

EL PASO ELECTRIC COMPANY
OPEN ACCESS TRANSMISSION TARIFF
FERC ELECTRIC TARIFF
VOLUME NO. 1

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I. COMMON SERVICE PROVISIONS

1 Definitions

1.1 Affiliate:

With respect to a corporation, partnership or other entity, each such other corporation, partnership or other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such corporation, partnership or other entity.

1.2 Ancillary Services:

Those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Transmission Provider's Transmission System in accordance with Good Utility Practice.

1.3 Annual Transmission Costs:

The total annual cost of the Transmission System for purposes of Network Integration Transmission Service shall be the amount specified in Attachment H until amended by the Transmission Provider or modified by the Commission.

1.4 Application:

A request by an Eligible Customer for transmission service pursuant to the provisions of the Tariff.

1.5 Balancing Authority (BA):

The responsible entity that integrates resource plans ahead of time, maintains load Interchange-generation balance within a BAA, and supports interconnection frequency in real time.

1.6 Balancing Authority Area (BAA):

The collection of generation, transmission, and loads within the metered boundaries of

the BA. The BA maintains load-resource balance within this area. For purposes of this Tariff, “BAA” shall have the same meaning as “Control Area.”

1.7 Balancing Authority Area Resource:

A resource owned by EPE, or voluntarily contracted for by EPE to provide EIM Available Balancing Capacity, that can provide regulation and load following services to enable the EPE EIM Entity to meet reliability criteria. NO resource unaffiliated with the EPE EIM Entity shall be a Balancing Authority Area Resource solely on the basis of one or more of the following reasons: (1) the resource is a Designated Network Resource; (2) the resource flows on a Point-to Point Transmission Service reservation; and/or (3) the resource is an Interconnection Customer under the Tariff.

1.8 Bid Cost Recovery (BCR):

The MO EIM settlements process through which EPE EIM Participating Resources recover their bid costs.

1.9 California Independent System Operator Corporation (CAISO):

A state-chartered, California non-profit public benefit corporation that operates the transmission facilities of all CAISO participating transmission owners and dispatches certain generating units and loads. The CAISO is the MO for the EIM.

1.10 CAISO BAA or CAISO Controlled Grid:

The system of transmission lines and associated facilities of the CAISO participating transmission owners that have been placed under the CAISO’s operational control.

1.51.11 Commission:

The Federal Energy Regulatory Commission.

1.61.12 Completed Application:

An Application that satisfies all of the information and other requirements of the Tariff, including any required deposit.

1.71.13 Control Area:

This term is used interchangeably with “Balancing Authority Area.”

An electric power system or combination of electric power systems to which a common automatic generation control scheme is applied in order to:

- (1) match, at all times, the power output of the generators within the electric power system(s) and capacity and energy purchased from entities outside the electric power system(s), with the load within the electric power system(s);
- (2) maintain scheduled interchange with other Control Areas, within the limits of Good Utility Practice;
- (3) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice; and
- (4) provide sufficient generating capacity to maintain operating reserves in accordance with Good Utility Practice.

1.81.14 Curtailment:

A reduction in firm or non-firm transmission service in response to a transfer capability shortage as a result of system reliability conditions.

1.91.15 Delivering Party:

The entity supplying capacity and energy to be transmitted at Point(s) of Receipt.

1.101.16 Designated Agent:

Any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer, or the Transmission Customer required under the Tariff.

1.11.17 Direct Assignment Facilities:

Facilities or portions of facilities that are constructed by the Transmission Provider for the sole use/benefit of a particular Transmission Customer requesting service under the Tariff. Direct Assignment Facilities shall be specified in the Service Agreement that governs service to the Transmission Customer and shall be subject to Commission approval.

1.18 Dispatch Instruction (Dispatch Operating Target):

An instruction by the MO for an action with respect to a specific EPE EIM Participating Resource or Balancing Authority Area Resource for increasing or decreasing its energy supply or demand.

1.19 Dispatch Operating Point:

The expected operating point, in MW, of an EPE EIM Participating Resource that has received a Dispatch Instruction from the MO or a Balancing Authority Area Resource to which the EPE EIM Entity has relayed a Dispatch Instruction received from the MO. For purposes of Attachment P of this Tariff, the Dispatch Operating Point means the MW output, of (i) an EPE EIM Participating Resource due to an EIM bid being accepted and the EPE EIM Participating Resource receiving a Dispatch Instruction; or (ii) a Balancing Authority Area Resource for which a Dispatch Instruction has been issued by the CAISO with respect to EIM Available Balancing Capacity.

