TF available for resale. All sales or assignments of capacity must be conducted through or otherwise posted on the Schedule 20A Service Provider's OASIS on or before the date the reassigned service commences and are subject to Section 8.1.

9. Real Power Losses

Real power losses across the Phase I/II HVDC-TF shall be allocated solely to Transmission Customers that use Phase I/II HVDC-TF. Such allocation for transactions across the Phase I/II HVDC-TF shall be pursuant to the Tariff and in accordance with the operating protocols adopted by TransÉnergie and the Phase I/II HVDC-TF Owners. The Transmission Customer will be responsible for the losses associated with Phase I/II HVDC-TF Service, in addition to any losses associated with other transmission service under the Tariff.

10. No Obligation to Build or Expand the Phase I/II HVDC-TF

A Schedule 20A Service Provider's status under the Tariff shall not impose any obligation on it to build transmission facilities or expand the Phase I/II HVDC-TF. The offering of Phase I/II HVDC-TF Service under the Tariff shall not impose on the Phase I/II HVDC-TF Owners, the IRH or the ISO an obligation to build any transmission facilities to accommodate Phase I/II HVDC-TF Service.

11. No Effect on PTF Rates

Inclusion of Phase I/II HVDC-TF Service under the Tariff shall not affect rates for service on the PTF under the Tariff.

12. Ancillary Services

Transmission Customers taking service over the Phase I/II HVDC-TF Transmission System are required to acquire Ancillary Services from (a) the Schedule 20A Service Provider pursuant to the provisions within Section II to this Schedule 20A and (b) the Control Area Operator pursuant to the provisions within the Tariff. The specific Ancillary Services, prices and/or compensation methods are described in Section II to this Schedule 20A and in the applicable Schedules of the OATT.

13. Congestion Costs and FTRs

Congestion Costs will not be calculated, and therefore FTRs will not be offered, between any set of points on the Phase I/II HVDC-TF. Transmission Customers taking Phase I/II HVDC-TF Service in conjunction with service over the PTF, however, shall be subject to applicable Congestion Costs for any use of the PTF.

14. Creditworthiness

Each Schedule 20A Service Provider will specify its Creditworthiness procedures in Attachment L to its Phase I/II HVDC-TF Service Schedule in Part II of Schedule 20A.

15. Billing and Payment

15.1 Billing Procedure: Within a reasonable time after the first day of each month, the Schedule 20A Service Provider shall submit an invoice to the Transmission Customer for the charges for all Phase I/II HVDC-TF Service furnished under this Schedule 20A 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 the Schedule 20A Service Provider, or by wire transfer to a bank named by the Schedule 20A Service Provider.

15.2 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. 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 Schedule 20A Service Provider.

15.3 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 Schedule 20A Service Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Schedule 20A Service Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Schedule 20A Service Provider may initiate a proceeding with the Commission to terminate Phase I/II HVDC-TF Service but shall not terminate such service until the Commission approves any such request. In the event of a billing dispute between the Schedule 20A Service Provider and the Transmission Customer, the Schedule 20A Service Provider will continue to provide Phase I/II HVDC-TF 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 Phase I/II HVDC-TF Service, then the Schedule 20A Service Provider may provide notice to the Transmission Customer of its intention to suspend such service in sixty (60) days, in accordance with Commission policy.

16. Standards for Business Practices and Communication Protocols for Public Utilities

The following NAESB Version 003 Standards are hereby incorporated by reference in this Schedule 20A to the extent they apply to the Schedule 20A Service Providers:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information System (OASIS), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2 and 001-106.2.5;
- WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).
- WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on December 28, 2012);
- WEQ-012, Public Key Infrastructure (PKI) WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on October 4, 2012); and
- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).

The Schedule 20A Service Providers have requested a waiver of the following NAESB Version 003 Standards pursuant to a compliance filing submitted to the Commission on December 1, 2014 [and a Supplemental Waiver Request on April 14, 2015](#) to comply with FERC Order No. 676-H, *Standards for Business Practices and Communication Protocols for Public Utilities*, 148 FERC ¶ 61,205 (2014), as modified by the Commission's October 3, 2014 *Errata Notice*, 149 FERC ¶ 61,014 (2014).

- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012);
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;

- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas / Electric Coordination, WEQ Version 003, July 31, 2012; *(To the extent that this standard does apply to an individual Schedule 20A Service Provider, the incorporation of this standard shall be addressed within the respective Schedule 20A Service Provider-specific schedule under Part II of this Schedule 20A.)*
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012;
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012; and
- WEQ-000, WEQ-001, WEQ-002 and WEQ-003, related to Network Integration Transmission Service (“NITS”), WEQ Version 003, July 31, 2012; and
- WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013, related to Service Across Multiple Transmission Systems (“SAMTS”), WEQ Version 003, July 31, 2012.

SCHEDULE 20A

ATTACHMENT A

PHASE I/II HVDC-TF SERVICE AGREEMENT

This Phase I/II HVDC-TF Service Agreement (“Service Agreement”), dated as of _____, is entered into, by and between _____ (“Schedule 20A Service Provider”) and _____ (“Transmission Customer”).

PART I – General Terms and Conditions

1. Service Provided: Phase I/II HVDC-TF Service under Part II, Schedule 20A of the ISO New England Inc., Transmission, Markets and Services Tariff (“Tariff”) (Check applicable service):

Non-Firm (Part I) Firm (Parts I & II)

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 Phase I/II HVDC-TF Service under this Service Agreement and the Tariff.

4. The Transmission Customer agrees to supply information associated with its request for Phase I/II HVDC-TF Service to the Schedule 20A Service Provider that the Schedule 20A Service Provider deems reasonably necessary in accordance with Schedule 20A and Good Utility Practice in order for it to receive the requested service.

5. The Schedule 20A Service Provider agrees to provide and the Transmission Customer agrees to take and pay for Phase I/II HVDC-TF Service in accordance with the provisions of the Tariff and this Service Agreement.

6. Service will be subject to some combination of the charges detailed in Part II, Schedule 20A of the Tariff. The appropriate charges will be determined in accordance with the terms and conditions of Schedule 20A.

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

Transmission Customer:

Schedule 20A Service Provider:

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

9. Nothing contained in this Service Agreement shall be construed as affecting in any way the right of the Schedule 20A Service Provider 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 Service Agreement. Nothing contained in this 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 Service Agreement.

10. Phase I/II HVDC-TF Service under this Service Agreement shall commence on the later of: (1) _____, or (2) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

PART II – Firm Phase I/II HVDC-TF Service

1. Specifications for Phase I/II HVDC-TF Service.

a. Term of Transaction: _____

b. Description of capacity and energy to be transmitted over the Phase I/II HVDC-TF including the electric Control Area in which the transaction originates:

c. Point(s) of Receipt and Capacity Reservation:

d. Delivering Party: _____

e. Point(s) of Delivery and Capacity Reservation:

f. Receiving Party: _____

g. Reserved Capacity: _____

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

Additional terms and conditions as may be specified in individual Schedule 20A Service Providers' Service Schedule:

IN WITNESS WHEREOF, the Parties have caused this Phase I/II HVDC-TF Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By: _____
Name Title Date

Print Name

Schedule 20A Service Provider:

By: _____
Name Title Date

Print Name

SCHEDULE 20A

ATTACHMENT A-1

**Form of PHASE I/II-TF Service Agreement For
The Resale, Reassignment or Transfer of
Point-To-Point Phase I/II HVDC-TF Service**

1. This Phase I/II HVDC-TF Service Agreement (“Service Agreement”), dated as of _____, is entered into, by and between _____ (“Schedule 20A Service Provider”) and _____ (“Assignee”).
2. The Assignee has been determined by the Schedule 20A Service Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
3. The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part I of Schedule 20A and the Schedule 20A Service Provider’s Service Schedule of Schedule 20A, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section I.8.1 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.8.2 of this Tariff.
4. The Schedule 20A Service Provider shall credit the Reseller for the price reflected in the Assignee’s Service Agreement or the associated OASIS schedule.
5. 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.

Schedule 20A Service Provider:

Assignee:

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

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

Schedule 20A Service Provider:

By: _____
Name Title Date

Print Name

Assignee:

By: _____
Name Title Date

Print Name

**Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Phase I/II HVDC-TF Service**

1. Term of Transaction: _____

Start Date: _____

Termination Date: _____

2. Description of capacity and energy to be transmitted by the Schedule 20A Service Provider including the electric Control Area in which the transaction originates.

3. Point(s) of Receipt: _____

Delivering Party: _____

4. Point(s) of Delivery: _____

Receiving Party: _____

5. Maximum amount of reassigned capacity: _____

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

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

(Name of Transmission Owner) Open Access Transmission Tariff

8. 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 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:

II. PHASE I/II HVDC-TF SERVICE SCHEDULES

The specific terms and conditions for rates and charges of the individual Schedule 20A Service Providers' offering of their Phase I/II HVDC-TF Use Rights are found in the Phase I/II HVDC-TF Service Schedules in this Part II of Schedule 20A.

SCHEDULE 20A

ATTACHMENT C

METHODOLOGY TO ASSESS AVAILABLE TRANSFER CAPABILITY

1. INTRODUCTION

This Attachment C to Schedule 20A applies to the calculation of transfer capability of the Phase I/II HVDC-TF by the Schedule 20A Service Providers.

1.1 Scope of Document

This Attachment C to Schedule 20A addresses the following items with respect to the Phase I/II HVDC-TF between the Hydro-Quebec Control Area and the New England Control Area for the Schedule 20A Service Providers:

- Total Transfer Capability (TTC) methodology
- Available Transfer Capability (ATC) methodology
- Existing Transmission Commitments (ETC)
- Use of Transmission Reliability Margin (TRM)
- Use of Capacity Benefit Margin (CBM)
- Use of Roll-over Rights (ROR) in the calculation of ETC

1.2 Overview of Phase I/II HVDC-TF

The Phase I/II HVDC-TF is a 2,000 MW HVDC tie line in New England that interconnects the New England Control Area with the Hydro-Québec Control Area in the Province of Québec, Canada. This HVDC line has one termination point in New England (with paired operation with complementary facilities in Québec). The specific facilities in New England are the Sandy Pond HVDC Terminal, which interconnects Central Massachusetts and the Nicolet and/or Radisson HVDC terminals of Hydro-Québec. Additional information on the Phase I/II HVDC-TF can be found at ISO New England OASIS web site under the “IRH”.

1.3 Definitions

Capitalized terms used and defined in this Attachment C to Schedule 20A shall have the meaning given them under this Attachment. Capitalized terms used and not defined in this Schedule 20A but defined in other sections of Schedule 20A or the ISO Tariff shall have the meaning given them under those sections. Capitalized terms used in this Attachment C to Schedule 20A that are not defined in it or elsewhere in Schedule 20A or the ISO Tariff shall have the meanings in the Restated Use Agreement or those customarily attributed to applicable criteria, rules, standards and operating procedures.

Balancing Authority (BA): The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

Balancing Authority Area: The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Export: New England to Hydro-Quebec

Import: Hydro-Quebec to New England

Operating Horizon (OH): For the purposes of this document,

- CVPS resets the OH at 16:00 eastern prevailing time each day. At that time, the OH spans from 16:00 through midnight two days out for a total of 56 hours. As time progresses the total hours remaining in the OH decreases until 16:00 the following day when the OH is once again reset to 56 hours.
- All SSPs (except CVPS) individually reset their OHs at 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.

Planning Horizon (PH): For the purpose of this Attachment C to Schedule 20A, PH for any Schedule 20A Service Provider is any period before the OH.

Scheduling Horizon (SH): For the purpose of this Attachment C to Schedule 20A, SH is Real-Time and the hour before and utilizes Firm and Non-Firm Phase I/II HVDC-TF Service pursuant to ISO New England Operating Documents.

2. PHASE I/II HVDC-TF 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 the Phase I/II HVDC-TF is calculated by the ISO as Transmission Operator using the NERC Standard MOD-029-1 Rated System Path Methodology and posted on the ISO New England OASIS site. Therefore, all requirements associated with the documentation of TTC methodology are addressed in Sections 1 and 3 of Section II, Attachment C – Available Transfer Capability Methodology of the ISO Tariff.

3. PHASE I/II HVDC-TF AVAILABLE TRANSFER CAPABILITY (ATC)

General

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. However, several of those items are not applicable to the Phase I/II HVDC-TF due to the fact that the Phase I/II HVDC-TF is a DC facility and sinks into a region where advance transmission service is not required. Because of this arrangement, loop flow is not an issue; and since associated Regional Transmission Service is not sold in advance of real-time flow within ISO New England, the flow on the Phase I/II HVDC-TF does not typically impact the calculation of any other transfer capability.

Each Schedule 20A Service Provider, based on its Planning and Operating Horizon timing guidelines, will calculate and post as specified in Section 5 of this document Firm and Non-Firm Phase I/II HVDC-TF ATC separately using the NERC Standard MOD-029-1 Rated System Path Methodology.

Phase I/II HVDC-TF 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 use of CBM on Phase I/II HVDC-TF is governed by the overall ISO 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 their Capacity Requirements prior to the beginning of any given month in accordance with the ISO Tariff. As such, no CBM on Phase I/II HVDC-TF is set aside by any SSP for use by Load Serving Entities in ATC calculations. Therefore CBM is zero and will not be included in the calculations of ATC. As long as this market design is in place in New England, the CBM will continue to be set to zero.

Existing Transmission Commitments, Firm (ETC_F)

The ETC_F are those Phase I/II HVDC-TF 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 Phase I/II HVDC-TF 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 TRM is the amount of transmission transfer capability 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. TRM is only applicable to Firm Phase I/II HVDC-TF ATC and shall not be applied to Non-Firm Phase I/II HVDC-TF ATC.

The ISO, as Transmission Operator, is responsible for calculating the TRM on the Phase I/II HVDC-TF interface. The Phase I/II HVDC-TF interface poses one of the largest contingency risks in the NYISO, PJM and New England Control Areas. As such, the Import TRM on the Phase I/II HVDC-TF is directly related to these operational limits which can be enforced at any time and the Import TRM is calculated as TTC minus the largest single source contingency. Therefore the SSPs set the Import TRM at 800 MW such that Firm Transmission Service is not sold above this operational limit.

Export TRM is established based on the methodology to account for operational uncertainties on the Hydro-Quebec TransEnergie transmission system. Therefore, the Export TRM is calculated as TTC minus these operational uncertainties.

For additional information on TRM, refer to the ISO Tariff, Attachment C – Available Transfer Capability Methodology, Section 5.2.2 – TRM Calculation for the OTF.

4. CALCULATION OF PHASE I/II HVDC-TF ATC

4.1 Calculation of Phase I/II HVDC-TF Firm ATC (ATC_F)

4.1.1 Calculation of ATC_F in the PH

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, Phase I/II HVDC-TF CBM is zero. Firm Transmission Service over the Phase I/II HVDC-TF that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_F$ and $counterflows_F$ of Phase I/II HVDC-TF transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F and TRM.

4.1.2 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 ETC_F , CBM, TRM, $Postbacks_F$ and $counterflows_F$.

As discussed above, Phase I/II HVDC-TF CBM is zero. Daily Firm Transmission Service over the Phase I/II HVDC-TF is the only firm service offered in the Operating Horizon (OH). $Postbacks_F$ and $counterflows_F$ of Phase I/II HVDC-TF transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F and TRM.

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

4.2.1 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 CBM for Phase I/II HVDC-TF is zero. Non-Firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U , $Postbacks_{NF}$ and $counterflows_{NF}$ of Phase I/II HVDC-TF 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} .

4.2.2 Calculation of ATC_{NF} in the OH

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

TRM_U and $counterflows_{NF}$ are not considered in this calculation and CBM is zero. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F , and ETC_{NF} plus $Postbacks_{NF}$.

4.3 Negative ATC

Due to the calculation methodologies defined above, typically there should not be negative ATC values posted.

5. POSTING OF PHASE I/II HVDC-TF ATC

5.1 Location of ATC Posting

ATC values are posted separately on the Phase I/II HVDC-TF Transmission Provider's Page for the Schedule 20A Service Providers. In addition, a summary of the level of service available from the Schedule 20A Service Providers is available on the ISO New England OASIS site under the "IRH".

5.2 Updates To ATC

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

5.3 Coordination of ATC Calculations

The Phase I/II HVDC-TF is a controllable DC inter-Control Area tie line. Therefore it is not necessary to coordinate the Phase I/II HVDC-TF ATC values with the Hydro-Québec Control Area.

5.4 Load Forecast

The Phase I/II HVDC-TF is a controllable DC inter-Control Area tie line. Therefore, the ISO load forecast has no impact on the Phase I/II HVDC-TF ATC. The ISO is responsible for calculating the load forecast for the region and posts the load forecast on the ISO New England OASIS site.