1.20 Dynamic Transfer:

The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, energy accounting (including inadvertent Interchange), and administration required to electronically move all or a portion of the real energy

services associated with a generator or load out of one BAA into another. A Dynamic Transfer can be either:

1. a Dynamic Schedule: a telemetered reading or value that is updated in real time and used as a schedule in the AGC/ACE equation and the integrated value of which is treated as an after-the-fact schedule for Interchange accounting purposes; or
2. a Pseudo-Tie: a functionality by which the output of a generating unit physically interconnected to the electric grid in a native BAA is telemetered to and deemed to be produced in an attaining BAA that provides BA services for and exercises BA jurisdiction over the generating unit.

1.21 e-Tag:

An electronic tag associated with a schedule in accordance with the requirements of the North American Electric Reliability Corporation (NERC), the Western Electricity Coordinating Council (WECC), or the North American Energy Standards Board (NAESB).

1.22 Energy Imbalance Market (EIM):

The Energy Imbalance Market. The real-time market to manage transmission congestion and optimize procurement of imbalance energy (positive or negative) to balance supply and demand deviations for the EIM Area through economic bids submitted by EIM Participating Resource Scheduling Coordinators in the fifteen-minute and five-minute markets.

1.23 EIM Area:

The combination of EPE's BAA, the CAISO BAA, and the BAAs of any other EIM Entities.

1.24 EIM Available Balancing Capacity:

Any upward or downward capacity from a Balancing Authority Area Resource that has not been bid into the EIM and is included in the EPE EIM Entity's Resource Plan.

1.25 EIM Entity:

A BA, other than the EPE EIM Entity, that enters into the MO's pro forma EIM Entity Agreement to enable the EIM to occur in its BAA.

1.26 EIM Transfer:

The transfer of real-time energy resulting from an EIM Dispatch Instruction: (1) between the EPE BAA and the CAISO BAA; (2) between the EPE BAA and an EIM Entity BAA; or (3) between the CAISO BAA and an EIM Entity BAA using transmission capacity available in the EIM.

1.121.27 Eligible Customer:

- (i) Any electric utility (including the Transmission Provider and any power marketer), Federal power marketing agency, or any person generating electric energy for sale for resale is an Eligible Customer under the Tariff. Electric energy sold or produced by such entity may be electric energy produced in the United States, Canada or Mexico.

However, with respect to transmission service that the Commission is prohibited from ordering by Section 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that the

Transmission Provider offer the unbundled transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider.

- (ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that the Transmission Provider offer the transmission service, or pursuant to a voluntary offer of such service by the Transmission Provider, is an Eligible Customer under the Tariff.

1.28 EPE:

El Paso Electric Company.

1.29 EPE BAA:

Refers to the BAA operated by EPE Transmission Provider.

1.30 EPE BAA Transmission Owner:

A transmission owner, other than the EPE EIM Entity, who owns transmission facilities in EPE's BAA.

1.31 EPE EIM Business Practice (EPE EIM BP):

The business practice posted on EPE's OASIS that contains procedures related to EPE's implementation of EIM and the rights and obligations of Transmission Customers and Interconnection Customers related to EIM.

1.32 EPE EIM Entity:

The Transmission Provider in performance of its role as an EIM Entity under the MO Tariff and this Tariff, including, but not limited to, Attachment P.

1.33 EPE EIM Entity Scheduling Coordinator:

The Transmission Provider or the entity selected by the Transmission Provider who is certified by the MO and who enters into the MO's pro forma EIM Entity Scheduling

Coordinator Agreement.

1.34 EPE EIM Participating Resource:

A resource or a portion of a resource: (1) that has been certified in accordance with Attachment P by the EPE EIM Entity as eligible to participate in the EIM; and (2) for which the generation owner and/or operator enters into the MO's pro forma EIM Participating Resource Agreement.

1.35 EPE EIM Participating Resource Coordinator:

A Transmission Customer with one or more EPE EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more EPE EIM Participating Resource(s), that is certified by the MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.

1.36 EPE EIM Participating Resource Scheduling Coordinator:

A Transmission Customer with one or more EPE EIM Participating Resource(s) or a third-party designated by the Transmission Customer with one or more EPE EIM Participating Resource(s), that is certified by the MO and enters into the MO's pro forma EIM Participating Resource Scheduling Coordinator Agreement.

1.131.37 Facilities Study:

An engineering study conducted by the Transmission Provider to determine the required modifications to the Transmission Provider's Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested transmission service.

1.141.38 Firm Point-To-Point Transmission Service:

Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Delivery pursuant to Part II of this Tariff.

1.39 Flexible Ramping Forecast Movement:

A resource's change in forecasted output between market intervals for purposes of the Flexible Ramping Product.

1.40 Flexible Ramping Product:

The costs associated with meeting a requirement, established by the MO, that may be enforced in the MO's EIM optimization to ensure that the unit commitment or dispatch of resources for intervals beyond the applicable commitment or dispatch period provide for the availability of required capacity for dispatch in subsequent real-time dispatch intervals.

1.41 Flexible Ramping Uncertainty Award:

A resource's award for meeting a Flexible Ramping Uncertainty Requirement under the Flexible Ramping Product.

1.42 Flexible Ramping Uncertainty Requirement:

Flexible ramping capability to meet the Flexible Ramping Product requirements established by the MO.

1.43 Forecast Data:

Information provided by Transmission Customers regarding expected load (as determined pursuant to Section 4.2.4.3 of Attachment P of this Tariff), generation, Intrachange, and Interchange, as specified in Section 4.2.4 of Attachment P and the EPE

EIM BP. The Transmission Customer Base Schedule includes Forecast Data that is used by the EPE EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement.

1.151.44 Good Utility Practice:

Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act section 215(a)(4).

1.45 Imbalance Energy:

The deviation of supply or demand from the Transmission Customer Base Schedule, positive or negative, as measured by metered generation, metered load, or real-time Interchange or Intrachange schedules.

1.46 Instructed Imbalance Energy (IIE):

There are three scenarios that can lead to settlement of imbalance as IIE: (1) operational adjustments of the Transmission Customer's affected Interchange or Intrachange, which includes changes by the Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, or (3) an adjustment to resource imbalances created by adjustments to resource forecasts pursuant to Section 11.5 of the MO Tariff.

1.47 Interchange:

E-Tagged energy transfers from, to, or through the EPE BAA or other BAAs, not including EIM Transfers.

1.161.48 Interruption:

A reduction in non-firm transmission service due to economic reasons pursuant to Section 14.7.

1.49 Intrachange:

E-Tagged energy transfers within the EPE BAA, not including real-time actual energy flows associated with EIM Dispatch Instructions.

1.50 Load Aggregation Point:

A set of Pricing Nodes that is used for the submission of bids and settlement of demand in the EIM.

1.171.51 Load Ratio Share:

Ratio of a Transmission Customer's Network Load to the Transmission Provider's total load computed in accordance with Sections 34.2 and 34.3 of the Network Integration Transmission Service under Part III of the Tariff and calculated on a rolling twelve month basis.

1.181.52 Load Shedding:

The systematic reduction of system demand by temporarily decreasing load in response to transmission system or area capacity shortages, system instability, or voltage control considerations under Part III of the Tariff.

1.53 Locational Marginal Price (LMP):

The marginal cost (\$/MWh) of serving the next increment of demand at that PNode consistent with existing transmission constraints and the performance characteristics of resources.

1.191.54 Long-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of one year or more.

1.55 Manual Dispatch:

An operating order issued by the EPE EIM Entity to a Transmission Customer with a EPE EIM Participating Resource or a Non- Participating Resource in EPE's BAA, outside of the EIM optimization, when necessary to address reliability or operational issues in EPE's BAA that the EIM is not able to address through economic dispatch and congestion management.

1.56 Market Operator (MO):

The entity responsible for operation, administration, settlement, and oversight of the EIM.

1.57 Measured Demand:

Includes (1) Metered Demand, plus (2) e-Tagged export volumes from the EPE BAA (excluding EIM Transfers).

1.58 Metered Demand:

Metered load volumes in EPE's BAA.

1.59 MO Tariff:

Those portions of the MO's approved tariff, as such tariff may be modified from time to

time, that specifically apply to the operation, administration, settlement, and oversight of the EIM.

1.201.60 Native Load Customers:

The wholesale and retail power customers of the Transmission Provider on whose behalf the Transmission Provider, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate the Transmission Provider's system to meet the reliable electric needs of such customers.

1.211.61 Network Customer:

An entity receiving transmission service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Part III of the Tariff.

1.221.62 Network Integration Transmission Service:

The transmission service provided under Part III of the Tariff.

1.231.63 Network Load:

The load that a Network Customer designates for Network Integration Transmission Service under Part III of the Tariff. The Network Customer's Network Load shall include all load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total load as Network Load but may not designate only part of the load at a discrete Point of Delivery. Where a Eligible Customer has elected not to designate a particular load at discrete points of delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Part II of the Tariff for any Point-To-Point Transmission Service that may be necessary for such non-designated load.

1.241.64 Network Operating Agreement:

An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Part III of the Tariff.