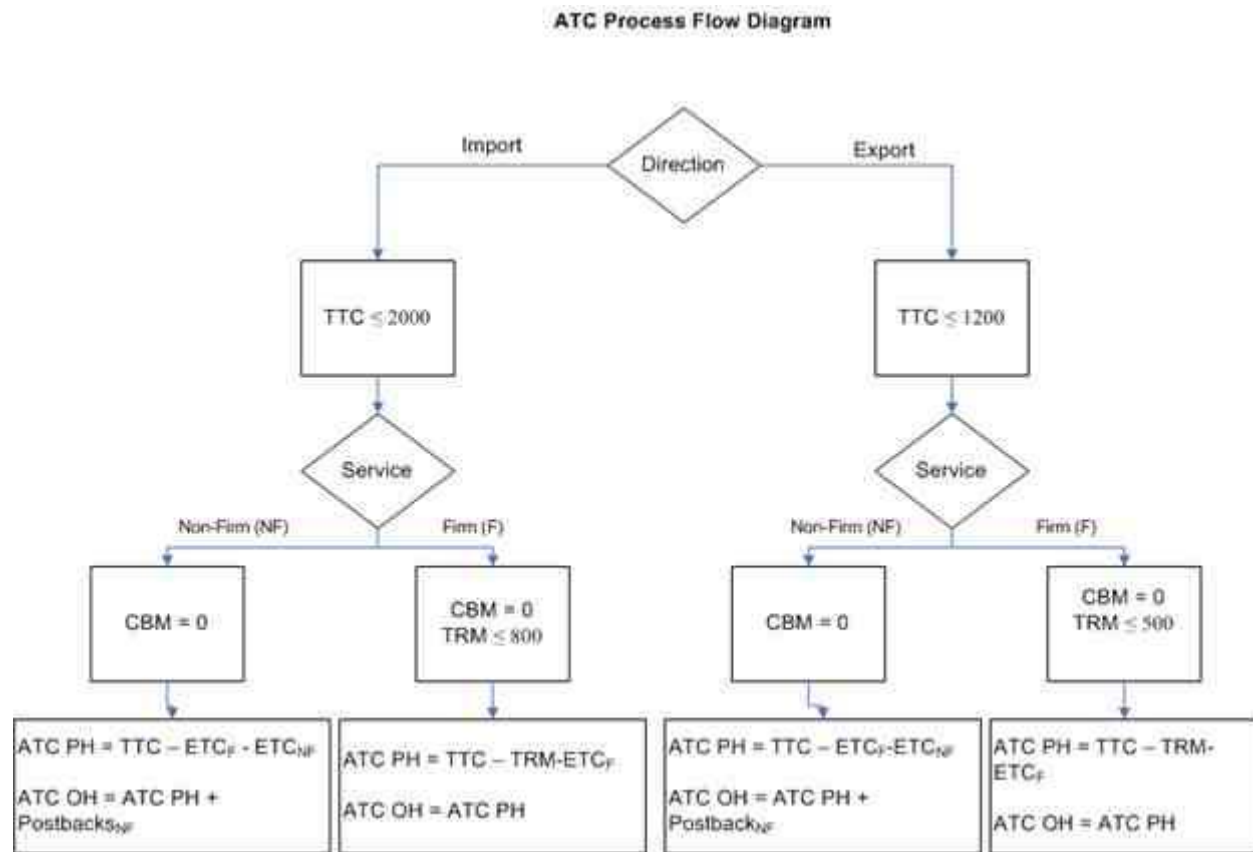
5.5 ATC Mathematical Algorithms

The mathematical algorithms are posted on the ISO New England OASIS web site at http://www.oatioasis.com/ISNE/ISNEdocs/sched20A_atc_algorithm.docx. Each SSP will provide a link to this document on their individual web sites.

5.6 Generation and Transmission Outages

The Phase I/II HVDC-TF is a controllable DC inter-Control Area tie line and therefore generation or transmission outages have no impact on the Phase I/II HVDC-TF ATC.

6. ATC PROCESS FLOW DIAGRAM



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 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.

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.

With the exception of waivers specified in certain PTO-specific Local Service Schedules, 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:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information System (OASIS), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2 and 001-106.2.5;
- WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);

- WEQ-012, Public Key Infrastructure (PKI) WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on October 4, 2012); and
- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).

The Participating Transmission Owners have requested a waiver of the following NAESB WEQ Version 003 Standards pursuant to a compliance filing submitted to the Commission on December 1, 2014 [and a Supplemental Waiver Request on April 14, 2015](#) to comply with FERC Order No. 676-H, *Standards for Business Practices and Communication Protocols for Public Utilities*, 148 FERC ¶ 61,205 (2014), as modified by the Commission’s October 3, 2014 *Errata Notice*, 149 FERC ¶ 61,014 (2014).

- WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on December 28, 2012);
- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012);
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;
- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas / Electric Coordination, WEQ Version 003, July 31, 2012; (*To the extent that this standard does apply to an individual PTO, the incorporation of this standard shall be addressed within the respective PTO-specific Local Service Schedule.*)
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012;
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012;
- [WEQ-000, WEQ-001, WEQ-002 and WEQ-003, related to Network Integration Transmission Service \(“NITS”\), WEQ Version 003, July 31, 2012; and](#)
- [WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013, related to Service Across Multiple Transmission Systems \(“SAMTS”\), WEQ Version 003, July 31, 2012.](#)

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 Agreements¹: 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 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

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.

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 its 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.

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

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.

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.

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

Regional Network Service customers must take either Local Network Service or Local Point-To-Point 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: (1) _____, 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.

Estimated Time

Milestone

(Activity)

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 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: (1) _____, 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.

Estimated Time

Milestone

(Activity)

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:

FERC rendition of the electronically filed tariff records in Docket No. ER15-00517-001
Filing Data:
CID: C000029
Filing Title: Supplemental Req. for Waiver of Stnds. for Bus. Prac. & Comm. Protocols
Company Filing Identifier: 469
Type of Filing Code: 80
Associated Filing Identifier: 438
Tariff Title: ISO New England Inc. Transmission, Markets and Services Tariff
Tariff ID: 1
Payment Confirmation:
Suspension Motion:

Tariff Record Data:
Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Schedule 18, Schedule 18 MTF; MTF Service, 5.0.0, A
Record Narrative Name: Schedule 18 - MTF; MTF Service
Tariff Record ID: 97
Tariff Record Collation Value: 471402858 Tariff Record Parent Identifier: 18
Proposed Date: 2015-04-15
Priority Order: 50
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

SCHEDULE 18 - MTF; MTF SERVICE

This Schedule 18 contains the main substantive provisions regarding the treatment of MTF and MTF Service under the OATT.

1. Definitions

Capitalized terms used and defined in this Schedule 18 shall have the meaning given them under this Schedule. Capitalized terms used and not defined in this Schedule 18 but defined in other provisions of the Tariff shall have the meaning given them under those provisions. Capitalized terms used in this Schedule 18 that are not defined in it or elsewhere in the Tariff shall have the meanings customarily attributed to such terms by the electric utility industry in New England.

1.1 MTF: The Cross Sound Cable high voltage, direct current Merchant Transmission Facilities of +/- 150 kV and associated dc/ac converter facilities that are directly interconnected with the 345 kV PTF in Connecticut at the East Shore substation, and the 138kV transmission facilities at the Shoreham substation on Long Island, New York that were subject to the Commission order in TransEnergy U.S., Ltd., 91 FERC 61,230 (2000) (Docket No. ER00-1-000).

1.2 MTF Provider: The owner of MTF, or its Designated Agent, that offers transmission service over the MTF to Eligible Customers through the MTF Transmission Provider Page on the OASIS.

1.3 MTF Service: Point-To-Point Transmission Service over MTF.

1.4 MTF Service Charge: The charge applicable to MTF Service, which shall be determined pursuant to arrangements between the MTF Provider and Eligible Customers that take MTF Service under this Schedule 18. The charge applicable to MTF Service shall be in accordance with the Commission's authorization for the MTF Provider to charge negotiated rates (i.e., rates established pursuant to market mechanisms as recognized for merchant transmission projects and not included in other OATT rates) for the use of transmission service over its MTF.

1.5 MTF Transmission Provider Page: The transmission provider page for the MTF located on the OASIS. Transmission Service over the MTF to Eligible Customers will be offered through the MTF Transmission Provider Page. Some of the information posted on the MTF Transmission Provider Page shall include: values for Available Transfer Capability (ATC); offerings for MTF Service (including Firm, Non-Firm and secondary transmission rights); the parameters and results of the Commission-mandated open-season process used to initially allocate transmission rights; a description of the Commission-approved rights allocation process; and procedures for the application for and acquisition of MTF Service.

2. Allocation of Available Transfer Capability Over MTF

2.1 Commission-Approved Allocation Process: All available transfer capability over MTF shall be allocated to the owner of the MTF who may assign it under a Commission-approved rights allocation process. The MTF Provider shall post the results of the Commission-approved rights allocation process on the MTF Transmission Provider Page. To the extent that transfer capability over MTF is not fully reserved through the Commission-approved rights allocation process, such excess transfer capability shall be available in accordance with this Schedule 18. In the event that the entire capability of the MTF is reserved under the Commission-approved rights allocation process, secondary rights to use the MTF, to the extent unused by the primary rights holders, shall be offered on the MTF Transmission Provider Page on the OASIS by MTF Providers in accordance with a Commission-approved process for offering such rights.

3. MTF Service

3.1 Nature of MTF Service

(a) Term of MTF Service:

- (i)** Firm MTF Service: The minimum term of Firm MTF Service shall be one day and the maximum term shall be that specified in the MTF Transmission Service Agreement.
- (ii)** Non-firm MTF Service: Non-Firm MTF Service will be available for periods ranging from one hour to one month and shall be that specified in the MTF Transmission Service Agreement. However, a Transmission Customer who purchases Non-Firm MTF 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 may be greater than one month, subject to the requirements of this Schedule 18.

(b) Reservation, Interruption, and Curtailment Priority for MTF Service:

- (i)** The MTF Provider shall post on the MTF Transmission Provider Page, rules setting reservation, interruption and Curtailment priorities for Firm and Non-Firm MTF Service. Such rules shall be non-discriminatory and consistent with the Commission's approval of the rights to charge negotiated rates (i.e., rates established pursuant to market mechanisms as recognized for merchant transmission projects and not included in other OATT rates).
- (ii)** If an MTF Provider fails to post such rules, then reservation, interruption and Curtailment priorities for Firm and Non-Firm MTF Service shall be the same as those established under the OATT for transmission service over the PTF.
- (iii)** MTF reservation priorities shall be established separately from OTF or PTF reservation priorities.
- (iv)** Firm MTF Service: The MTF reservation priority for either Long-Term Firm MTF Service or Short-Term Firm MTF Service (which are based upon an award of rights to transmission service over the MTF pursuant to a Commission-approved rights allocation process) shall be determined by the date of the issuance of such award.

- (v) **Non-Firm MTF Service:** Non-Firm MTF Service shall be available from transfer capability in excess of that needed for reliable service to Long-Term and Short-Term Firm MTF Service. A higher reservation priority will be assigned to Non-Firm MTF Service reservations with a longer duration of service than those reservations with a shorter duration. Competing requests of equal duration for Non-Firm MTF Service will be prioritized based on the highest price offered by the Eligible Customer for the transmission service, or in the event the price for all Eligible Customers is the same, will be prioritized on a first-come, first-served basis (i.e., in the chronological sequence in which each Transmission Customer has reserved service). Eligible Customers that have already reserved shorter-term service over MTF have the right of first refusal to match any longer-term request before being preempted, provided that such Eligible Customer's advance reservation is consistent with any modified request for Non-Firm MTF Service.
- (c) **Use of MTF Service By a Transmission Customer:** If a Transmission Customer elects to take MTF Service, it may reserve transmission service to facilitate both the delivery of energy and/or capacity to it over the MTF (to the extent permitted under the Transmission, Markets and Services Tariff) commensurate with the associated MTF transmission reservation designated by it in Completed Applications and the delivery of Energy and/or capacity to or from it over the MTF to the extent permitted under the Transmission, Markets and Services Tariff. In order to fulfill its obligations to serve load or to consummate a transaction, a Transmission Customer that takes MTF Service under this Schedule 18 must also take service under Schedule 8 or 9 of this OATT for use of the PTF and under Schedule 21 of this OATT for use of the Non-PTF, as applicable. Any load-serving entity may use MTF Service to effect transactions in bilateral arrangements.
- (d) **MTF Transmission Service Agreements:** A standard form MTF Transmission Service Agreement (Attachment A) will be offered to an Eligible Customer when it submits a Completed Application for Long-Term Firm, Short-Term Firm or Non-Firm MTF Service pursuant to this Schedule 18. Executed MTF Transmission Service Agreements that contain the information required under this Schedule 18 will be filed with the Commission in compliance with applicable Commission regulations.
- (e) **Classification of MTF Service:**

- (i) Transmission Customers requesting MTF Service for the transmission of capacity and energy do so with the full realization that such service is subject to availability and Curtailment pursuant to Section II.44 of this OATT and that the ISO will redispatch all Resources subject to its control, pursuant to the Transmission, Markets and Services Tariff, in order to meet load and to accommodate External Transactions. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Transmission, Markets and Services Tariff.
- (ii) Each Point of Receipt at which firm transmission capacity is reserved for Long-Term Firm MTF Service by the Transmission Customer shall be set forth in the MTF Transmission Service Agreement for such Service along with a corresponding capacity reservation over the MTF associated with each Point of Receipt.
- (iii) Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the MTF Provider and the Transmission Customer for Short-Term Firm MTF Service. Each Point of Delivery at which firm transmission capacity is reserved for Short-Term Firm MTF Service by the Transmission Customer shall be set forth in the MTF Transmission Service Agreement for such Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the MTF Provider and the Transmission Customer for Short-Term Firm MTF Service.
- (iv) Non-Firm MTF Service shall be offered under applicable terms and conditions contained in this Schedule 18. Non-Firm MTF 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.
- (v) 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 over the MTF. The Customer's use may not exceed its capacity reserved over the MTF at each Point of Receipt and each Point of Delivery except as otherwise specified in this Schedule 18.

- (f) **Scheduling Associated with MTF Service:** Market External Transactions submitted into the Real-time Market and associated with MTF Service shall be dispatched pursuant to the Transmission, Markets and Services Tariff. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such dispatch in accordance with the Transmission, Markets and Services Tariff.
- (g) **Curtailement Associated with MTF Service:** When the ISO determines that an electrical emergency exists on the New England Transmission System and implements emergency procedures to effect a Curtailement of MTF Service, the Transmission Customer shall make the required reductions upon the ISO's request. The ISO reserves the right to effect a Curtailement, as necessary, in whole or in part, of any MTF Service provided under this Schedule 18 when, in the ISO's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of the New England Transmission System. The ISO will notify all affected Transmission Customers in a timely manner of any Curtailements. The ISO will redispatch all Resources subject to its control, pursuant to this Tariff, in order to meet load and to accommodate External Transactions. To the extent not otherwise provided for in this Section, External Transactions using MTF Service shall be Curtailed or interrupted in accordance with Section II.44 of this OATT. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Transmission, Markets and Services Tariff. Pursuant to such redispatch, in the event that the ISO exercises its right to effect a Curtailement, in whole or part, of Firm MTF Service, no credit or other adjustment shall be provided as a result of the Curtailement with respect to the charge payable by the Transmission Customer, unless provided for by the MTF Provider under arrangements between the MTF Provider and the Transmission Customer.

3.2 Availability of MTF Service: To the extent that transfer capability over MTF has not been fully allocated in accordance with Section 2 of this Schedule 18, a Transmission Customer that is an Eligible Customer (except as provided below) may reserve Firm or Non-Firm MTF Service. Such service shall be provided and administered by the MTF Provider(s) and shall be reserved pursuant to the applicable terms and conditions of this Schedule 18. MTF Service shall be reserved through the MTF Provider pursuant to this Schedule 18. Service on the MTF requires advance reservations.

MTF Service is available to any Eligible Customer unless an MTF Provider has informed the ISO that MTF Service shall not be made available to such Eligible Customer due to that Customer's failure to make necessary payments for previously assessed MTF Service Charges or failure to meet the creditworthiness or operational requirements posted by the MTF Provider on the MTF Transmission Provider Page on the OASIS.

3.3 Reservation of MTF Service: An Eligible Customer requesting Firm or Non-Firm MTF Service shall comply with the applicable provisions of this Schedule 18.

4. Transmission Customer Responsibilities

4.1 Conditions Required of Transmission Customers: MTF Service will be provided by the MTF Provider only if the following conditions are satisfied by the Transmission Customer. Conditions (a) thru (e) apply to both Firm or Non-Firm MTF Service while (f) applies to Firm MTF Service only.

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in the information posted by the MTF Provider on the MTF Transmission Provider Page on the OASIS.
- (c) The Transmission Customer and the MTF Provider have executed a MTF Transmission Service Agreement pursuant to this Schedule 18;
- (d) The Transmission Customer agrees to have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Point of Receipt prior to the time service under this OATT commences;
- (e) The Transmission Customer agrees to submit External Transactions into the New England Markets in accordance with the applicable ISO System Rules; and
- (f) The Transmission Customer agrees to pay for any facilities or upgrades constructed or any Congestion Costs or other redispatch costs chargeable to such Transmission Customer under this Schedule 18, and the Transmission, Markets and Services Tariff,

whether or not the Transmission Customer takes service for the full term of its MTF reservation.

4.2 Transmission Customer Responsibility for Third-Party Arrangements: Any arrangements for transmission service and the scheduling of capacity and energy that may be required by neighboring electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the ISO, notification to the ISO identifying such neighboring electric systems and authorizing them to schedule the capacity and energy to be transmitted pursuant to this OATT on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. The Transmission Customer shall arrange for transmission service, as necessary, in accordance with this OATT, including Schedules 8, 9, 20 and 21. The ISO 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 MTF Service

5.1 Application: Eligible Customers seeking MTF Service must submit a Completed Application for MTF Service to the MTF Provider. MTF Service Applications should be submitted by entering the information listed below in the MTF Transmission Provider Pages on the OASIS. MTF Service requests should be submitted by transmitting the Completed Application in accordance with the MTF Transmission Provider's rules, as posted on the MTF Transmission Provider Page on the OASIS.

5.2 Request for Firm MTF Service

- (a) Timing:** A request for Firm MTF Service for periods of one (1) year or longer must be made in an Application, delivered to the MTF Provider at their place of business. The request should be delivered at least sixty (60) days in advance of the calendar month in which service is requested to commence. The MTF Provider will consider requests for such Firm MTF Service on shorter notice when practicable. Requests for Firm MTF Service for periods of less than one (1) year will be subject to expedited procedures that will be negotiated between the MTF Provider and the party requesting service within the time constraints provided in this Schedule 18.

- (b) Completed Application:** A Completed Application for Firm Point-To-Point Service

shall provide all of the information included at 18 C.F.R. § 2.20 of the Commission's regulations, 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 this Schedule 18;
- (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) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (v) The Service Commencement Date and the term of the requested MTF transmission service; and
- (vi) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the PTF, MTF or OTF. Customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement.
- (vii) In addition to the information specified above and when required to properly evaluate the application for service, the MTF Provider also may request that the eligible Customer provide the following:
 - 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 MTF Provider will treat this information as confidential in accordance with the MTF Provider's information policy except to the extent that disclosure of such information is required by this Schedule 18, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice; and
 - A description of the supply characteristics of the capacity and energy to be delivered.

The MTF Provider will treat this information in (vii) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by the MTF Transmission Service Agreement, MTF Provider's Business Practices, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice. The MTF Provider will treat this information consistent with the standards of conduct contained in 18 C.F.R. Part 37 of the Commission's regulations.

5.3 Request for Non-Firm MTF Service

- (a) **Timing:** When required, 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 five (5) days before service is to commence; and requests for hourly service shall be submitted no earlier than 9:00 a.m. the second day before service is to commence. Requests for service received later than noon of the day prior to the day service is scheduled to commence will be accommodated if practicable.
- (b) **Completed Application:** A Completed Application for MTF Service 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 this Schedule 18;
 - (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.

- (vi) In addition to the information specified above, when required to properly evaluate the application for service, the MTF Provider also may ask the Transmission Customer to provide the following:
- The electrical location of the initial source of the power to be transmitted pursuant to the Transmission Customer's request for service; and
 - The electrical location of the ultimate load.

The MTF Provider will treat this information in (vi.) as confidential at the request of the Transmission Customer except to the extent that disclosure of this information is required by the MTO pursuant to this Schedule 18, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice. The MTF Provider shall treat this information consistent with the standards of conduct contained in Part 37 of the Commission's regulations.

5.4 Deposit: If required by the MTF Provider, a Completed Application for MTF Service by a Transmission Customer shall also include a deposit of no more than (a) one (1) month's charge for Reserved Capacity over the MTF for service requests of one (1) month or greater or (b) the full charge for Reserved Capacity over the MTF for service requests of less than one (1) month. If the Application for MTF Service is rejected by the MTF Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a request for proposals (RFP), the deposit will be returned with Interest, less any reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners in connection with the review of the Application for MTF Service. The deposit also will be returned with Interest, less any reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners if the new facilities or upgrades needed to provide the service cannot be completed. If an Application for MTF Service is withdrawn or the Eligible Customer decides not to enter into a MTF Transmission Service Agreement, the deposit will be refunded in full, with Interest, less reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners to the extent such costs have not already been recovered from the Eligible Customer. The MTF Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities or upgrades are subject to the provisions of this OATT. If a MTF Transmission Service Agreement for MTF Service is executed, the deposit, with Interest, will be returned to the Transmission Customer upon expiration or termination of the MTF Transmission Service

Agreement. Applicable Interest will be calculated from the day the deposit is credited to the MTF Provider's account.

5.5 Notice of Deficient Application: If an Application for MTF Service fails to meet the requirements of this Schedule 18, the MTF Provider will notify the entity requesting service within fifteen (15) days of the MTF Provider's receipt of the Application for MTF Service of the reasons for such failure. The MTF Provider will attempt to remedy minor deficiencies in the Application for MTF Service through informal communications with the Eligible Customer. If such efforts are unsuccessful, the MTF Provider will return the Application for MTF Service, along with any deposit (less the reasonable administrative costs incurred by the MTF Provider, the ISO or any affected Transmission Owners in connection with the Application for MTF Service), with Interest. Upon receipt of a new or revised Application for MTF Service that fully complies with the requirements of this Schedule 18, the Eligible Customer will be assigned a new reservation priority based upon the date of receipt by the MTF Provider of the new or revised Application for MTF Service.

5.6 Response to a Completed Application: Following receipt of a Completed Application the Eligible Customer will be notified as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application for MTF Service. Responses by the MTF Provider must be made as soon as practicable to all Completed Applications for MTF Service and the timing of such responses must be made on a nondiscriminatory basis.

5.7 Execution of MTF Transmission Service Agreement: Whenever the MTF Provider determines that a System Impact Study is not required and that the requested service can be provided, it will notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application for MTF Service, and will tender a MTF Transmission Service Agreement to the Eligible Customer. Failure of an Eligible Customer to execute and return the MTF Transmission Service Agreement or request the filing of an unexecuted MTF Transmission Service Agreement, within fifteen (15) days after it is tendered by the MTF Provider shall be deemed a withdrawal and termination of the Application for MTF Service and any deposit (less the reasonable administrative costs incurred by the MTF Provider, the ISO and any affected Transmission Owners in connection with the Application for MTF Service) submitted will be refunded with Interest. Nothing herein limits the right of an Eligible Customer to file another Application for MTF Service after such withdrawal and termination. Where a System Impact Study is required, the provisions of this Schedule 18 will govern the execution of a MTF Transmission Service Agreement.

(a) Extensions for Commencement of Firm MTF Service: The Transmission Customer can obtain, subject to availability, up to five one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm MTF Service for each year or fraction thereof within 15 days of notifying the MTF Provider that 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 MTF Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity over the MTF, the original Reserved Capacity over the MTF will be released unless the following condition is satisfied: within thirty (30) days, the original Transmission Customer agrees to pay the applicable rate for Firm MTF Service for its Reserved Capacity over the MTF for the period that its reservation overlaps the period covered by such Eligible Customer's Completed Application for MTF Service. In the event the Transmission Customer elects to release the Reserved Capacity over the MTF, the reservation fees or portions thereof previously paid will be forfeited.

5.8 Confidentiality of Information and Standards of Conduct. The MTF Provider will treat all information included in the Application as confidential in accordance with the MTF Provider's information policy except to the extent that disclosure of such information is required by this Schedule 18, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice. The MTF Provider will treat this information consistent with the standards of conduct contained in 18 C.F.R. Part 37 of the Commission's regulations.

6. Determination of Available Transfer Capability

Following approval of a tendered application for MTF Service, the MTF Provider will make a determination on a non-discriminatory basis of Available Transfer Capability pursuant to this Schedule 18 and Attachment C to this OATT. 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-five (35) minutes for hourly service, (ii) thirty-five (35) minutes for daily service, (iii) four (4) hours for weekly service, and (iv) two (2) days for monthly service.

7. Payment for MTF Service

A Transmission Customer shall pay the MTF Service Charge to the MTF Provider, or its designated

agent, if the Customer: (i) receives Firm or Non-Firm MTF Service based upon an allocation of rights to transmission service over the MTF awarded to the Transmission Customer through a Commission-approved rights allocation process; (ii) reserves on the MTF Transmission Provider Page transfer capability over the MTF not initially allocated in the Commission-approved rights allocation process; or (iii) reserves on the MTF Transmission Provider Page transfer capability over the MTF made available as a result of an assignment by a rights holder of MTF transfer capability, a default release pursuant to rules filed with the Commission and business practices or a capability forfeiture by a rights holder for non-use consistent with the terms of a Commission-approved rights allocation. The Transmission Customer will be billed for its Reserved Capacity over the MTF under the terms of this Schedule 18 for MTF.

8. Changes in Service Specifications of MTF Service

8.1 Modification on a Firm Basis: Any request by a Transmission Customer to modify Point(s) of Receipt and Point(s) of Delivery on a firm basis shall be treated as a new request for MTF Service in accordance with this Schedule 18, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation over the MTF does not exceed the amount reserved in the existing MTF Transmission Service Agreement. While such new request is pending, the Transmission Customer shall retain its reservation priority for service at the firm Point(s) of Receipt and Point(s) of Delivery specified in the Transmission Customer's MTF Transmission Service Agreement.

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

- (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 Transmission Customers under this OATT or by the Transmission Customers on behalf of their Native Load Customers or Excepted Transactions;
- (b) the Transmission Customer shall retain its right to schedule Firm MTF Service at the

Point(s) of Receipt and Point(s) of Delivery specified in the relevant MTF Transmission Service Agreement in the amount of the Transmission Customer's original capacity reservation over the MTF; and

- (c) service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm MTF Service under the OATT. However, all other requirements of this OATT (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

9. Sale, Assignment or Transfer of MTF Service

9.1 Procedures for Sale, Assignment or Transfer of Service: Pursuant to Commission-approved rules posted by the MTF Provider on the MTF Transmission Provider Pages on the OASIS, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its MTF Transmission Service Agreement, but only to another Eligible Customer (the "Assignee"). The Transmission Customer that sells, assigns or transfers its rights under its MTF Transmission Service Agreement is hereafter referred to as the "Reseller." Compensation to the Reseller shall be at rates established by the Reseller and posted on the MTF Transmission Provider Page. The Assignee must execute a service agreement with the MTF Provider governing reassignments of transmission service prior to the date on which the reassigned service. 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 MTF Transmission Service Agreement, the Assignee shall receive the same services as did the Reseller and the transmission priority of service for the Assignee shall be the same as that of the Reseller. A Reseller shall notify the MTF Provider as soon as possible after any sale, assignment or transfer of service occurs, but in any event, notification must be provided prior to any provision of service to the Assignee. The Assignee shall be subject to all terms and conditions of this Schedule 18. If the Assignee requests a change in service, the reservation priority of service will be determined by the MTF Provider pursuant to this Schedule 18.

9.2 Limitations on and Obligations of 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 MTF Transmission Service Agreement, the MTF Provider will consent to such change subject to the provisions of this Schedule 18, provided that the change will not impair the operation and reliability of the Market Participants' generation systems or TO's transmission

or distribution systems. The Assignee shall compensate the MTF Provider, the ISO and any affected Transmission Owner for performing any System Impact Study needed to evaluate the capability of the MTF 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 MTF Transmission Service Agreement, except as specifically agreed to by the MTF Provider, the Reseller and the Assignee through an amendment to the MTF Transmission Service Agreement.

9.3 Information on Assignment or Transfer of Service: All re-sales or assignments of capacity must be conducted through or otherwise posted on the MTF Transmission Provider Page on or before the date the reassigned service commences and are subject to Section 9.1 of this Schedule 18. In accordance with this Schedule 18, Transmission Customers may also use the MTF Transmission Provider Page to post information regarding transmission capacity over the MTF available for resale.

10. Real Power Losses

Real power losses across MTF shall be allocated solely to Transmission Customers that use MTF. Such allocation for transactions across MTF shall be pursuant to the Transmission, Markets and Services Tariff.

11. No Obligation to Build

The MTF Provider status under the OATT shall not impose an obligation to build transmission facilities on the MTF Provider. The offering of MTF Service under this OATT shall not impose an obligation to build transmission facilities on the Market Participants, Transmission Owners or the ISO.

12. No Effect on Rates; No Allocation of Revenues

MTF and MTF Service shall not affect rates for service on the PTF under this OATT and MTF Providers shall not be allocated any revenues collected under this OATT for such service.

13. Ancillary Services

Ancillary Services costs associated with MTF Service shall be assessed pursuant to this Tariff.

14. Congestion Costs and FTRs

Pursuant to the Transmission, Markets and Services Tariff, Congestion Costs will not be calculated, and therefore FTRs will not be offered, between any set of points on the MTF, so long as it remains MTF. Transmission Customers taking MTF Service, however, shall be subject to applicable Congestion Costs for any use of the PTF.

SCHEDULE 18 - IMPLEMENTATION RULE
CROSS-SOUND CABLE COMPANY, LLC
PROCEDURES FOR THE REASSIGNMENT OF TRANSMISSION RIGHTS

The procedures for reassignment of CSC transmission rights are consistent with, and supplement, the provisions of the ISO-NE OATT governing the provision of MTF Service. The applicable ISO-NE OATT rules include ISO-NE OATT Schedule 18 and ISO-NE OATT Section II.44 . The following procedures will apply to the release of unused transfer capability to third parties:

1. Definitions

- (a) “CSC” means the Cross Sound Cable.
- (b) “CSC LLC” means Cross-Sound Cable Company, LLC.
- (c) “CSC OASIS” means the CSC node on the ISO-NE OASIS site of the CSC.
- (d) “External Transaction” means a transaction as defined under Market Rule 1.
- (e) “Firm MTF Service” means firm service held by the primary rights holder to the transmission rights over the CSC.
- (f) “ISO-NE” means ISO New England, Inc.
- (g) “ISO-NE OATT” means the ISO-NE Open Access Transmission Tariff (Section II of the ISO-NE Transmission, Markets and Services Tariff), on file with the Federal Energy Regulatory Commission, as modified and amended from time to time.
- (h) “MTF Service” means service over the CSC taken under Schedule 18 and other relevant portions of the ISO-NE OATT.

- (i) **“MTF Service Agreement”** refers to the service agreement contained in Attachment A to Schedule 18 in the ISO-NE OATT, as modified and amended from time to time.
- (j) **“New England OASIS”** means the OASIS site of the New England System Operator.
- (k) **“Non-Firm MTF Service”** refers to any service over the CSC that is not Firm MTF Service.
- (l) **“NYISO”** refers to the New York Independent System Operator, Inc.
- (m) **“OASIS”** means Open Access Same Time Information System.
- (n) **“Rights Holder”** refers to the entity or entities that have an executed MTF Service Agreement for Firm MTF Service.
- (o) **“System Operator”** refers to the ISO-NE or any other entity that in the future has operational control over the CSC.

2. Process for Release

The release of unused transfer capability will be facilitated through the posting of available transfer capability on the CSC OASIS site. The posting of such releases and notices of assignment shall be consistent with FERC procedures regarding OASIS postings.

3. Character of Service to be Released

Unless otherwise posted on the CSC OASIS, all releases of transfer capability will be for Non-Firm MTF Service. Such Non-Firm MTF Service may be released on a monthly, weekly, daily or hourly basis. MTF Service is unidirectional (i.e. scheduling from New Haven to Shoreham as an export transaction from New England or Shoreham to New Haven as an import transaction into New England). The characteristics of Firm MTF Service and Non-Firm MTF Service are set forth in Schedule 18 of the ISO-NE OATT.

4. Assignment of Rights Holders’ MTF Service Reservation

A Rights Holder may separately assign its advance reservation for MTF Service to third parties provided that notice of such assignment is provided to CSC LLC and ISO-NE with such information then posted on the CSC OASIS. The assignment of such advance reservation may be on either a firm or non-firm basis,

be in whole or in part, in segments, on a full or partial term basis, with or without recall rights or any combination thereof.

5. Transmission Customers

Market participants seeking to acquire an advance reservation over the CSC must meet the creditworthiness and financial security standards established by CSC LLC and the relevant Rights Holder and have an executed MTF Service Agreement.

6. Timing of Release

Rights Holder(s) shall notify CSC LLC and ISO-NE of the release of any transfer capability on a Monthly, Weekly, Daily and Hourly basis in accordance with the deadlines set forth below. All releases of transfer capability shall be posted on the CSC OASIS through an automated notification procedure.

- a.** *Monthly Releases:*
 - No later than 7 calendar days

- b.** *Weekly Releases:*
 - No later than 3 calendar days

- c.** *Daily Releases:*
 - No later than Noon on the day before the Operating Day.

- d.** *Hourly Release:*
 - No later than Noon on the day before the Operating Day.

The deadlines set forth above address voluntary releases of a Rights Holders' transfer capability to facilitate full access to transfer capability for third parties. Automatic release of transfer capability due to a Rights Holders' failure to schedule transmission service over the CSC is governed by and set forth below in the "Default Release" provision.

7. Award of Reservations

Releases of advance reservations for CSC transfer capability and bids for such advance reservations shall be submitted to the Transmission Provider via the CSC OASIS. The award of reservations shall be accomplished through either: (1) a public auction process conducted by the Rights Holder, with the

released capability awarded to the highest bidder; or (2) the posting of released capability at a specified rate on the CSC OASIS, with the award of such capability performed on a first-come, first served basis for bidders that meet the posted rate for such capability. The rate for assignment either through a public auction process or through a posting on the CSC OASIS shall be as determined by Section 9 of Schedule 18 of the ISO-NE OATT, and shall be posted on the CSC OASIS.

8. Effect of Advance Reservation

The issuance of an advance reservation is a prerequisite to scheduling an External Transaction in the ISO-NE Real-Time Energy Market that involves the use of the CSC. A party holding an advance reservation for Firm MTF Service or Non-Firm MTF Service and otherwise meeting the qualifications for submitting transactions under the ISO-NE OATT may submit scheduling transactions with ISO-NE that involve the submission of a bid/offer at the Shoreham node.

9. Default Release

In the event that a Rights Holder or any other holder of an advance reservation for MTF Service fails to submit a schedule for its full MTF Service reservation by Noon of the day prior to the Operating Day, the difference between all remaining advance reservations for which accepted bids/offers have been submitted to the New England energy market by advance reservation holders and the Total Transfer Capability over the CSC in the scheduling hour shall be automatically released for scheduling by third parties and posted on the CSC as Available Transfer Capability. Advance reservations for released capability under default release rules will be issued on a first-come, first-served basis through the CSC OASIS.

10. Priority of Capability Released Under the Default Release Provisions

Reservations for CSC transfer capability released due to the default release provisions shall be deemed Non-Firm MTF Service and assigned the NERC transmission service priority “2” (Hourly Non-Firm).

11. Curtailment and Interruptions of Service over MTF

Curtailment and interruptions of service over the CSC required to be initiated by the System Operator pursuant to the ISO-NE system rules or in response to conditions or constraints within the New York Control Area identified by the NYISO as requiring curtailment or interruption of service shall be based upon transmission priority. For Firm MTF Service, curtailment or interruptions within each reservation classification will be performed on a pro rata basis. Curtailment and interruptions within each reservation classification of Non-Firm MTF Service (i.e. Monthly, Weekly, Daily, Hourly) will be based upon the

time stamp associated with the submission of valid bids/offers to the ISO-NE Real-Time Market. Curtailments and interruptions of service over the CSC that relate to conditions or constraints on the Pool Transmission Facilities that may otherwise affect service over the CSC will be conducted consistent with the priorities established in the ISO-NE Operating Procedures. The NYISO is responsible for determining the need for any curtailments and interruptions of service relating to conditions or constraints within the New York Control Area consistent with the priorities established by the NYISO's administration of its tariffs and procedures and will communicate the need for such curtailments or interruptions to the System Operator for implementation in compliance with prescribed NERC Policies.

12. Liability

The Transmission Provider and any Rights Holder releasing its advance reservation through the voluntary or default release procedures of these rules shall be held harmless with regard to any claim which may be raised by any party regarding the selection of a bid, except to the extent that such party successfully establishes that the Transmission Provider or the Rights Holder, as the case may be, has incorrectly selected the bidder as the result of gross negligence or willful misconduct.