1.251.65 Network Operating Committee:

A group made up of representatives from the Network Customer(s) and the Transmission Provider established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Part III of this Tariff.

1.261.66 Network Resource:

Any designated generating resource owned, purchased or leased by a Network Customer under the Network Integration Transmission Service Tariff. Network Resources do not include any resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program or output associated with an EIM Dispatch Instruction.

1.271.67 Network Upgrades:

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

1.281.68 Non-Firm Point-To-Point Transmission Service:

Point-To-Point Transmission Service under the Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 under Part II of this Tariff. Non-Firm Point-To-Point Transmission Service is

available on a stand-alone basis for periods ranging from one hour to one month.

1.291.69 Non-Firm Sale:

An energy sale for which receipt or delivery may be interrupted for any reason or no reason, without liability on the part of either the buyer or seller.

1.70 Non-Participating Resource:

A resource in EPE's BAA that is not an EPE EIM Participating Resource.

1.301.71 Open Access Same-Time Information System (OASIS):

The information system and standards of conduct contained in Parts 37 and 358 of the Commission's regulations and all additional requirements implemented by subsequent Commission orders dealing with OASIS.

1.72 Operating Hour:

The hour when the EIM runs and energy is supplied to load.

1.311.73 Palo Verde Facilities:

The Palo Verde Facilities consist of three 500 kv lines, and related facilities, that extend 165 miles in total from the Palo Verde Nuclear Generating Station near Phoenix, Arizona, with two of the lines extending to the Westwing substation and one extending to the Kyrene substation, all facilities entirely in Arizona.

1.321.74 Part I:

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1.331.75 Part II:

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1.341.76 Part III:

Tariff Sections 28 through 35 pertaining to Network Integration Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.

1.351.77 Parties:

The Transmission Provider and the Transmission Customer receiving service under the Tariff.

1.361.78 Point(s) of Delivery:

Point(s) on the Transmission Provider's Transmission System where capacity and energy transmitted by the Transmission Provider will be made available to the Receiving Party under Part II of the Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.371.79 Point(s) of Receipt:

Point(s) of interconnection on the Transmission Provider's Transmission System where capacity and energy will be made available to the Transmission Provider by the Delivering Party under Part II of the Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long-Term Firm Point-To-Point Transmission Service.

1.381.80 Point-To-Point Transmission Service:

The reservation and transmission of capacity and energy on either a firm or non-firm basis from the Point(s) of Receipt to the Point(s) of Delivery under Part II of the Tariff.

1.391.81 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff.

1.401.82 Pre-Confirmed Application:

An Application that commits the Eligible Customer to execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

1.83 Pricing Node (PNode):

A single network or subset of network nodes where a physical injection or withdrawal is modeled by the MO and for which the MO calculates an LMP that is used for financial settlements by the MO and the EPE EIM Entity.

1.84 Real Power Losses:

Electrical losses associated with the use of the Transmission Provider's Transmission System. Such losses are provided for in Sections 15.7 and 28.5 of the Tariff and settled financially under Schedule 10.

1.85 Resource Plan:

The combination of load, resource and Interchange components of the Transmission Customer Base Schedule, ancillary services plans of the EPE EIM Entity, bid ranges submitted by EPE EIM Participating Resources, and the EIM Available Balancing Capacity of Balancing Authority Area Resources.

1.411.86 Receiving Party:

The entity receiving the capacity and energy transmitted by the Transmission Provider to Point(s) of Delivery.

1.421.87 Regional Transmission Group (RTG):

A voluntary organization of transmission owners, transmission users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

1.431.88 Reserved Capacity:

The maximum amount of capacity and energy that the Transmission Provider agrees to transmit for the Transmission Customer over the Transmission Provider's Transmission System between the Point(s) of Receipt and the Point(s) of Delivery under Part II of the Tariff. Reserved Capacity shall be expressed in terms of whole megawatts on a sixty (60) minute interval (commencing on the clock hour) basis.

1.441.89 Service Agreement:

The initial agreement and any amendments or supplements thereto entered into by the Transmission Customer and the Transmission Provider for service under the Tariff.

1.451.90 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement, or the date the Transmission Provider begins to provide service in accordance with Section 15.3 or Section 29.1 under the Tariff.

1.461.91 Short-Term Firm Point-To-Point Transmission Service:

Firm Point-To-Point Transmission Service under Part II of the Tariff with a term of less than one year.

1.471.92 System Condition

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-to-Point Transmission Service using the curtailment priority pursuant to Section 13.6. Such conditions must be identified in the Transmission Customer's Service Agreement.