13. Billing

A party holding advance reservation through releases in accordance with these CSC Releases shall be billed by the Transmission Provider and shall make payments to the Transmission Provider in accordance with the terms of the Service Agreements and the Transmission Provider shall simultaneously credit (on a contingent basis) all reservation charges billed the party releasing such advance reservation. If party acquiring advance reservations through releases fails to pay the reservation charges by the due date, the Transmission Provider shall reverse the credit and bill the party releasing such advance reservation for said reservation charges, plus interest, and the advance reservation shall, at the election of the releasing party, revert to the releasing party for the remaining term of the release. **SCHEDULE 18 -**

ATTACHMENTS

SCHEDULE 18 - ATTACHMENT A

**Form of Blanket Service Agreement for MTF Service over the Cross Sound Cable
Reserved via the Cross Sound Cable Transmission Provider Page
on the ISO New England Inc. OASIS Node**

1.0 This Service Agreement, dated as of _____, is entered into, by and between Cross-Sound Cable Company, LLC ("CSC LLC") and _____ ("Transmission Customer").

- 2.0** The Transmission Customer has been determined by CSC LLC to have a Completed Application for [Firm] [Non-Firm] MTF Transmission Service under the ISO New England Inc. (“ISO-NE”) Transmission, Markets and Services Tariff (“Tariff”) and the Cross Sound Cable Business Practices.
- 3.0** If required, the Transmission Customer has provided to CSC LLC an Application deposit in accordance with the provisions of the Tariff and the Cross Sound Cable Business Practices.
- 4.0** MTF Service under this Service Agreement shall commence on the later of (1) the requested service commencement date, or (2) the date on which construction or any Direct Assignment Facilities and/or facility additions or upgrades are completed, or (3) such other date as it is permitted to become effective by the Commission. MTF Service under this Service Agreement shall terminate on such date as is mutually agreed upon by the parties. [The Service Agreement may include a blanket agreement for non-firm MTF service.]
- 5.0** CSC LLC agrees to provide, and the Transmission Customer agrees to take and pay for, Transmission Service in accordance with the provisions of Schedule 18 of the Tariff (or its successor tariff), the Cross Sound Cable Business Practices, the Schedule 18 Implementation Rule -Cross-Sound Cable Company, LLC Procedures for the Reassignment of Transmission Rights 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, and shall be copied to the System Operator at the address below.

CSC LLC:

Cross-Sound Cable Company, LLC
200 Donald Lynch Blvd.
Marlborough, MA 01752

Transmission Customer:

System Operator:

ISO New England Inc.

One Sullivan Road

Holyoke, MA 01040

7.0 The Tariff, including Schedule 18 and the Schedule 18 Implementation Rule, is incorporated in this Service Agreement and made a part hereof, except that all financial assurance requirements, billing arrangements, payment obligations and liabilities associated with MTF Service shall be solely the responsibility of CSC LLC and the Transmission Customer under this Service Agreement.

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

Cross-Sound Cable Company, LLC:

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

**Specifications For MTF Service over the Cross Sound Cable
Reserved via the Cross Sound Cable Transmission Provider Page
on the ISO-NE OASIS Node**

A Transmission Customer must acquire an advance reservation for Firm MTF Service or Non-Firm MTF Service. The issuance of an advance reservation is a prerequisite to scheduling an External Transaction over the Cross Sound Cable in the ISO New England Real-Time Energy Market. While not required, an advance reservation for the ISO New England Day Ahead Market is highly recommended, as absent an advance reservation the financial transaction in the Day Ahead Market will not be supported by a corresponding External Transaction in the Real-Time Energy market, thus creating significant financial risks to the transacting party. A party holding an advance reservation and otherwise meeting the qualifications for submitting transactions under the ISO New England, Inc. (“ISO-NE”) Transmission, Markets and Services Tariff (“Tariff”) may submit scheduling transactions over the Cross Sound Cable with ISO-NE up to the total MW amount of the advance reservation.

- 1.0** Term of Transaction: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node
- Start Date: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node
- Termination Date: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node
- 2.0** Description of capacity and energy to be transmitted by Participants including the electric Control Area in which the transaction originates: As specified in the Transmission Customer’s advance reservation via the Cross Sound Cable Transmission Provider Page on the CSC OASIS node

3.0 Point(s) of Receipt: Either Shoreham Substation in Brookhaven, New York, or East Shore Substation in New Haven, Connecticut, as specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

Delivering party: The Transmission Customer

4.0 Point(s) of Delivery: Either Shoreham Substation in Brookhaven, New York, or East Shore Substation in New Haven, Connecticut, as specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

Receiving party: The Transmission Customer

5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): As specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

6.0 Designation of party(ies) or other entity(ies) subject to reciprocal transmission service obligation: Not applicable

7.0 Name(s) of any intervening systems providing transmission service: New York ISO or ISO-NE pursuant to their respective tariffs

8.0 MTF 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 this Tariff.)

8.1 MTF Transmission Charge: As specified in the Transmission Customer's advance reservation via the Cross Sound Cable Transmission Provider Page on the ISO-NE OASIS node

8.2 System Impact Study and/or Facilities Study Charge(s): Not applicable

8.3 Direct assignment expansion charge: Not applicable

SCHEDULE 18 - ATTACHMENT C
Cross-Sound Cable TTC, CBM, TRM and ATC Methodology
Version 2.0; Issued: December 22, 2010

1. Introduction

Cross-Sound Cable (“CSC”) is an HVDC Transmission Facility located between New Haven, CT and Shoreham, NY (Long Island). The CSC is owned and operated by Cross-Sound Cable Company, LLC (“CSC LLC”). CSC LLC operates as Transmission Service Provider (“TSP”) for the CSC, which is a Merchant Transmission Facility (“MTF”) within the ISO New England (“ISO-NE”) regional transmission organization (“RTO”). ISO-NE serves the New England states through reliable minute to minute operation of the New England Bulk Power System; development, oversight, and fair administration of New England’s wholesale market; and management of comprehensive bulk electric power system and wholesale markets' planning processes. ISO-NE serves as the Balancing Authority for the New England Area (“ISO-NE Area”). The ISO-NE Area is interconnected to three neighboring Balancing Authority Areas (“BAAs”): New Brunswick System Operator Balancing Authority Area (“NBSO BAA”), New York Independent System Operator Balancing Authority Area (“NYISO BAA”), and Hydro-Quebec TransEnergie Balancing Authority Area (“HQTE BAA”). As the RTO for New England, ISO-NE performs the reliability functions related to the calculation of Total Transfer Capability (“TTC”) for all of the external interfaces between the ISO Area and its neighboring Balancing Authority Areas and for the internal interfaces between the Pool Transmission Facilities (“PTF”), Other Transmission Facilities (“OTF”) and MTF such as the CSC. As a TSP offering MTF service pursuant to Schedule 18 of the ISO-NE Tariff, CSC LLC retains the responsibility for determining and posting the Available Transfer Capability (“ATC”) of its facilities.

1.1. Scope of Document

This document addresses the following items with respect to the CSC between ISO-NE and NYISO for Schedule 18 MTF Service:

- Total Transfer Capability (TTC) methodology
- Capacity Benefit Margin (CBM) methodology
- Transmission Reliability Margin (TRM) methodology
- Available Transfer Capability (ATC) methodology

1.2. Overview of Cross-Sound Cable

The Cross-Sound Cable is a 330 MW High Voltage Direct Current Merchant Transmission Facility with associated AC/DC converter stations that are directly interconnected with the 345 kV PTF in New Haven, CT at the East Shore substation, and 138 kV transmission facilities at the Shoreham substation in Long Island, NY. Firm Transmission Service for the entire transfer capability of the CSC was awarded to Long Island Power Authority (“LIPA”) through an allocation process approved by the Federal Energy Regulatory Commission (“FERC”). To the extent that the entire capacity of this firm Existing Transmission Commitment (“ETC_F”) is unused by LIPA, secondary rights to use the MTF service is offered on an hourly non-firm basis for the remaining ATC through non-firm Existing Transmission Commitment (“ETC_{NF}”). CSC ATC is described in section 5 below.

2. CSC Total Transfer Capability (“TTC”)

The Total Transfer Capability or TTC for an interface is the best engineering estimate of the total amount of electric power that can be transferred over the interface in a reliable manner in a given time frame. ISO-NE, acting as the Transmission Operator (“TOP”), determines the TTC for the Cross-Sound Cable based on the equipment ratings and availability provided by CSC LLC and system conditions, then posts the TTC on the ISO-NE OASIS Node. Due to the controllable and bi-directional nature of CSC, it is treated as two separate and independent transmission paths for scheduling purposes. Flow from ISO-NE to NYISO is treated as Export with a maximum TTC of 330 MW delivered, while flow from NYISO to ISO-NE is treated as Import with a maximum TTC of 346 MW received. Cross-Sound Cable is operated in accordance with the requirements of TTC methodology are addressed in Sections 1 and 3 of the ISO-NE document “Attachment C Available Transfer Capability Methodology”.

3. CSC Capacity Benefit Margin (“CBM”)

The use of Capacity Benefit Margin or CBM within the ISO-NE Area is governed by the overall ISO-NE approach to capacity planning requirements. Load Serving Entities (“LSEs”) operating within the ISO Area do not utilize CBM to ensure their capacity needs are met; therefore CBM is not applicable within the New England market design. Accordingly, for the purpose of ATC calculation, CBM for the New England Control Area, including CSC, is set to zero (0). For additional information on CBM, refer to Section 4 of the ISO-NE document “Attachment C Available Transfer Capability Methodology”.

4. CSC Transmission Reliability Margin (“TRM”)

The Transmission Reliability Margin or 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 the system conditions change.

ISO-NE, acting as a Transmission Operator, calculates the TRM on the CSC MTF interface by taking into account any operational uncertainties with CSC in accordance with MOD-008. Typically the operational uncertainties associated with an external HVDC facility are minimal and result in a TRM value of zero (0), as is the case for CSC.

For additional information on TRM, refer to Section 5.2.1 Calculation of TRM for the MTF and OTF of the ISO-NE document “Attachment C Available Transfer Capability Methodology”.

5. CSC Available Transfer Capability (“ATC”)

This section defines the Available Transfer Capability calculations performed for MTF service over the CSC. The general equation for calculation of ATC is derived from MOD-029 as follows:

$$\text{ATC} = \text{TTC} - \text{ETC} - \text{CBM} - \text{TRM} + \text{Postbacks} + \text{Counterflows}$$

The CBM and TRM Values have been previously discussed (CBM = 0, TRM = 0). The purpose of the ETC component of the ATC equation is for the TSP to define all elements that are reducing the amount of ATC available to market participants. Details regarding the ETC component, Postbacks and Counterflows of the ATC calculation and its impact on Firm and Non-firm ATC are described below.

5.1. Firm ATC for MTF Transmission Services

Firm Available Transfer Capability (“ATC_F”) is defined as the capability for firm transmission reservations that remains after allowing for CBM, TRM and firm existing transmission commitments. As described in Section 1.2, CSC LLC has a long term contract with LIPA for Yearly Firm Transmission Service for the entire transfer capability of the CSC.

Firm ATC is calculated using the following equation:

$$\text{ATC}_F = \text{TTC} - \text{ETC}_F - \text{CBM} - \text{TRM} + \text{Postbacks}_F + \text{Counterflows}_F$$

Where

ATC_F is the firm Available Transfer Capability for the ATC path during the period.

TTC is the Total Transfer Capability for the ATC path during the period.

ETC_F is the sum of firm Existing Transmission Commitments scheduled by LIPA in the Day Ahead Market, under contractual agreement, for the ATC path during the period.

CBM is set to 0 by ISO-NE per section 3 of this document.

TRM is set to 0 by ISO-NE per section 4 of this document.

$Postbacks_S$ is set to 0 because any changes to the ATC_F would be released as secondary market capacity resulting in a change to the ETC_{NF} value used to determine the resulting ATC_{NF} .

$Counterflows_F$ is set to 0 because Export point-to-point flow and Import point-to-point flow are treated as two independent directional paths. Since CSC calculates ATC in both directions independently, there are no Counterflows by definition.

Essentially, ATC_F is equal to zero (0) as ETC_F owned by LIPA over both directions of flow is equal to the entire TTC. The ATC_F will be equal to the TTC until LIPA schedules their actual transfers in the Day Ahead Market. At this point, any portion of the ETC_F that LIPA does not schedule will get released into the hourly market as ATC_{NF} .

5.2. Non-Firm ATC for MTF Transmission Services

Non-firm Available Transfer Capability (“ ATC_{NF} ”) is defined as the capability for non-firm transmission reservations that remain after allowing for CBM, TRM, ETC_F and non-firm Existing Transmission Commitments (“ ETC_{NF} ”) that have been Confirmed and Accepted. Although the entire TTC of the CSC is contracted to LIPA for Yearly Firm Transmission Service, any portion of the capacity that is not scheduled by LIPA in the Day-Ahead market will be released on an hourly non-firm basis. Customers may then purchase capacity in the Hourly Market, creating an ETC_{NF} contract which will in turn reduce the ATC_{NF} . Incorporating this into the determination of ATC, non-firm ATC is calculated using the following equation:

$$ATC_{NF} = TTC - ETC_F - ETC_{NF} - CBM_S - TRM_U + Postbacks_{NF} + Counterflows_{NF}$$

Where

ATC_{NF} is the non-firm Available Transfer Capability for the ATC path during the period.

TTC is the Total Transfer Capability for the ATC path during the period.

ETC_F is the sum of firm Existing Transmission Commitments scheduled by LIPA in the Day Ahead Market, under contractual agreement, for the ATC path during the period.

ETC_{NF} is the sum of non-firm Existing Transmission Commitments purchased by Secondary Market Customers in the Hourly Market, for the ATC path during the period.

CBM is set to 0 by ISO-NE per section 3 of this document.

TRM is set to 0 by ISO-NE per section 4 of this document.

$Postbacks_{NF}$ is set to 0 because any changes to the non-firm ATC would be re-released as secondary market capacity resulting in a change to the ETC_{NF} value.

$Counterflows_{NF}$ is set to 0 because Export point-to-point flow and Import point-to-point flow are treated as two independent directional paths. Since CSC calculates ATC in both directions independently, there are no Counterflows by definition.

Additional capacity may be purchased for MTF service on an Hourly non-firm basis until the ATC_{NF} equals zero (0) for the subject path. Purchases may take place on both paths individually up to their full TTC, which would effectively result in no transfer across CSC. In no case would purchases on one path result in increased ATC on the other path.

6. Posting of CSC ATC

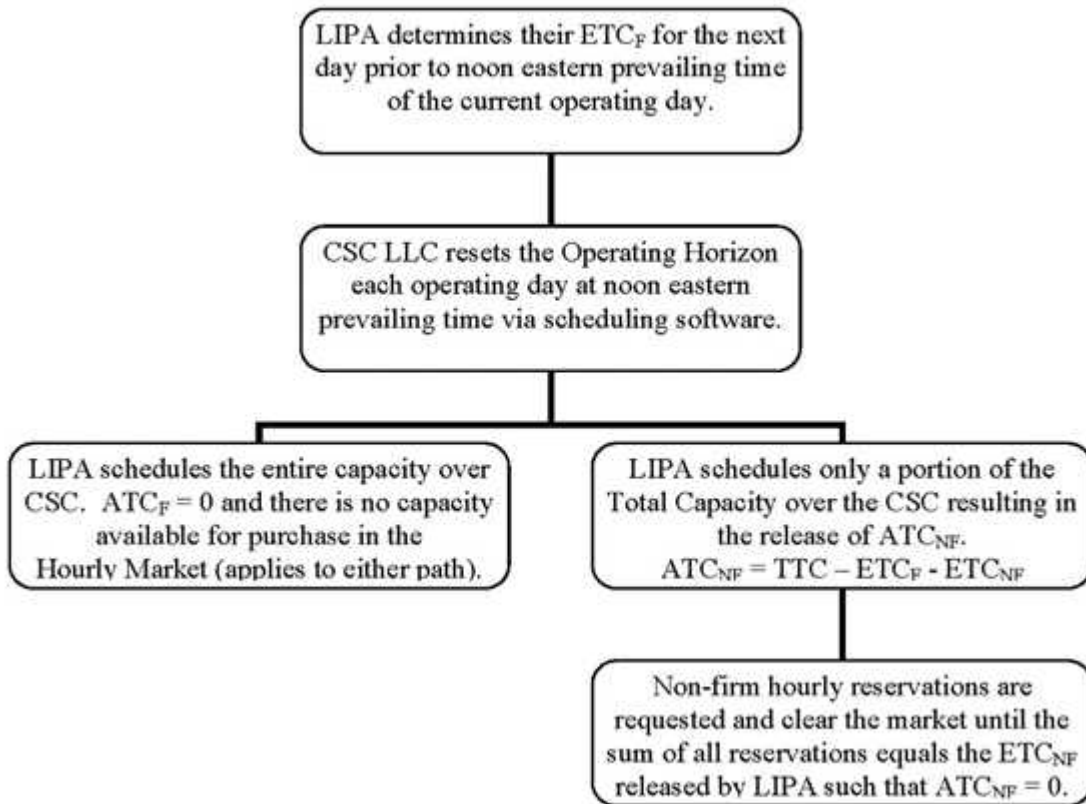
6.1. ATC Values

Using the process described in Section 5 above, the ATC calculations are performed for CSC automatically by the scheduling software. The ATC values for CSC are determined using the [Mathematical Algorithms for Calculation of ATC](https://www.oasis.oati.com/CSC/CSCdocs/Algorithms_for_ATC_Calculation_for_CSC.pdf) (https://www.oasis.oati.com/CSC/CSCdocs/Algorithms_for_ATC_Calculation_for_CSC.pdf) and posted in accordance with NAESB standards on the [CSC OASIS](https://www.oasis.oati.com/csc/index.html) (<https://www.oasis.oati.com/csc/index.html>).