1.481.93 System Impact Study:

An assessment by the Transmission Provider of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide transmission service.

1.491.94 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser that is not designated as part of Network Load under the Network Integration Transmission Service.

1.501.95 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive transmission service under Part II of the Tariff. This term is used in the Part I Common Service Provisions to include customers receiving transmission service under Part II and Part III of this Tariff.

1.96 Transmission Customer Base Schedule:

An energy schedule that provides Transmission Customer hourly-level Forecast Data and other information that is used by the EPE EIM Entity as the baseline by which to measure Imbalance Energy for purposes of EIM settlement. The term “Transmission Customer Base Schedule” as used in this Tariff may refer collectively to the components of such schedule (resource, Interchange, Intrachange, and load determined pursuant to Section 4.2.4.3 of Attachment P) or any individual components of such schedule.

1.511.97 Transmission Provider:

The public utility (or its Designated Agent) that owns, controls, or operates facilities used for the transmission of electric energy in interstate commerce and provides

transmission service under the Tariff.

1.521.98 Transmission Provider's Monthly Transmission System Peak:

The maximum firm usage of the Transmission Provider's Transmission System in a calendar month.

1.531.99 Transmission Service:

Point-To-Point Transmission Service provided under Part II of the Tariff on a firm and non-firm basis.

1.541.100 Transmission System:

The facilities owned, controlled or operated by the Transmission Provider that are used to provide transmission service under Part II and Part III of the Tariff.

1.101 Uninstructed Imbalance Energy (UIE):

For Non-Participating Resources in an EIM Entity BAA, the MO shall calculate UIE as either (1) the algebraic difference between the resource's 5-minute meter data and the resource component of the Transmission Customer Base Schedule, or, if applicable, (2) the 5-minute meter data and any Manual Dispatch or EIM Available Balancing Capacity dispatch. For Transmission Customers with load in the EPE EIM Entity's BAA, the EPE EIM Entity shall calculate UIE as the algebraic difference between the Transmission Customer's actual hourly load and the Transmission Customer Base Schedule.

1.102 Variable Energy Resource:

A device for the production of electricity that is characterized by an energy source that: (1) is renewable; (2) cannot be stored by the facility owner or operator; and (3) has variability that is beyond the control of the facility owner or operator.

I. COMMON SERVICE PROVISIONS

7 Billing and Payment

7.1 Billing Procedures:

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

7.2 Interest on Unpaid Balances:

Interest on any unpaid amounts (including amounts placed in escrow) shall be calculated in accordance with the methodology specified for interest on refunds in the Commission's regulations at 18 C.F.R. § 35.19a(a)(2)(iii). Interest on delinquent amounts shall be calculated from the due date of the bill to the date of payment. When payments are made by mail, bills shall be considered as having been paid on the date of receipt by the Transmission Provider.

7.3 Customer Default:

In the event the Transmission Customer fails, for any reason other than a billing dispute as described below, to make payment to the Transmission

Provider on or before the due date as described above, and such failure of payment is not corrected within thirty (30) calendar days after the Transmission Provider notifies the Transmission Customer to cure such failure, a default by the Transmission Customer shall be deemed to exist. Upon the occurrence of a default, the Transmission Provider may initiate a proceeding with the Commission to terminate service but shall not terminate service until the Commission so approves any such request. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to suspend service in sixty (60) days, in accordance with Commission policy.

7.4 Penalty Revenue Assessment and Distribution:

The Transmission Provider will credit each Transmission Customer taking service under Part II or Part III of this Tariff for its share of penalty revenues as follows:

7.4.1 Imbalance Penalties:

Charges assessed by the Transmission Provider pursuant to Schedules 4 and 9 that are in excess of its incremental costs are referred to as “Imbalance Penalties”, and therefore subject to distribution to all “non-offending” (or non-penalized) Transmission Customers. On each monthly invoice, each non-offending Transmission Customer shall receive a credit for its share of the Imbalance Penalties that were assessed in connection with service rendered by the Transmission Provider during the month to which the invoice applies. The Transmission Customer’s share of the Imbalance Penalties (if any) will be determined as follows:

7.4.1.1 For each hour, the Transmission Provider will determine: (1) the sum of all Imbalance Penalties assessed during such hour, measured in dollars (IPR_h), and (2) the sum of all transmission revenue from non-offending Transmission Customers during that hour, measured in dollars (TR_h)

Where:

IPR_h = Imbalance Penalty Revenue

TR_h = Transmission Revenue from non-offending
Customers

7.4.1.2 For each hour, each Transmission Customer that was not assessed an Imbalance Penalty during that

hour will receive a credit equal to the product of (i) IPR_h multiplied by (ii) a fraction, derived from dividing the amount of transmission revenue from that Transmission Customer (TC_1) during that hour (measured in dollars), where TC_1 is equal to one non-offending Transmission Customer, and a denominator equal to TR_h .

7.4.1.3 The Transmission Customer's total monthly credit for Imbalance Penalties will equal the sum of the credits received by that Transmission Customer during the hours in which it did not incur an Imbalance Penalty, as determined pursuant to Section 7.4.1.2.

7.4.1.4 The Transmission Provider is entitled to credits pursuant to this Section for Imbalance Penalties related to service it takes, including service for its native load.

7.4.2 Late Study Fees:

In any calendar year in which the Transmission Provider incurs a late study fee under Section 19.9 and/or 32.5 of this Tariff ("Late Study Fees"), the Transmission Provider shall credit the

Transmission Customers that took service under Part II or Part III

during the year and are not affiliated with the Transmission Provider in an amount proportional to each such Transmission Customer's usage, such that the total credits invoiced equal the total Late Study Fees due. Credits will be applied to invoices issues in February for the prior calendar year.

I. COMMON SERVICE PROVISIONS

10 Force Majeure and Indemnification

10.1 Force Majeure:

An event of Force Majeure means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any Curtailment, order, regulation or restriction imposed by governmental military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure event does not include an act of negligence or intentional wrongdoing.

Neither the Transmission Provider nor the Transmission Customer will be considered in default as to any obligation under this Tariff if prevented from fulfilling the obligation due to an event of Force Majeure. However, a Party whose performance under this Tariff is hindered by an event of Force Majeure shall make all reasonable efforts to perform its obligations under this Tariff.

10.2 Indemnification:

The Transmission Customer shall at all times indemnify, defend, and save the Transmission Provider harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Transmission Provider's performance of its obligations under this Tariff on behalf of the Transmission Customer, except in cases of

negligence or intentional wrongdoing by the Transmission Provider. _

Provided, however, that the standard of liability for the actions of the EPE
EIM Entity performed consistent with Attachment P of this Tariff shall be
gross negligence or intentional wrongdoing.

I. COMMON SERVICE PROVISIONS

12 Dispute Resolution Procedures

12.1 Internal Dispute Resolution Procedures:

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

12.2 External Arbitration Procedures:

Any arbitration initiated under the Tariff shall be conducted before a single neutral arbitrator appointed by the Parties. If the Parties fail to agree upon a single arbitrator within ten (10) days of the referral of the dispute to arbitration, each Party shall choose one arbitrator who shall sit on a three-member arbitration panel. The two arbitrators so chosen shall within twenty (20) days select a third arbitrator to chair the arbitration panel. In either case, the arbitrators shall be knowledgeable in electric utility matters, including

electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration). The arbitrator(s) shall provide each of the Parties an opportunity to be heard and, except as otherwise provided herein, shall generally conduct the arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association and any applicable Commission regulations or Regional Transmission Group rules.

12.3 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefor. The arbitrator(s) shall be authorized only to interpret and apply the provisions of the Tariff and any Service Agreement entered into under the Tariff and shall have no power to modify or change any of the above in any manner. The decision of the arbitrator(s) shall be final and binding upon the Parties, and judgment on the award may be entered in any court having jurisdiction. The decision of the arbitrator(s) may be appealed solely on the grounds that the conduct of the arbitrator(s), or the decision itself, violated the standards set forth in the Federal Arbitration Act and/or the Administrative Dispute Resolution Act. The final decision of the arbitrator must also be filed with the Commission if it affects jurisdictional rates, terms and conditions of service or facilities.

12.4 Costs:

Each Party shall be responsible for its own costs incurred during the arbitration process and for the following costs, if applicable:

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

12.5 EIM Disputes

12.5.1 Disputes between the EPE EIM Entity and a Transmission

Customer or Interconnection Customer Related to Allocation of

Charges or Payments from the MO: To the extent a dispute arises

between the EPE EIM Entity and a Transmission Customer or

Interconnection Customer regarding the EPE EIM Entity's

implementation of this Tariff's provisions regarding the manner in which

the EPE EIM Entity allocates charges or payments from the MO, the

parties shall follow the dispute resolution procedures in Sections 12.1 to

12.3 of this Tariff.

12.5.2 Disputes between the MO and EPE EIM Participating

Resource Scheduling Coordinators Related to EIM Charges and

Payments Directly With the MO: Disputes involving settlement

statements between the MO and EPE EIM Participating Resource

Scheduling Coordinators shall be resolved directly with the MO in

accordance with the dispute resolution process outlined in the MO Tariff.