As discussed, firm ATC is equal to zero at all times. LIPA determines the ETC_F for the next day prior to noon eastern prevailing time of each operating day. CSC LLC then resets the Operating Horizon (“OH”) through the scheduling software. The OH spans from noon of the current day through midnight of the next day, or for the next 36 hours calculating ATC_{NF} based on the ETC_F selected by LIPA. ATC_{NF} is calculated from the TTC and ETC_F and offered as non-firm Hourly MTF in the OH. Subsequent Capacity purchases are considered ETC_{NF} , which is then subtracted from the ATC_{NF} . Any changes to the ATC_{NF} are updated in real time through the scheduling software.

6.2. Diagram of Energy Transactions

Below is a diagram that describes how energy transactions are processed over the CSC interface. The timing of the submittal of the energy transactions is governed by the ISO-NE Market Rules.



SCHEDULE 18 – ATTACHMENT L

Creditworthiness Procedures

I. Overview

The creditworthiness of each Transmission Customer seeking MTF Service must be established before receiving service from the MTF Provider. The MTF Provider 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 the MTF Provider's Creditworthiness Requirements are described in this Attachment L to Schedule 18. Detailed information regarding the MTF Provider's Creditworthiness Requirements is available in the MTF Provider's Business Practices as posted on the MTF Transmission Provider Page on the OASIS.

II. Financial Information

Transmission Customers requesting MTF Service will be required to provide credit rating and financial information as part of the Credit Application for MTF Service. Required information may include: (a) all current credit rating reports from commercially accepted credit rating agencies including Standard and Poor's Inc. ("S&P"), Moody's Investors Service ("Moody's"), and Fitch Ratings ("Fitch"); (b) financial statements audited by a registered independent auditor; and (c) references from banks and utilities/vendors.

III. Creditworthiness Requirements and Process

Transmission Customers, rated and un-rated, will be required to meet the creditworthiness requirements specified in this Attachment L to Schedule 18 and the MTF Business Practices. Credit rating and financial information provided by Transmission Customers that would be used to establish creditworthiness include investment grade ratings for senior unsecured long-term debt and ratio analyses of audited financial statements. If the Customer does not meet the MTF Provider's creditworthiness requirements, the MTF Provider (at its discretion) may establish a credit limit for that Customer equal to the financial assurance (i.e., the security deposit) required from all Transmission Customers, as specified in this Attachment L to Schedule 18 and the MTF Provider's Business Practices.

The MTF Provider shall use the following criteria in reviewing the creditworthiness of Transmission Customers:

1. The Transmission Customer must meet and maintain the credit and financial assurance requirements applicable to market participants as established by ISO New England Inc.; and
2. The Transmission Customer must not be in default of any amounts owed to any MTF Providers.

If the Transmission Customer does not qualify using the above requirements, the MTF Provider may consider other qualitative factors on a case-by-case basis. The specific factors will depend upon the MTF Provider's Business Practices, and may include billing history and the Transmission Customer's anticipated use of the MTF service.

A. Procedure for Determining Creditworthiness

The MTF Service Credit Application is posted on the MTF Provider's OASIS and is available for download. The Credit Application may be submitted along with the Application for MTF Transmission Service. Because the amount of time required to complete the credit review varies widely, it is recommended that credit applications be submitted at least ten (10) business days before the Transmission Customer takes service for the first time. As part of the credit review process, the MTF Provider will assign a credit limit to each Transmission Customer. For a customer that holds a below investment grade rating from either S&P, Moody's or Fitch, or is not rated by any of those three rating agencies, the assigned credit limit will be the amount of the security deposit posted by such customer. For a customer that is rated by one or more of S&P, Moody's or Fitch and holds an investment grade rating from each agency that rates that customer, the credit limit will be established using standard commercial practices on a case-by-case basis based on an estimate of the customer's anticipated use of MTF Service.

IV. Financial Assurance

All Transmission Customers requesting MTF Service are required to submit a security deposit to the MTF Provider. For customers executing a Blanket MTF Transmission Service Agreement, the minimum security deposit shall be \$100,000.00, provided, however, that customers may choose to provide a higher security deposit. For customers executing a transaction-specific MTF Transmission Service Agreement, the security deposit requirement shall be determined on a case-by-case basis, the maximum security deposit that may be charged is equal to the cost of the Reserved Capacity over the MTF for the duration of the specific transaction. Security deposits will be held in separate accounts. Account statements will be provided to the customer on an annual basis upon request.

V. Credit Levels

Transmission Customers meeting the above Creditworthiness Requirements will be extended credit based on levels specified in the MTF Provider's Business Practices. Transmission Customers that do not meet the MTF Provider's creditworthiness requirements will not receive unsecured credit from the MTF Provider. The MTF Provider will monitor the credit status of all approved customers and may modify credit limits (higher or lower) for such customer to the extent that company circumstances or service changes occur. In the event that a customer is downgraded such that it holds a below investment grade rating from S&P, Moody's or Fitch, or is not rated by any of the three agencies, the customer's credit limit shall be immediately reduced to the amount of security deposit posted by that customer.

VI. Contesting Creditworthiness Determination

Should the MTF Provider reject a credit application, the MTF Provider will provide the customer the reasons for the rejection and an opportunity to revise and resubmit the credit application to address the identified deficiencies. Transmission Customers may also contest the MTF Provider's determination of creditworthiness by submitting a written request for re-evaluation. Such request should provide information supporting the basis for a request to re-evaluate a Transmission Customer's creditworthiness. The MTF Provider will review and respond to the request under the procedures outlined in this Attachment L to Schedule 18 and the MTF Provider's Business Practices.

VII. Procedures for Changes in Credit Levels and Collateral Requirements

The MTF Provider will immediately notify customers of any modifications to credit limits or required security deposits. Upon request, the MTF Provider will provide customers a written explanation for any change in credit limits or required security deposits, including an opportunity to cure any credit deficiencies within a specified time period.

VIII. Posting Collateral Requirements

In the event that the MTF Providers revises the level of collateral required (e.g., security deposit) as a result of changes to the Transmission Customer's financial information, the MTF Provider's criteria, or other events that result in the Transmission Customer being determined to be non-creditworthy, the Transmission Customer shall have the opportunity to cure such deficiency consistent with the procedures in this Attachment L to Schedule 18 and the MTF Provider's Business Practices, as posted on the MTF Transmission Provider Page on the OASIS.

IX. Additional Requirements

Along with the above criteria for determining creditworthiness, the MTF Provider may require the Transmission Customer to fulfill additional conditions under the MTF Provider's Business Practices, as posted on the MTF Transmission Provider Page on the OASIS.

SCHEDULE 18 - ATTACHMENT Z
Incorporation By Reference of NAESB Standards

In accordance with Commission Order No. 676-H, the NAESB Version 003 Standards listed below are hereby incorporated by reference to the extent that the requirements therein apply to Cross Sound Cable except as noted below:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information Systems (OASIS), Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards , 001-4.1, 001-4.7.2.1, 001-9.1 through 001-10.8.7, 001-14.1.3, 001-15.1.2 and 001-106.2.5;
- WEQ-002, Open Access Same-Time Information Systems (OASIS) Business Practice Standards and Communication Protocols, Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information Systems (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-004, Coordinate Interchange WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on December 28, 2012) excluding Standards 004-0.1 through 004-18.2, but including 004-A through 004-D;
- WEQ-012, Public Key Infrastructure (PKI) WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified October 4, 2102) March 11, 2009, with minor corrections applied on May 29, 2009 and September 8, 2009); and
- WEQ-013, Open Access Same-Time Information Systems (OASIS) Implementation Guide, OASIS Version 2.0 WEQ Version 003, July 31, 2012, as modified by NAESB final actions

ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).

CSC has requested waiver of the following NAESB Version 003 Standards pursuant to a compliance filing submitted to the Commission on December 1, 2014 and a Supplemental Waiver Request on April 14, 2015 to comply with FERC Order No. 676-H, *Standards for Business Practices and Communication Protocols for Public Utilities*, 148 FERC ¶ 61,205 (2014), as modified by the Commission's October 3, 2014 *Errata Notice*, 149 FERC ¶ 61,014 (2014).

- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012;
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012;
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012;
- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas / Electric Coordination, WEQ Version 003, July 31, 2012;
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012;
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012;
- WEQ-000, WEQ-001, WEQ-002 and WEQ-003, related to Network Integration Transmission Service (“NITS”), WEQ Version 003, July 31, 2012; and
- WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013, related to Service Across Multiple Transmission Systems (“SAMTS”), WEQ Version 003, July 31, 2012.
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Record Content Description, Tariff Record Title, Record Version Number, Option Code:

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SCHEDULE 20A
POINT-TO-POINT SERVICE OVER THE
PHASE I/II HVDC TRANSMISSION FACILITIES
(PHASE I/II HVDC-TF SERVICE)

In order to ensure continuity of service to customers, all agreements for transmission service over the Phase I/II HVDC-TF in effect as of the effective date of this Schedule 20A will remain in full force and effect under this Schedule 20A. This Schedule 20A contains the general terms and conditions regarding the treatment of Phase I/II HVDC-TF Service under the Tariff. In the event of a conflict between the terms and conditions of Part I and Part II of this Schedule, the terms and conditions of Part II shall govern. Phase I/II HVDC-TF Service is a Point-To-Point Service offered by certain Interconnection Rights Holders (“IRH”) under this Schedule 20A. Such IRH are referred to herein as the “Schedule 20A Service Providers”, have Phase I/II HVDC-TF Service Schedules in Part II of this Schedule 20A, and are listed on the ISO OASIS. Phase I/II HVDC-TF Service shall be offered to Eligible Customers by Schedule 20A Service Providers through their Phase I/II HVDC-TF Transmission Provider Page in accordance with this Schedule 20A and the HVDC Transmission Operating Agreement and is subject to the rights and obligations of the IRHs under the Restated Use Agreement, the Support Agreements, and the Phase I/II HVDC-TF Transmission Service Administration Agreement. Phase I/II HVDC-TF Service under this Schedule 20A is offered by the Schedule 20A Service Providers based on their Use Rights and on any Use Rights that they offer on behalf of any other IRH that are not Schedule 20A Service Providers. Pursuant to Section 2 of Part 1 of this Schedule 20A and subject to mutually agreeable contractual arrangements, the Schedule 20A Service Providers will offer, through this Schedule 20A and their Phase I/II HVDC-TF Transmission Provider Page, the Use Rights of any IRHs that are not Schedule 20A Service Providers. This Schedule 20A also includes the specific rates, terms and conditions for Phase I/II HVDC-TF Service for individual Schedule 20A Service Providers. All Transmission Customers taking Phase I/II HVDC-TF Service shall be subject to and comply with the terms and conditions of this Schedule 20A and the Tariff. The specific terms and conditions for rates and charges of the individual Schedule 20A Service Providers’ offering of their Phase I/II HVDC-TF Use Rights are found in the Phase I/II HVDC-TF Service Schedules in Part II of this Schedule 20A.

I. PHASE I/II HVDC-TF POINT-TO-POINT SERVICE

1. Definitions

Capitalized terms used and defined in this Schedule 20A shall have the meaning given them under this Schedule. Capitalized terms used and not defined in this Schedule 20A but defined in other sections of the Tariff shall have the meaning given them under those sections. Capitalized terms used in this Schedule 20A that are not defined in it or elsewhere in the Tariff shall have the meanings in the Restated Use Agreement or those customarily attributed to applicable criteria, rules, standards and operating procedures.

1.1 Interconnection Rights Holders (“IRHs”): means the entities that pay for and hold exclusive Use Rights to the transfer capability of the Phase I/II HVDC-TF, as granted under the Support Agreements and as further provided for under the Restated Use Agreement, either (i) directly, by virtue of being parties to the Support Agreements, or (ii) indirectly (“Indirect IRH(s)”), through a Transfer Agreement.

1.2 Phase I/II HVDC-TF: means the transmission facilities, identified in Schedule 2.01 (a) of the HVDC Transmission Operating Agreement or its successor schedule, constructed in two phases (“Phase I” and “Phase II”) that comprise the United States segment of the 2000 MW transmission interconnection which connects the Hydro-Quebec TransÉnergie control area and the New England Control Area. Phase I is the United States portion of the 450 kV high-voltage, direct-current (“Phase I/II HVDC”) transmission line from a terminal at the Des Cantons Substation on the Hydro-Quebec system near Sherbrooke, Quebec to a terminal with a nominal transfer capability of 690 MW at the Monroe Converter Station in New Hampshire. Phase II is the United States portion of the facilities required to increase to 2000 MW the nominal transfer capability of the Phase I/II HVDC-TF, including an extension of the Phase I/II HVDC transmission line from the terminus of Phase I at the Monroe Converter Station through New Hampshire to a terminal at the Sandy Pond Converter Station in Massachusetts. Phase I/II HVDC-TF is a form of OTF, as defined under Section II.1.85 of the Tariff.

1.3 Phase I/II HVDC-TF Owners: are: New England Hydro-Transmission Electric Company, Inc.; New England Hydro-Transmission Corporation; New England Electric Transmission Corporation; and Vermont Electric Transmission Company. The Phase I facilities in the United States are owned by New England Electric Transmission Corporation and Vermont Electric Transmission Company. The Phase II facilities in the United States are owned by New England Hydro-Transmission Electric Company, Inc. and New England Hydro-Transmission Corporation. The Phase I/II HVDC-TF Owners are parties to financial support agreements (the “Support Agreements”) with the IRHs.

1.4 Phase I/II HVDC-TF Service: means Firm and Non-Firm Point-To-Point Service over the Phase I/II HVDC-TF.

1.5 Phase I/II HVDC-TF Service Agreement: means an executed or unexecuted

agreement for Phase I/II HVDC-TF Service, as reflected in Attachment A to Part I of this Schedule 20A.

1.6 Phase I/II HVDC-TF Transmission Service Administration Agreement: means the agreement among the ISO, the Schedule 20A Service Providers, and the IRH Management Committee specifying the rights and obligations of the parties regarding transmission service over the Phase I/II HVDC-TF, dated April 1, 2005, as may be amended and restated from time to time, and any successor agreement.

1.7 Phase I/II HVDC-TF Service Charge: is the charge for Phase I/II HVDC-TF Service, which shall be determined pursuant to arrangements between the applicable Schedule 20A Service Provider and Eligible Customers that take Phase I/II HVDC-TF Service under this Schedule 20A. The charge for Phase I/II HVDC-TF Service shall be determined by the applicable Phase I/II HVDC-TF Service Schedule in Part II of this Schedule 20A.

1.8 Phase I/II HVDC-TF Service Schedule: is an individual Schedule 20A Service Provider's schedule in Part II of this Schedule 20A that sets forth the terms and conditions for rates and charges, as applicable to Phase I/II HVDC-TF Service offered by that Schedule 20A Service Provider.

1.9 Phase I/II HVDC-TF Transmission Provider Page: means the respective Transmission Provider pages of the Schedule 20A Service Providers, which are located on the ISO OASIS, through which Phase I/II HVDC-TF Service is offered. Some of the information posted on the Transmission Provider pages of the Schedule 20A Service Providers shall include: values for Available Transmission Capability (ATC); offerings for Phase I/II HVDC-TF Service; and procedures for the application for and acquisition of Phase I/II HVDC-TF Service.

1.10 Pre-Confirmed Request: is an OASIS transmission service request that commits the Transmission Customer to take and pay for the requested Phase I/II HVDC-TF Service upon acceptance on OASIS by the Schedule 20A Service Provider that can provide the requested Phase I/II HVDC-TF Service.

1.11 Restated Use Agreement: is the Agreement among the IRH with respect to the Use Rights, dated as of December 1, 1981, as amended or restated as of September 1, 1985,

November 19, 1997, April 8, 1998, and June 1, 2002, and as it may be further amended or restated from time to time.

1.12 Schedule 20A Service Provider: is an individual IRH that has a Phase I/II HVDC-TF Service Schedule and offers its own Use Rights or the Use Rights of other IRHs under this Schedule 20A.

1.12a Submittal Window: is the 5 minute window, beginning immediately after the expiration of the “no earlier than” request time, within which all service requests will be deemed to have been submitted simultaneously.

1.13 Support Agreements: are the certain agreements between the Phase I/II HVDC-TF Owners and the IRH that are not Indirect IRHs, under which the IRH are granted the exclusive rights to the transfer capability of the Phase I/II HVDC-TF and the obligation to pay the costs of the Phase I/II HVDC-TF.

1.14 Transfer Agreement: is an agreement, pursuant to the Restated Use Agreement, under which an IRH may transfer all or part of its Use Rights to another entity for a specified period of time.

1.15 Transmission Customer: is, for purposes of this Schedule 20A, an Eligible Customer that is receiving or has received Phase I/II HVDC-TF Service.

1.16 Use Rights: are the exclusive rights to the Combined Percentage Interest of the transfer capability of the Phase I/II HVDC-TF granted to the each of the IRH under the Support Agreement in exchange for the IRH’s obligation to pay for the Phase I/II HVDC-TF. The maximum MW amount of Use Rights that a Schedule 20A Service Provider may make available is its Combined Percentage Interest times the posted TTC value, plus the maximum MW amount of Use Rights of any other IRH on whose behalf the Schedule 20A Service Provider is posting, rounded down to whole MW.

1.17 FERC: The Federal Energy Regulatory Commission.

2. Phase I/II HVDC-TF Service

Phase I/II HVDC-TF Service is a Point-To-Point Service offered by the Schedule 20A Service Providers

over Phase I/II HVDC-TF using the transfer capability associated with their own Use Rights and the Use Rights of any other IRH that has contracted with a Schedule 20A Service Provider for the offering of Use Rights under this Schedule 20A. Not all IRHs are FERC-jurisdictional utilities and, as such, these IRHs are not required to offer transmission service for their share of the Phase I/II HVDC-TF. An IRH that is not a Schedule 20A Service Provider may, however, choose to make all or a portion of its rights available through an individual Schedule 20A Service Provider and its Phase I/II HVDC-TF Service Schedule by entering into a Transfer Agreement. Subject to a mutually agreeable Transfer Agreement and associated contractual arrangements, a Schedule 20A Service Provider will offer the Use Rights of any other IRH that wishes to make its Use Rights available under this Schedule 20A. In the event that the parties cannot agree on a Transfer Agreement and associated contractual arrangements, either party may petition the FERC for relief.