A Transmission Customer with a EPE EIM Participating Resource shall provide notice to the EPE EIM Entity if it raises a dispute with the MO, and such notice shall be provided in accordance with the process set forth in the EPE EIM BP.

12.5.3 Disputes between the MO and the EPE EIM Entity: The EPE EIM Entity may raise disputes with the MO regarding the settlement statements it receives from the MO in accordance with the process specified in the MO Tariff. If the EPE EIM Entity submits a dispute it shall provide notice to any affected Transmission Customer in accordance with the EPE EIM BP.

12.5.4 Disputes Regarding MO Charges or Payments to the EPE EIM Entity Raised by Transmission Customers or Interconnection Customers: To the extent a dispute arises regarding a MO charge or a MO payment to the EPE EIM Entity that is subsequently charged or paid by the EPE EIM Entity to a Transmission Customer or an Interconnection Customer, and such Transmission Customer or Interconnection Customer wishes to raise a dispute with the MO, the EPE EIM Entity shall file a dispute on behalf of such Transmission Customer or Interconnection Customer in accordance with the MO Tariff and work with the Transmission Customer or the Interconnection Customer to resolve the dispute pursuant to the process specified in the MO Tariff.

12.512.6 Rights Under The Federal Power Act:

Nothing in this section shall restrict the rights of any party to file a Complaint with the Commission under relevant provisions of the Federal Power Act.

II. POINT-TO-POINT TRANSMISSION SERVICE

13 Nature of Firm Point-To-Point Transmission Service

13.1 Term:

The minimum term of Firm Point-To-Point Transmission Service shall be one hour and the maximum term shall be specified in the Service Agreement.

13.2 Reservation Priority:

- (i) Long-Term Firm Point-To-Point Transmission Service shall be available on a first-come, first-served basis, i.e., in the chronological sequence in which each Transmission Customer has requested service.
- (ii) Reservations for Short-Term Firm Point To-Point Transmission Service will be conditional based upon the length of the requested transaction or reservation. However, Pre-Confirmed Applications 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 or reservations with the same duration and, as relevant, pre-confirmation status (pre-confirmation, confirmed or not confirmed), priority will be given to an Eligible Customer's request or reservation that offers the highest price, followed by the date and time of the request or reservation.

(iii) If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines: one hour before the commencement of hourly service, 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, an Eligible 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 Short-Term Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 13.8) from being notified by the Transmission Provider of a longer-term competing request for Short-Term Firm Point-To-Point Transmission 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 Part II of the Tariff.

- (iv) Firm Point-To-Point Transmission Service will always have a reservation priority over Non Firm Point-To-Point Transmission Service under the Tariff. All Long-Term Firm Point-To-Point Transmission Service will have equal reservation priority with Native Load Customers and Network Customers. Reservation priorities for existing firm service customers are provided in Section 2.2.

13.3 Use of Firm Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 9, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of the Point-To-Point Transmission Service to make Third-Party Sales.

13.4 Service Agreements:

The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it submits a Completed Application for Long-Term Firm Point-To-Point Transmission Service. The Transmission Provider shall offer a standard form Firm Point-To-Point Transmission Service Agreement (Attachment A) to an Eligible Customer when it first submits a Completed Application for Short-Term Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations. An Eligible Customer that uses Transmission Service at a Point of Receipt or Point of Delivery that it has not reserved and that has not executed a Service Agreement will be deemed, for purposes of assessing any appropriate charges and penalties, to have executed the appropriate Service Agreement. The Service Agreement shall, when applicable, specify any conditional curtailment options selected by the Transmission Customer. Where the Service Agreement contains conditional curtailment options and is subject to a biennial reassessment as described in Section 15.4, the Transmission Provider shall provide the Transmission Customer notice of any changes to the curtailment conditions no less than 90 days prior to the date for imposition of new curtailment conditions. Concurrent with such notice, the Transmission Provider shall provide the

Transmission Customer with the reassessment study and a narrative description of the study, including the reasons for changes to the number of hours per year or System Conditions under which conditional curtailment may occur.