2.1 Nature of Phase I/II HVDC-TF Service

(a) Term of Phase I/II HVDC-TF Service:

(i) Firm Phase I/II HVDC-TF Service: The minimum term of Firm Phase I/II HVDC-TF Service shall be one day and the maximum term shall be that specified in the Phase I/II HVDC-TF Service Agreement.

(ii) Non-Firm Phase I/II HVDC-TF Service: Non-Firm Phase I/II HVDC-TF Service will be available for periods ranging from one hour to one month and shall be that specified in the Phase I/II HVDC-TF Service Agreement. A Transmission Customer that purchases Non-Firm Phase I/II HVDC-TF 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 may be greater than one month, subject to the requirements of this Schedule 20A.

(b) Reservation, Interruption and Curtailment Priority for Phase I/II HVDC-TF Service:

(i) The Schedule 20A Service Providers, individually or collectively, shall post on the Phase I/II HVDC-TF Transmission Provider Page, rules setting reservation, interruption and Curtailment priorities for Firm and Non-Firm Phase I/II HVDC-TF Service. Such rules shall be

non-discriminatory and consistent with Commission Orders and shall also be in accordance with the Restated Use Agreement.

In instances where an IRH is not a Schedule 20A Service Provider and it desires to offer its Use Rights, that IRH shall arrange for the posting of the associated transmission service and associated reservations on a Phase I/II HVDC-TF Transmission Provider Page.

Each Schedule 20A Service Provider shall be responsible for calculating the ATC for its Use Rights and for the Use Rights of any other IRH with whom it has contracted to offer such Use Rights, and for posting such ATC values on its Phase I/II HVDC-TF Transmission Provider Page.

Phase I/II HVDC-TF reservation priorities shall be established separately from PTF, other OTF or MTF reservation priorities.

(ii) If a Schedule 20A Service Provider fails to post such rules, then reservation, interruption and Curtailment priorities for Firm and Non-Firm Phase I/II HVDC-TF Service shall be those established by relevant reliability authorities (e.g., the Northeast Power Coordinating Council) and under such scheduling and curtailment rules as may be accepted and/or approved by the FERC for participation in the regional electricity markets.

(iii) Firm Phase I/II HVDC-TF Service Reservation Priority: The Phase I/II HVDC-TF reservation priority for either Long-Term or Short-Term Firm Phase I/II HVDC-TF Service shall be determined on a first come first served basis by the date and time of the service request, with requests received within the Submittal Window being subject to the procedures described in Section 2.1(b)(vi) below. However, Pre-Confirmed Requests for Short-Term Point-To-Point Transmission 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.

(iv) If the Phase I/II HVDC-TF 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 Firm Phase I/II HVDC-TF 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.2.1(f) of this Schedule 20A) from being notified by the Schedule 20A Service Provider of a longer-term competing request for Firm Phase I/II HVDC-TF Service. When a longer duration request preempts multiple shorter duration reservations, the shorter duration reservations 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 20A. Firm Phase I/II HVDC-TF Service will always have a reservation priority over Non-Firm Phase I/II HVDC-TF Service under the Tariff.

(v) Non-Firm Phase I/II HVDC-TF Service Reservation Priority: Non-Firm Phase I/II HVDC-TF Service shall be available from transfer capability in excess of that needed for reliable service to Long-Term and Short-Term Firm Phase I/II HVDC-TF Service. A higher reservation priority will be assigned first to Non-Firm Phase I/II HVDC-TF Service requests or reservations with a longer duration of service than those reservations with a shorter duration and second to Pre-Confirmed Requests. Competing requests of the same pre-confirmation status and equal duration for Non-Firm Phase I/II HVDC-TF Service 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 Transmission Customer has reserved service). Requests for monthly service received within the Submittal Window shall be subject to the procedures described in Section 2.1(b)(vi) below. Transmission Customers that have already reserved shorter-term service over Phase I/II HVDC-TF have the right of first refusal to match any longer-term request before being preempted, provided that such Transmission Customer's advance reservation is consistent with any modified request for Non-Firm Phase I/II HVDC-TF Service.

(vi) Requests for Firm and monthly Non-Firm Phase I/II HVDC-TF Service are subject to a Submittal Window and to an allocation in accordance with the procedures of this section.

Each Schedule 20A Service Provider will refuse those service requests for the same increment and class of service from the same Transmission Customer which, in aggregate, exceeds that Schedule 20A Service Provider's posted ATC. A single service request will be refused if it exceeds the posted ATC. If multiple identical service requests, as defined by NAESB Standard 001-0.5, for the entire posted ATC are received within the Submittal Window, only the first of those service requests will be considered valid. The remaining identical service requests will be refused.

If sufficient transfer capability is not available to meet all service requests for Phase I/II HVDC-TF Service submitted within the Submittal Window, the Schedule 20A Service Providers will allocate among valid requests received in the Submittal Window, allocating ATC pro-rata, on a whole MW basis, among those requests of the longest duration first and subject to the following order: pre-confirmed Firm, Firm, pre-confirmed Non-Firm and Non-Firm. If the total amount of valid pre-confirmed service requests exceeds a Schedule 20A Service Provider's Firm ATC, each valid pre-confirmed service request for Firm Phase I/II HVDC-TF Service will be multiplied by the ratio of that Schedule 20A Service Provider's Firm or Non-Firm ATC, as applicable, to the total MWs of valid Firm or Non-Firm pre-confirmed service requests, as applicable. If the total amount of valid pre-confirmed Firm service requests does not exceed ATC for Firm Phase I/II HVDC-TF Service, then any remaining non pre-confirmed Firm service requests will be allocated similarly across remaining ATC. Non-Firm service requests for monthly service will follow the same methodology for any remaining ATC.

If a customer withdraws its service request after it has been accepted but prior to the Customer Confirmation Time Limit as identified in FERC Order 638, the pro rata allocation of ATC for the remaining valid service requests will be recalculated and the service requests will be updated accordingly on OASIS.

The Schedule 20A Service Providers will address queue flooding, queue hoarding and denial of service in accordance with in NAESB WEQ-001. If the Schedule 20A Service Providers detect any of the above activities, the Schedule 20A Service Providers may extend the Submittal Window by additional 5 minute increments.

Each Schedule 20A Service Provider reserves the right to develop additional allocation criteria in the event that the above criteria do not address a particular situation that occurs during the Submittal Window. Such criteria shall either be included in the Business Practice posted on the Schedule 20A Service Provider's Phase I/II HVDC-TF Transmission Provider Page or the Schedule 20A Service Providers will file with the Commission, changes to this Schedule 20A, in compliance with applicable Commission regulations.

In cases where valid service requests received in the Submittal Window result in residual MW(s), the Schedule 20A Service Providers will allocate, via counter offer, the residual MW(s) to the first valid service request queued in the Submittal Window. In cases where more than one residual MW is available, 1 MW will be allocated, via counter offer, to each valid service request, starting with the first valid service request in the Submittal Window and moving to the next until all such MW(s) have been allocated.

(c) Use of Phase I/II HVDC-TF Service By a Transmission Customer: A Transmission Customer shall take and pay for Phase I/II HVDC-TF Service for the transmission of any scheduled Real-Time Energy Market transaction (including imports of energy into, exports of energy out of, and wheels of energy through, the New England Control Area) that requires the use of the Phase I/II HVDC-TF. If a Transmission Customer elects to take Phase I/II HVDC-TF Service, it must first reserve transmission capability (i.e., a confirmed advance Phase I/II HVDC-TF Service reservation) to allow both the delivery of energy and/or capacity to it over the Phase I/II HVDC-TF (to the extent permitted under the Tariff) commensurate with the associated Phase I/II HVDC-TF Service reservation designated by it in a Completed Application for Phase I/II HVDC-TF Service and the delivery of Energy and/or capacity to or from it over the Phase I/II HVDC-TF to the extent permitted under the Tariff. A Transmission Customer that takes Phase I/II HVDC-TF Service under this Schedule 20A must also take any other applicable service, in accordance with the Tariff.

(d) Phase I/II HVDC-TF Service Agreements: A standard form Phase I/II HVDC-TF Service Agreement (Attachment A to Part I of this Schedule 20A) will be offered to an Eligible Customer when it submits a Completed Application for Phase I/II HVDC-TF Service pursuant to this Schedule 20A. Executed Phase I/II HVDC-TF Service Agreements that contain the information required under this Schedule 20A will be reported and/or filed by the Schedule 20A

Service Provider with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Phase I/II HVDC-TF Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Phase I/II HVDC-TF Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement.

(e) Classification of Phase I/II HVDC-TF Service:

(i) Transmission Customers requesting Phase I/II HVDC-TF Service do so with the full realization that such service is subject to availability and Curtailment pursuant to Section II.44 of the Tariff and that the ISO will redispatch all Resources subject to its control, pursuant to the Tariff, in order to meet load and to accommodate External Transactions. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Tariff.

(ii) The Point of Receipt and Point of Delivery on the Phase I/II HVDC-TF at which transmission capacity is reserved for Phase I/II HVDC-TF Service by the Transmission Customer shall be set forth in the Phase I/II HVDC-TF Service Agreement for such service along with a corresponding capacity reservation over the Phase I/II HVDC-TF. The Point of Receipt and Point of Delivery for Phase I/II HVDC-TF Service shall be as mutually agreed upon by the Schedule 20A Service Provider and the Transmission Customer for Phase I/II HVDC-TF Service.

(iii) Non-Firm Phase I/II HVDC-TF Service shall be offered on an hourly, daily, weekly or monthly basis, under applicable terms and conditions contained in this Schedule 20A, and shall not exceed one month's reservation. Firm Phase I/II HVDC-TF Service shall be offered on a daily, weekly, monthly or yearly basis under the applicable terms and conditions contained in this Schedule 20A.

(iv) The Transmission Customer's Reserved Capacity over the Phase I/II HVDC-TF shall be the sum of its Phase I/II HVDC-TF Service reservations.

(f) Scheduling Associated with Phase I/II HVDC-TF Service: An advance reservation is required for Phase I/II HVDC-TF Service for any External Transaction that imports energy into, exports energy out of, or wheels energy through, the New England Control Area over the Phase

I/II HVDC-TF. The External Transaction, with its supporting advance reservation, shall be submitted by the Transmission Customer for inclusion in the Real-Time Energy Market pursuant to the Tariff and in accordance with applicable ISO New England Operating Procedures. External Transactions submitted into the Real-Time Energy Market and associated with Phase I/II HVDC-TF Service shall be dispatched pursuant to the Tariff. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such dispatch in accordance with the Tariff.

(g) Curtailment Associated with Phase I/II HVDC-TF Service: When the ISO determines that an electrical emergency exists on the New England Transmission System, the ISO shall implement emergency procedures to effect a Curtailment of Phase I/II HVDC-TF Service. The ISO will redispatch all Resources subject to its control, pursuant to the Tariff, in order to meet load and to accommodate External Transactions. External Transactions using Phase I/II HVDC-TF Service shall be curtailed or interrupted in accordance with Section II.44 of the Tariff. Transmission Customers will be charged for the Congestion Costs and any other costs associated with such redispatch in accordance with the Tariff. Pursuant to such redispatch, in the event that ISO exercises its right to effect a Curtailment of Phase I/II HVDC-TF Service, in whole or part, no credit or other adjustment shall be provided as a result of the Curtailment with respect to the charges payable by the Transmission Customer.

2.2 Transmission Customer Responsibility for Other Service: Phase I/II HVDC-TF Service only provides transmission service over the Phase I/II HVDC-TF. The Transmission Customer is responsible for obtaining and paying any applicable costs associated with any service on other transmission facilities that may be required to complete a transaction that utilizes Phase I/II HVDC-TF Service.

2.3 Availability of Phase I/II HVDC-TF Service: An Eligible Customer having a Phase I/II HVDC-TF Service Agreement with a Schedule 20A Service Provider is a Transmission Customer (except as provided below) that may utilize the Use Rights offered by that Schedule 20A Service Provider for the transmission of any scheduled Real-Time transaction (includes imports of energy into, exports of energy out of, and wheels of energy through, the New England Control Area) that requires the use of the Phase I/II HVDC-TF. Such service shall be provided and administered by the individual Schedule 20A Service Provider and shall be requested pursuant to the applicable terms and conditions of this Schedule 20A. Phase I/II HVDC-TF

Service is available to any Eligible Customer who meets the financial assurance requirements of this Schedule 20A. The provision of Phase I/II HVDC-TF Service under this Schedule 20A requires that the Transmission Customer acquire an advance reservation over the Phase I/II HVDC-TF prior to the scheduling of an associated Real-Time transaction that requires the use of the Phase I/II HVDC-TF.

2.4 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 elect to continue to take Phase I/II HVDC-TF Service from the Schedule 20A Service Providers when the contract expires, rolls over or is renewed, subject to the rights and obligations of the Schedule 20A Service Providers under the Restated Use Agreement, the Support Agreements, and the Phase I/II HVDC-TF Transmission Service Administration Agreement. This transmission reservation priority is independent of whether the existing customer continues to purchase capacity and energy from the Schedule 20A Service Provider or elects to purchase capacity and energy from another supplier. If at the end of the contract term, the Schedule 20A Service Provider's Use Rights cannot accommodate all of the requests for Phase I/II HVDC-TF Service, the existing firm service customer must agree to accept a contract term at least equal to the longest competing request by any new Transmission 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 Schedule 20A Service Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its Phase I/II HVDC-TF 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, subject to the rights and obligations of the Schedule 20A Service Providers under the Restated Use Agreement, the Support Agreements, and the Phase I/II HVDC-TF Transmission Service Administration Agreement. Service Agreements subject to a right of first refusal entered into prior to the date of the Schedule 20A Service Providers' 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 Schedule 20A Service Providers' 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 Schedule 20A Service Providers' filing adopting the reformed rollover language herein in compliance with Order No. 890.

3. Transmission Customer Responsibilities

3.1 Conditions Required of Transmission Customers: Phase I/II HVDC-TF Service will be provided by the Schedule 20A Service Provider only if the following conditions are satisfied by the Transmission Customer.

- (a) The Transmission Customer has submitted a Completed Application for Phase I/II HVDC-TF Service in accordance with this Schedule 20A;
- (b) The Transmission Customer continues to qualify as an Eligible Customer;
- (c) The Transmission Customer and the Schedule 20A Service Provider have executed a Phase I/II HVDC-TF Service Agreement pursuant to this Schedule 20A;
- (d) The Transmission Customer agrees to have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Point of Receipt prior to the time service commences;
- (e) The Transmission Customer agrees to submit External Transactions into the New England Markets in accordance with the applicable ISO New England Operating Documents;
- (f) The Transmission Customer agrees to pay for Phase I/II HVDC-TF Service Charges, any Congestion Costs or other redispatch costs chargeable to such Transmission Customer under this Schedule 20A, and the Tariff, whether or not the Transmission Customer takes service for the full term of its Phase I/II HVDC-TF Service reservation;
- (g) The Transmission Customer has an advance reservation with a Schedule 20A Service Provider for Phase I/II HVDC-TF Service;
- (h) The Transmission Customer meets the creditworthiness procedures in Attachment L to the Schedule 20A Service Provider's Phase I/II HVDC-TF Service Schedule in Part II of

Schedule 20A; and

(i) The Transmission Customer provides the information required by the ISO's regional system planning process.

3.2 Transmission Customer Responsibility for Third-Party Arrangements: Any arrangements for Transmission Service and the scheduling of transactions that may be required by neighboring electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by ISO, notification to ISO identifying such neighboring electric systems and authorizing them to schedule the transactions to be transmitted pursuant to the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt.

The Transmission Customer shall arrange for Transmission Service, as necessary, in accordance with the Tariff. The ISO 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.

4. Procedures for Arranging Phase I/II HVDC-TF Service

4.1 Application: Eligible Customers seeking Phase I/II HVDC-TF Service must submit a Completed Application for Phase I/II HVDC-TF Service to the Schedule 20A Service Provider in accordance with the applicable section of this Schedule 20A and in accordance with the Schedule 20A Service Provider's rules, as posted on the Phase I/II HVDC-TF Transmission Provider Page. The Schedule 20A Service Provider shall post a copy of its form of Application for Phase I/II HVDC-TF Service on its Phase I/II HVDC-TF Transmission Provider Page.

4.2 Completed Application: A Completed Application for Phase I/II HVDC-TF Service shall provide all of the information included at 18 C.F.R. § 2.20 of the Commission's regulations, 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 this Schedule 20A;
- (iii) The Point(s) of Receipt and Point(s) of Delivery;
- (iv) The maximum amount of capacity and energy expected to be utilized under the Phase I/II HVDC-TF Service Agreement;
- (v) The Service Commencement Date and the term of the requested Phase I/II HVDC-TF Service;
- (vi) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Phase I/II HVDC-TF. Customers may combine their requests for Phase I/II HVDC-TF Service in order to satisfy the minimum transmission capacity requirement;
- (vii) A statement indicating that if the Transmission Customer submits a Pre-Confirmed Request, then the Transmission Customer will take and pay for the requested Phase I/II HVDC-TF Service upon acceptance on OASIS by the Schedule 20A Service Provider that can provide the requested Phase I/II HVDC-TF Service; and
- (viii) Any additional information required by the ISO's regional system planning process.
- (ix) In addition to the information specified above and when required to properly evaluate the application for service, the Schedule 20A Service Provider also may request that the Eligible Customer provide the following:

? ?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.

?? A description of the supply characteristics of the capacity and energy to be delivered.

4.3 Deposit: If required by the Schedule 20A Service Provider, a Completed Application for Phase I/II HVDC-TF Service by a Transmission Customer shall also include a deposit of either (a) one (1) month's charge for Reserved Capacity over the Phase I/II HVDC-TF for service requests of one (1) month or greater or (b) the full charge for Reserved Capacity over the Phase

I/II HVDC-TF for service requests of less than one (1) month. If the Application for Phase I/II HVDC-TF Service is rejected by the Schedule 20A Service Provider because it does not meet the conditions for service as set forth herein, or in the case of requests for service arising in connection with losing bidders in a request for proposals (RFP), the deposit will be returned with interest, less any reasonable costs incurred by the Schedule 20A Service Provider, the ISO or any affected Transmission Owners in connection with the review of the Application for Phase I/II HVDC-TF Service. If an Application for Phase I/II HVDC-TF Service is withdrawn or the Eligible Customer decides not to enter into a Phase I/II HVDC-TF Service Agreement, the deposit will be refunded in full, with interest, less reasonable costs incurred by the Schedule 20A Service Provider, the ISO or any affected Transmission Owners to the extent such costs have not already been recovered from the Eligible Customer. The Schedule 20A Service Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. If a Phase I/II HVDC-TF Service Agreement is executed, the deposit, with interest, will be returned to the Transmission Customer upon expiration or termination of the Phase I/II HVDC-TF Service Agreement. Applicable interest will be calculated in accordance with Commission regulations from the day the deposit is credited to the Schedule 20A Service Provider's account.

4.4 Notice of Deficient Application: If an Application for Phase I/II HVDC-TF Service fails to meet the requirements of this Schedule 20A, the Schedule 20A Service Provider will notify the entity requesting service within fifteen (15) days of the Schedule 20A Service Provider's receipt of the Application for Phase I/II HVDC-TF Service of the reasons for such failure. The Schedule 20A Service Provider and the Eligible Customer will attempt to remedy minor deficiencies in the Application for Phase I/II HVDC-TF Service through informal communications. If such efforts are unsuccessful, the Schedule 20A Service Provider will return the Application for Phase I/II HVDC-TF Service, along with any deposit (less the reasonable costs incurred by the Schedule 20A Service Provider, the ISO or any affected Transmission Owners in connection with the Application for Phase I/II HVDC-TF Service), with interest, to the Eligible Customer. Upon receipt of a new or revised Application for Phase I/II HVDC-TF Service that fully complies with the requirements of this Schedule 20A, the Eligible Customer will be assigned a new reservation priority based upon the date of receipt by the Schedule 20A Service Provider of the new or revised Application for Phase I/II HVDC-TF Service.

4.5 Response to a Completed Application: Following receipt of a Completed Application for Phase I/II HVDC-TF Service, the Eligible Customer will be notified as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application for Phase I/II HVDC-TF Service. Responses by the Schedule 20A Service Provider must be made as soon as practicable to all Completed Applications for Phase I/II HVDC-TF Service and the timing of such responses must be made on a nondiscriminatory basis.

4.6 Execution of Phase I/II HVDC-TF Service Agreement: Whenever the Schedule 20A Service Provider determines that the requested service can be provided, it will notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application for Phase I/II HVDC-TF Service, and will tender a Phase I/II HVDC-TF Service Agreement to the Eligible Customer. Failure of an Eligible Customer to execute and return the Phase I/II HVDC-TF Service Agreement or request the filing of an unexecuted Phase I/II HVDC-TF Service Agreement, within fifteen (15) days after it is tendered by the Schedule 20A Service Provider, shall be deemed a withdrawal and termination of the Application for Phase I/II HVDC-TF Service and any deposit (less the reasonable costs incurred by the Schedule 20A Service Provider, the ISO and any affected Transmission Owners in connection with the Application for Phase I/II HVDC-TF Service) submitted will be refunded with interest. Nothing herein limits the right of an Eligible Customer to file another Completed Application for Phase I/II HVDC-TF Service after such withdrawal and termination.

4.7 Reservation of Phase I/II HVDC-TF Service: OASIS requests for yearly or monthly service shall be submitted no earlier than sixty (60) days before service is to commence; requests for weekly, daily and hourly service shall be submitted no earlier than twenty-one (21) days before service is to commence.

4.8 Extensions for Commencement of Firm Phase I/II HVDC-TF Service: The Transmission Customer can obtain, subject to availability, up to five one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual reservation fee equal to one-month's charge for Firm Phase I/II HVDC-TF Service for each year or fraction thereof within 15 days of notifying the Schedule 20A Service Provider 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 Phase I/II HVDC-TF Service, and such request can be satisfied only by releasing all or part of the

Transmission Customer's Reserved Capacity over the Phase I/II HVDC-TF, the original Reserved Capacity over the Phase I/II HVDC-TF will be released unless the following condition is satisfied: within thirty (30) days, the original Transmission Customer agrees to pay the applicable rate for Firm Phase I/II HVDC-TF Service for its Reserved Capacity over the Phase I/II HVDC-TF for the period that its reservation overlaps the period covered by such Eligible Customer's Completed Application for Phase I/II HVDC-TF Service. In the event the Transmission Customer elects to release the Reserved Capacity over the Phase I/II HVDC-TF, the reservation fees or portions thereof previously paid will be forfeited.

4.9 Confidentiality of Information and Standards of Conduct. The Schedule 20A Service Provider will treat all information included in the Completed Application for Phase I/II HVDC-TF Service as confidential in accordance with the standards of conduct contained in 18 C.F.R. Part 37 of the Commission's regulations except to the extent that disclosure of such information is required by this Schedule 20A, the Phase I/II HVDC-TF Service Agreement, Schedule 20A Service Provider's Business Practices, by regulatory or judicial order, or for reliability purposes pursuant to Good Utility Practice.

5. Determination of Available Transfer Capability

The Schedule 20A Service Provider will make a determination on a non-discriminatory basis of ATC pursuant to Attachment C to this Schedule 20A and Section II, Attachment C of the Tariff.

6. Payment for Phase I/II HVDC-TF Service

6.1 Phase I/II HVDC-TF Service Charge: A Transmission Customer shall pay the Schedule 20A Service Provider's Phase I/II HVDC-TF Service Charge to the Schedule 20A Service Provider under the terms of this Schedule 20A.

6.2 Discounts: Information regarding any discounts to the Phase I/II HVDC-TF Service Charge shall be offered by the Schedule 20A Service Provider in a not unduly discriminatory manner and posted on its Phase I/II HVDC-TF Transmission Provider Page pursuant to Commission regulations. Three principal requirements apply to discounts for transmission service over the Phase I/II HVDC-TF: (1) any offer of a discount made by a Schedule 20A Service Provider must be announced to all Eligible Customers solely by posting on the OASIS, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale

merchant or an Affiliate's use) must occur solely by posting on the OASIS, and (3) once a discount is negotiated, details must be immediately posted by the Schedule 20A Service Provider on the OASIS. For any discount agreed upon for service on a path, from Point(s) of Receipt to Point(s) of Delivery, the individual Schedule 20A Service Provider must offer the same discounted Phase I/II HVDC-TF Service rate for the same time period to all of its Eligible Customers.

6.3 Resales: The rates and rules governing charges and discounts stated in Sections 6.1 and 6.2 above shall not apply to resales of transmission service, compensation for which shall be governed by Section 8 of this Schedule 20A.

7. Changes in Service Specifications of Phase I/II HVDC-TF Service

7.1 Modification on a Firm Basis: Any request by a Transmission Customer to modify Point(s) of Receipt and Point(s) of Delivery on a firm basis shall be treated as a new request for Phase I/II HVDC-TF Service in accordance with this Schedule 20A, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation over the Phase I/II HVDC-TF does not exceed the amount reserved in the existing Phase I/II HVDC-TF Service Agreement. While such new request is pending, the Transmission Customer shall retain its reservation priority for service at the firm Receipt Point(s) and Delivery Point(s) specified in the Transmission Customer's existing Phase I/II HVDC-TF Service Agreement.

7.2 Modifications on a Non-Firm Basis: The Transmission Customer taking Firm Phase I/II HVDC-TF Service may submit a request to the Schedule 20A Service Provider for transmission service on a non-firm basis over Point(s) of Receipt and Point(s) of Delivery other than those specified in the Phase I/II HVDC-TF Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed the Transmission Customer's firm capacity reservation over the Phase I/II HVDC-TF, without incurring an additional Non-Firm Phase I/II HVDC-TF Service charge or executing a new Phase I/II HVDC-TF Service Agreement, subject to the following conditions:

(a) Phase I/II HVDC-TF 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 Phase I/II

HVDC-TF Service reserved by Transmission Customers under this Schedule;

(b) the Transmission Customer shall retain its right to schedule Firm Phase I/II HVDC-TF Service at the Point(s) of Receipt and Point(s) of Delivery specified in the relevant Phase I/II HVDC-TF Service Agreement in the amount of the Transmission Customer's original Phase I/II HVDC-TF Service reservation over the Phase I/II HVDC-TF; and

(c) Phase I/II HVDC-TF Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Phase I/II HVDC-TF Service under this Schedule. However, all other requirements of this Schedule (except as to Phase I/II HVDC-TF Service charges) shall apply to Phase I/II HVDC-TF Service on a non-firm basis over Secondary Receipt and Delivery Points.

8. Sale, Assignment or Transfer of Phase I/II HVDC-TF Service

8.1 Procedures for Sale, Assignment or Transfer of Service: Pursuant to Commission-approved rules posted by the Schedule 20A Service Provider on its Phase I/II HVDC-TF Transmission Provider Page, and subject to the requirements of the Restated Use Agreement, a Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Phase I/II HVDC-TF Service Agreement, but only to another Eligible Customer (the "Assignee"). The Transmission Customer that sells, assigns or transfers its rights under its Phase I/II HVDC-TF Service Agreement is hereafter referred to as the "Reseller" as the term is used throughout this Schedule 20A. 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 Schedule 20A Service Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Schedule 20A Service Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Schedule 20A Service Provider or the associated OASIS schedule and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Schedule 20A Service Provider 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 Phase I/II HVDC-TF Service

Agreement, the Assignee shall receive the same services as did the Reseller and the transmission priority of service for the Assignee shall be the same as that of the Reseller. The Assignee shall be subject to all terms and conditions of this Schedule 20A. If the Assignee requests a change in service, the reservation priority of service will be determined by the Schedule 20A Service Provider pursuant to this Schedule 20A.

8.2 Limitations on and Obligations of 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 Phase I/II HVDC-TF Service Agreement, the Schedule 20A Service Provider will consent to such change subject to the provisions of this Schedule 20A, provided that the change will not impair the operation of the New England Markets or the operation and reliability of the New England Transmission System. The Reseller shall remain liable for the performance of all obligations under the Phase I/II HVDC-TF Service Agreement, except as specifically agreed to by the Schedule 20A Service Provider, the Reseller and the Assignee through an amendment to the Phase I/II HVDC-TF Service Agreement.

8.3 Information on Resale of Service: In accordance with this Schedule 20A, Transmission Customers may use the Phase I/II HVDC-TF Transmission Provider Page to post information regarding transmission capacity over the Phase I/II HVDC-TF available for resale. All sales or assignments of capacity must be conducted through or otherwise posted on the Schedule 20A Service Provider's OASIS on or before the date the reassigned service commences and are subject to Section 8.1.

9. Real Power Losses

Real power losses across the Phase I/II HVDC-TF shall be allocated solely to Transmission Customers that use Phase I/II HVDC-TF. Such allocation for transactions across the Phase I/II HVDC-TF shall be pursuant to the Tariff and in accordance with the operating protocols adopted by TransÉnergie and the Phase I/II HVDC-TF Owners. The Transmission Customer will be responsible for the losses associated with Phase I/II HVDC-TF Service, in addition to any losses associated with other transmission service under the Tariff.

10. No Obligation to Build or Expand the Phase I/II HVDC-TF

A Schedule 20A Service Provider's status under the Tariff shall not impose any obligation on it to build transmission facilities or expand the Phase I/II HVDC-TF. The offering of Phase I/II HVDC-TF Service

under the Tariff shall not impose on the Phase I/II HVDC-TF Owners, the IRH or the ISO an obligation to build any transmission facilities to accommodate Phase I/II HVDC-TF Service.

11. No Effect on PTF Rates

Inclusion of Phase I/II HVDC-TF Service under the Tariff shall not affect rates for service on the PTF under the Tariff.

12. Ancillary Services

Transmission Customers taking service over the Phase I/II HVDC-TF Transmission System are required to acquire Ancillary Services from (a) the Schedule 20A Service Provider pursuant to the provisions within Section II to this Schedule 20A and (b) the Control Area Operator pursuant to the provisions within the Tariff. The specific Ancillary Services, prices and/or compensation methods are described in Section II to this Schedule 20A and in the applicable Schedules of the OATT.

13. Congestion Costs and FTRs

Congestion Costs will not be calculated, and therefore FTRs will not be offered, between any set of points on the Phase I/II HVDC-TF. Transmission Customers taking Phase I/II HVDC-TF Service in conjunction with service over the PTF, however, shall be subject to applicable Congestion Costs for any use of the PTF.

14. Creditworthiness

Each Schedule 20A Service Provider will specify its Creditworthiness procedures in Attachment L to its Phase I/II HVDC-TF Service Schedule in Part II of Schedule 20A.

15. Billing and Payment

15.1 Billing Procedure: Within a reasonable time after the first day of each month, the Schedule 20A Service Provider shall submit an invoice to the Transmission Customer for the charges for all Phase I/II HVDC-TF Service furnished under this Schedule 20A 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 the Schedule 20A Service Provider, or by wire transfer to a bank named by the Schedule 20A Service Provider.

15.2 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. 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 Schedule 20A Service Provider.

15.3 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 Schedule 20A Service Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Schedule 20A Service Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Schedule 20A Service Provider may initiate a proceeding with the Commission to terminate Phase I/II HVDC-TF Service but shall not terminate such service until the Commission approves any such request. In the event of a billing dispute between the Schedule 20A Service Provider and the Transmission Customer, the Schedule 20A Service Provider will continue to provide Phase I/II HVDC-TF 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 Phase I/II HVDC-TF Service, then the Schedule 20A Service Provider may provide notice to the Transmission Customer of its intention to suspend such service in sixty (60) days, in accordance with Commission policy.

16. Standards for Business Practices and Communication Protocols for Public Utilities

The following NAESB Version 003 Standards are hereby incorporated by reference in this Schedule 20A to the extent they apply to the Schedule 20A Service Providers:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information System (OASIS), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3,

001-15.1.2 and 001-106.2.5;

- WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).
- WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on December 28, 2012);
- WEQ-012, Public Key Infrastructure (PKI) WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on October 4, 2012); and
- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).

The Schedule 20A Service Providers have requested a waiver of the following NAESB Version 003 Standards pursuant to a compliance filing submitted to the Commission on December 1, 2014 and a Supplemental Waiver Request on April 14, 2015 to comply with FERC Order No. 676-H, *Standards for Business Practices and Communication Protocols for Public Utilities*, 148 FERC ¶ 61,205 (2014), as modified by the Commission's October 3, 2014 *Errata Notice*, 149 FERC ¶ 61,014 (2014).

- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012);
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012);
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012);
- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas / Electric Coordination, WEQ Version 003, July 31, 2012; *(To the extent that this standard does apply to an individual Schedule 20A Service Provider, the incorporation of this standard shall be addressed within the respective Schedule 20A Service Provider-specific schedule under Part II of this Schedule 20A.)*
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012);
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012);and

- WEQ-000, WEQ-001, WEQ-002 and WEQ-003, related to Network Integration Transmission Service (“NITS”), WEQ Version 003, July 31, 2012; and
- WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013, related to Service Across Multiple Transmission Systems (“SAMTS”), WEQ Version 003, July 31, 2012.

SCHEDULE 20A

ATTACHMENT A

PHASE I/II HVDC-TF SERVICE AGREEMENT

This Phase I/II HVDC-TF Service Agreement (“Service Agreement”), dated as of _____, is entered into, by and between _____ (“Schedule 20A Service Provider”) and _____ (“Transmission Customer”).

PART I – General Terms and Conditions

1. Service Provided: Phase I/II HVDC-TF Service under Part II, Schedule 20A of the ISO New England Inc., Transmission, Markets and Services Tariff (“Tariff”) (Check applicable service):

Non-Firm (Part I) Firm (Parts I & II)

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 Phase I/II HVDC-TF Service under this Service Agreement and the Tariff.

4. The Transmission Customer agrees to supply information associated with its request for Phase I/II HVDC-TF Service to the Schedule 20A Service Provider that the Schedule 20A Service Provider deems reasonably necessary in accordance with Schedule 20A and Good Utility Practice in order for it to receive the requested service.

5. The Schedule 20A Service Provider agrees to provide and the Transmission Customer agrees to take and pay for Phase I/II HVDC-TF Service in accordance with the provisions of the Tariff and this Service Agreement.

6. Service will be subject to some combination of the charges detailed in Part II, Schedule 20A of the Tariff. The appropriate charges will be determined in accordance with the terms and conditions of

Schedule 20A.

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

Transmission Customer:

Schedule 20A Service Provider:

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

9. Nothing contained in this Service Agreement shall be construed as affecting in any way the right of the Schedule 20A Service Provider 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 Service Agreement. Nothing contained in this 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 Service Agreement.

10. Phase I/II HVDC-TF Service under this Service Agreement shall commence on the later of: (1) _____, or (2) such other date as it is permitted to become effective by the Commission. Service shall terminate on _____.

PART II – Firm Phase I/II HVDC-TF Service

1. Specifications for Phase I/II HVDC-TF Service.

a. Term of Transaction: _____

b. Description of capacity and energy to be transmitted over the Phase I/II HVDC-TF including the electric Control Area in which the transaction originates:

c. Point(s) of Receipt and Capacity Reservation:

d. Delivering Party: _____

e. Point(s) of Delivery and Capacity Reservation:

f. Receiving Party: _____

g. Reserved Capacity: _____

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

Additional terms and conditions as may be specified in individual Schedule 20A Service Providers' Service Schedule:

IN WITNESS WHEREOF, the Parties have caused this Phase I/II HVDC-TF Service Agreement to be executed by their respective authorized officials.

Transmission Customer:

By: _____
Name Title Date

Print Name

Schedule 20A Service Provider:

By: _____
Name Title Date

Print Name

SCHEDULE 20A

ATTACHMENT A-1

**Form of PHASE I/II-TF Service Agreement For
The Resale, Reassignment or Transfer of
Point-To-Point Phase I/II HVDC-TF Service**

1. This Phase I/II HVDC-TF Service Agreement (“Service Agreement”), dated as of _____, is entered into, by and between _____ (“Schedule 20A Service Provider”) and _____ (“Assignee”).
2. The Assignee has been determined by the Schedule 20A Service Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
3. The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part I of Schedule 20A and the Schedule 20A Service Provider’s Service Schedule of Schedule 20A, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section I.8.1 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.8.2 of this Tariff.
4. The Schedule 20A Service Provider shall credit the Reseller for the price reflected in the Assignee’s Service Agreement or the associated OASIS schedule.
5. 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.

Schedule 20A Service Provider:

Assignee:

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

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

Schedule 20A Service Provider:

By: _____
Name Title Date

Print Name

Assignee:

By: _____
Name Title Date

Print Name

**Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Phase I/II HVDC-TF Service**

1. Term of Transaction: _____

Start Date: _____

Termination Date: _____

2. Description of capacity and energy to be transmitted by the Schedule 20A Service Provider including the electric Control Area in which the transaction originates.

3. Point(s) of Receipt: _____

Delivering Party: _____

4. Point(s) of Delivery: _____

Receiving Party: _____

5. Maximum amount of reassigned capacity: _____

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

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

(Name of Transmission Owner) Open Access Transmission Tariff

8. 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 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:

II. PHASE I/II HVDC-TF SERVICE SCHEDULES

The specific terms and conditions for rates and charges of the individual Schedule 20A Service Providers' offering of their Phase I/II HVDC-TF Use Rights are found in the Phase I/II HVDC-TF Service Schedules in this Part II of Schedule 20A.

SCHEDULE 20A

ATTACHMENT C

METHODOLOGY TO ASSESS AVAILABLE TRANSFER CAPABILITY

1. INTRODUCTION

This Attachment C to Schedule 20A applies to the calculation of transfer capability of the Phase I/II HVDC-TF by the Schedule 20A Service Providers.

1.1 Scope of Document

This Attachment C to Schedule 20A addresses the following items with respect to the Phase I/II HVDC-TF between the Hydro-Quebec Control Area and the New England Control Area for the Schedule 20A Service Providers:

- Total Transfer Capability (TTC) methodology
- Available Transfer Capability (ATC) methodology
- Existing Transmission Commitments (ETC)
- Use of Transmission Reliability Margin (TRM)
- Use of Capacity Benefit Margin (CBM)
- Use of Roll-over Rights (ROR) in the calculation of ETC

1.2 Overview of Phase I/II HVDC-TF

The Phase I/II HVDC-TF is a 2,000 MW HVDC tie line in New England that interconnects the New England Control Area with the Hydro-Québec Control Area in the Province of Québec, Canada. This HVDC line has one termination point in New England (with paired operation with complementary facilities in Québec). The specific facilities in New England are the Sandy Pond HVDC Terminal, which interconnects Central Massachusetts and the Nicolet and/or Radisson HVDC terminals of Hydro-Québec. Additional information on the Phase I/II HVDC-TF can be found at ISO New England OASIS web site under the “IRH”.

1.3 Definitions

Capitalized terms used and defined in this Attachment C to Schedule 20A shall have the meaning given them under this Attachment. Capitalized terms used and not defined in this Schedule 20A but defined in other sections of Schedule 20A or the ISO Tariff shall have the meaning given them under those sections. Capitalized terms used in this Attachment C to Schedule 20A that are not defined in it or elsewhere in Schedule 20A or the ISO Tariff shall have the meanings in the Restated Use Agreement or those customarily attributed to applicable criteria, rules, standards and operating procedures.

Balancing Authority (BA): The responsible entity that integrates resource plans ahead of time, maintains load-interchange-generation balance within a Balancing Authority Area, and supports Interconnection frequency in real time.

Balancing Authority Area: The collection of generation, transmission, and loads within the metered boundaries of the Balancing Authority. The Balancing Authority maintains load-resource balance within this area.

Export: New England to Hydro-Quebec

Import: Hydro-Quebec to New England

Operating Horizon (OH): For the purposes of this document,

- CVPS resets the OH at 16:00 eastern prevailing time each day. At that time, the OH spans from 16:00 through midnight two days out for a total of 56 hours. As time progresses the total hours remaining in the OH decreases until 16:00 the following day when the OH is once again reset to 56 hours.
- All SSPs (except CVPS) individually reset their OHs at 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.

Planning Horizon (PH): For the purpose of this Attachment C to Schedule 20A, PH for any Schedule 20A Service Provider is any period before the OH.

Scheduling Horizon (SH): For the purpose of this Attachment C to Schedule 20A, SH is Real-Time and the hour before and utilizes Firm and Non-Firm Phase I/II HVDC-TF Service pursuant to ISO New England Operating Documents.

2. PHASE I/II HVDC-TF 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 the Phase I/II HVDC-TF is calculated by the ISO as Transmission Operator using the NERC Standard MOD-029-1 Rated System Path Methodology and posted on the ISO New England OASIS site. Therefore, all requirements associated with the documentation of TTC methodology are addressed in Sections 1 and 3 of Section II, Attachment C – Available Transfer Capability Methodology of the ISO Tariff.

3. PHASE I/II HVDC-TF AVAILABLE TRANSFER CAPABILITY (ATC)

General

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. However, several of those items are not applicable to the Phase I/II HVDC-TF due to the fact that the Phase I/II HVDC-TF is a DC facility and sinks into a region where advance transmission service is not required. Because of this arrangement, loop flow is not an issue; and since associated Regional Transmission Service is not sold in advance of real-time flow within ISO New England, the flow on the Phase I/II HVDC-TF does not typically impact the calculation of any other transfer capability.

Each Schedule 20A Service Provider, based on its Planning and Operating Horizon timing guidelines, will calculate and post as specified in Section 5 of this document Firm and Non-Firm Phase I/II HVDC-TF ATC separately using the NERC Standard MOD-029-1 Rated System Path Methodology.

Phase I/II HVDC-TF 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 use of CBM on Phase I/II HVDC-TF is governed by the overall ISO

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 their Capacity Requirements prior to the beginning of any given month in accordance with the ISO Tariff. As such, no CBM on Phase I/II HVDC-TF is set aside by any SSP for use by Load Serving Entities in ATC calculations. Therefore CBM is zero and will not be included in the calculations of ATC. As long as this market design is in place in New England, the CBM will continue to be set to zero.

Existing Transmission Commitments, Firm (ETC_F)

The ETC_F are those Phase I/II HVDC-TF 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 Phase I/II HVDC-TF 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 TRM is the amount of transmission transfer capability 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. TRM is only applicable to Firm Phase I/II HVDC-TF ATC and shall not be applied to Non-Firm Phase I/II HVDC-TF ATC.

The ISO, as Transmission Operator, is responsible for calculating the TRM on the Phase I/II HVDC-TF interface. The Phase I/II HVDC-TF interface poses one of the largest contingency risks in the NYISO, PJM and New England Control Areas. As such, the Import TRM on the Phase I/II HVDC-TF is directly related to these operational limits which can be enforced at any time and the Import TRM is calculated as TTC minus the largest single source contingency. Therefore the SSPs set the Import TRM at 800 MW such that Firm Transmission Service is not sold above this operational limit.

Export TRM is established based on the methodology to account for operational uncertainties on the Hydro-Quebec TransEnergie transmission system. Therefore, the Export TRM is calculated as TTC minus these operational uncertainties.

For additional information on TRM, refer to the ISO Tariff, Attachment C – Available Transfer Capability Methodology, Section 5.2.2 – TRM Calculation for the OTF.

4. CALCULATION OF PHASE I/II HVDC-TF ATC

4.1 Calculation of Phase I/II HVDC-TF Firm ATC (ATC_F)

4.1.1 Calculation of ATC_F in the PH

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

As discussed above, Phase I/II HVDC-TF CBM is zero. Firm Transmission Service over the Phase I/II HVDC-TF that is available in the Planning Horizon (PH) includes: Yearly, Monthly, Weekly, and Daily. $Postbacks_{SF}$ and $counterflows_F$ of Phase I/II HVDC-TF transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the PH is equal to the TTC minus ETC_F and TRM.

4.1.2 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 ETC_F , CBM, TRM, $Postbacks_{SF}$ and $counterflows_F$.

As discussed above, Phase I/II HVDC-TF CBM is zero. Daily Firm Transmission Service over the Phase I/II HVDC-TF is the only firm service offered in the Operating Horizon (OH). $Postbacks_{SF}$ and $counterflows_F$ of Phase I/II HVDC-TF transmission reservations are not considered in the ATC_F calculation. Therefore, ATC_F in the OH is equal to the TTC minus ETC_F and TRM.

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

4.2.1 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 ($Postback_{SNF}$) and Non-Firm counterflows ($counterflows_{SNF}$).

As discussed above, the CBM for Phase I/II HVDC-TF is zero. Non-Firm ATC available in the PH includes: Monthly, Weekly, Daily and Hourly. TRM_U , $Postback_{SNF}$ and $counterflows_{SNF}$ of Phase I/II HVDC-TF 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} .

4.2.2 Calculation of ATC_{NF} in the OH

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

TRM_U and $counterflows_{SNF}$ are not considered in this calculation and CBM is zero. Therefore, ATC_{NF} in the OH is equal to the TTC minus ETC_F , and ETC_{NF} plus $Postback_{SNF}$.

4.3 Negative ATC

Due to the calculation methodologies defined above, typically there should not be negative ATC values posted.

5. POSTING OF PHASE I/II HVDC-TF ATC

5.1 Location of ATC Posting

ATC values are posted separately on the Phase I/II HVDC-TF Transmission Provider's Page for the Schedule 20A Service Providers. In addition, a summary of the level of service available from the Schedule 20A Service Providers is available on the ISO New England OASIS site under the "IRH".

5.2 Updates To ATC

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

5.3 Coordination of ATC Calculations

The Phase I/II HVDC-TF is a controllable DC inter-Control Area tie line. Therefore it is not necessary to coordinate the Phase I/II HVDC-TF ATC values with the Hydro-Québec Control Area.

5.4 Load Forecast

The Phase I/II HVDC-TF is a controllable DC inter-Control Area tie line. Therefore, the ISO load forecast has no impact on the Phase I/II HVDC-TF ATC. The ISO is responsible for calculating the load forecast for the region and posts the load forecast on the ISO New England OASIS site.

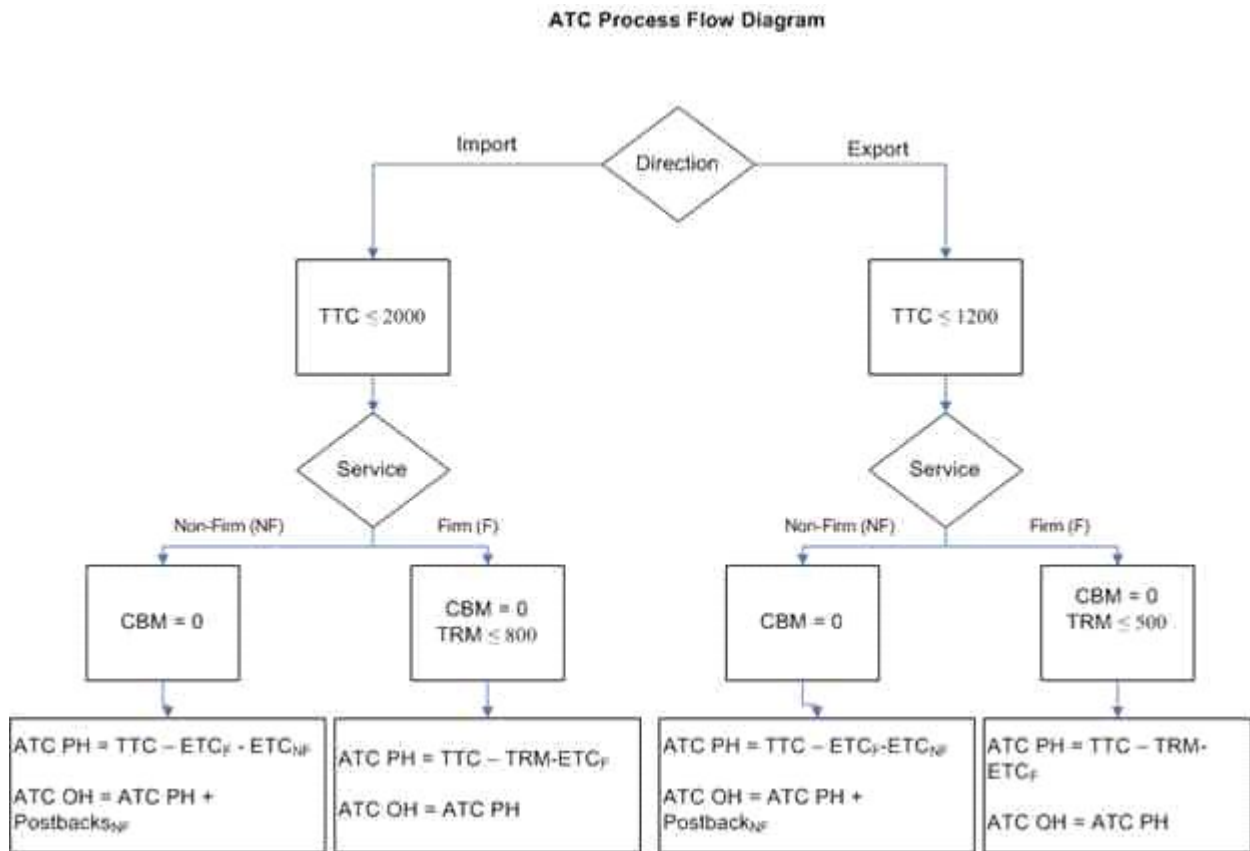
5.5 ATC Mathematical Algorithms

The mathematical algorithms are posted on the ISO New England OASIS web site at http://www.oatiaoasis.com/ISNE/ISNEdocs/sched20A_atc_algorithm.docx. Each SSP will provide a link to this document on their individual web sites.

5.6 Generation and Transmission Outages

The Phase I/II HVDC-TF is a controllable DC inter-Control Area tie line and therefore generation or transmission outages have no impact on the Phase I/II HVDC-TF ATC.

6. ATC PROCESS FLOW DIAGRAM



Record Content Description, Tariff Record Title, Record Version Number, Option Code:
 Schedule 21 Common, Schedule 21 Common, 6.0.0, A
 Record Narrative Name: Schedule 21 - Common
 Tariff Record ID: 184

Tariff Record Collation Value: 548995082 Tariff Record Parent Identifier: 102
Proposed Date: 2015-04-15
Priority Order: 50
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

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 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.

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.

With the exception of waivers specified in certain PTO-specific Local Service Schedules, 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:

- WEQ-000, Abbreviations, Acronyms, and Definition of Terms, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Oct. 4, 2012, Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-001, Open Access Same-Time Information System (OASIS), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013) excluding Standards 001-9.5, 001-10.5, 001-14.1.3, 001-15.1.2 and 001-106.2.5;
- WEQ-002, Open Access Same-Time Information System (OASIS) Business Practice Standards and Communication Protocols (S&CP), OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Nov. 28, 2012 and Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-003, Open Access Same-Time Information System (OASIS) Data Dictionary Business Practice Standards, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013);
- WEQ-012, Public Key Infrastructure (PKI) WEQ Version 003, July 31, 2012, as modified by

NAESB final actions ratified on October 4, 2012); and

- WEQ-013, Open Access Same-Time Information System (OASIS) Implementation Guide, OASIS Version 2.0, WEQ Version 003, July 31, 2012, as modified by NAESB final actions ratified on Dec. 28, 2012 (with minor corrections applied Nov. 26, 2013).

The Participating Transmission Owners have requested a waiver of the following NAESB WEQ Version 003 Standards pursuant to a compliance filing submitted to the Commission on December 1, 2014 and a Supplemental Waiver Request on April 14, 2015 to comply with FERC Order No. 676-H, *Standards for Business Practices and Communication Protocols for Public Utilities*, 148 FERC ¶ 61,205 (2014), as modified by the Commission's October 3, 2014 *Errata Notice*, 149 FERC ¶ 61,014 (2014).

- WEQ-004, Coordinate Interchange, WEQ Version 003, July 31, 2012 (as modified by NAESB final actions ratified on December 28, 2012);
- WEQ-005, Area Control Error (ACE) Equation Special Cases, WEQ Version 003, July 31, 2012);
- WEQ-006, Manual Time Error Correction, WEQ Version 003, July 31, 2012);
- WEQ-007, Inadvertent Interchange Payback, WEQ Version 003, July 31, 2012);
- WEQ-008, Transmission Loading Relief (TLR) – Eastern Interconnection, WEQ Version 003, July 31, 2012 (with minor corrections applied November 28, 2012);
- WEQ-011, Gas / Electric Coordination, WEQ Version 003, July 31, 2012; *(To the extent that this standard does apply to an individual PTO, the incorporation of this standard shall be addressed within the respective PTO-specific Local Service Schedule.)*
- WEQ-015, Measurement and Verification of Wholesale Electricity Demand Response, WEQ Version 003, July 31, 2012);
- WEQ-021, Measurement and Verification of Energy Efficiency Products, WEQ Version 003, July 31, 2012);
- WEQ-000, WEQ-001, WEQ-002 and WEQ-003, related to Network Integration Transmission Service (“NITS”), WEQ Version 003, July 31, 2012); and
- WEQ-000, WEQ-001, WEQ-002, WEQ-003 and WEQ-013, related to Service Across Multiple Transmission Systems (“SAMTS”), WEQ Version 003, July 31, 2012.

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 : 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 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 its 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.

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

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.

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.

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

Regional Network Service customers must take either Local Network Service or Local Point-To-Point 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: (1) _____, 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.

Estimated Time

Milestone

(Activity)

Period For Completion

(# of months)

5. Payment schedule and costs.

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

Milestone	Amount (\$)
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6. Policy and practices for protection requirements for new or modified load interconnections.
7. Insurance requirements.

PART 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: (1) _____, 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.

Estimated Time

Milestone

(Activity)

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:

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