13.5 Transmission Customer Obligations for Facility Additions or Redispatch Costs:

In cases where the Transmission Provider determines that the Transmission System is not capable of providing Firm Point-To-Point Transmission Service without (1) degrading or impairing the reliability of service to Native Load Customers, Network Customers and other Transmission Customers taking Firm Point-To-Point Transmission Service, or (2) interfering with the Transmission Provider's ability to meet prior firm contractual commitments to others, the Transmission Provider will be obligated to expand or upgrade its Transmission System pursuant to the terms of Section 15.4. The Transmission Customer must agree to compensate the Transmission Provider for any necessary transmission facility additions pursuant to the terms of Section 27. To the extent the Transmission Provider can relieve any system constraint by redispatching the Transmission Provider's resources, it shall do so, provided that the Eligible Customer agrees to compensate the Transmission Provider pursuant to the terms of Section 27 and agrees to either (i) compensate the Transmission Provider for any necessary transmission facility additions or (ii) accept the service subject to a biennial reassessment by the Transmission

Provider of redispatch requirements as described in Section 15.4. Any redispatch, Network Upgrade or Direct Assignment Facilities costs to be charged to the Transmission Customer on an incremental basis under the Tariff will be specified in the Service Agreement prior to initiating service.

13.6 Curtailment of Firm Transmission Service:

In the event that a Curtailment on the Transmission Provider's Transmission System, or a portion thereof, is required to maintain reliable operation of such system, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Network Customers and Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. Long-Term Firm Point-to-Point Service subject to conditions described in Section 15.4 shall be curtailed with secondary service in cases where the conditions apply, but otherwise will be curtailed on a pro rata basis with other Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements

emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However, the Transmission Provider reserves the right to Curtail, in whole or in part, any Firm Transmission Service provided under the Tariff when, in the Transmission Provider's sole discretion, an emergency or other unforeseen condition impairs or degrades the reliability of its Transmission System. The Transmission Provider will notify all affected Transmission Customers in a timely manner of any scheduled Curtailments. Transmission Provider shall take necessary measures to ensure reliability in EPE's BAA in accordance with Section 6 of Attachment P.

13.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be

designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.

- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Receipt. Points of Receipt and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. Each Point of Delivery at which firm transfer capability is reserved by the Transmission Customer shall be set forth in the Firm Point-To-Point Service Agreement for Long-Term Firm Transmission Service along with a corresponding capacity reservation associated with each Point of Delivery. Points of Delivery and corresponding capacity reservations shall be as mutually agreed upon by the Parties for Short-Term Firm Transmission. The 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 Schedule 7. The Transmission Customer may not exceed its firm capacity reserved at each Point of Receipt and each Point of Delivery except as otherwise specified in Section 22. The Transmission Provider 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 Transmission Provider) exceeds its firm reserved capacity at any Point of Receipt or Point of Delivery or uses Transmission Service at a point of ~~Receipt~~ Receipt or Point of Delivery that it has not reserved.

13.8 Scheduling of Firm Point-To-Point Transmission Service:

Schedules for the Transmission Customer's Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 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 and intra-hour (four intervals consisting of fifteen minute schedules) schedules of any capacity and energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a

Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their service requests at a common point of receipt into units of 1,000 kW per hour for scheduling and billing purposes. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

II. POINT-TO-POINT TRANSMISSION SERVICE

14 Nature of Non-Firm Point-To-Point Transmission Service

14.1 Term:

Non-Firm Point-To-Point Transmission Service will be available for periods ranging from one (1) hour to one (1) month. However, a Purchaser of Non-Firm Point-To-Point Transmission Service will be entitled to reserve a sequential term of service (such as a sequential monthly term without having to wait for the initial term to expire before requesting another monthly term) so that the total time period for which the reservation applies is greater than one month, subject to the requirements of Section 18.3.

14.2 Reservation Priority:

Non-Firm Point-To-Point Transmission Service shall be available from transfer capability in excess of that needed for reliable service to Native Load Customers, Network Customers and other Transmission Customers taking Long-Term and Short-Term Firm Point-To-Point Transmission Service. A higher priority will be assigned first to requests or reservations with a longer duration of service and second to Pre-Confirmed Applications. In the event the Transmission System is constrained, competing requests of the same Pre-Confirmed status and equal duration will be prioritized based on the highest price offered by the Eligible Customer for the Transmission Service. Eligible Customers that have already reserved shorter term service have the right of first refusal to match any longer term request before being preempted. A

longer term competing request for Non-Firm Point-To-Point Transmission Service will be granted if the Eligible Customer with the right of first refusal does not agree to match the competing request: (a) immediately for hourly Non-Firm Point-To-Point Transmission Service after notification by the Transmission Provider; and, (b) within 24 hours (or earlier if necessary to comply with the scheduling deadlines provided in section 14.6) for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. Transmission service for Network Customers from resources other than designated Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have the lowest reservation priority under the Tariff.

14.3 Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:

The Transmission Provider will be subject to the rates, terms and conditions of Part II of the Tariff when making Third-Party Sales under (i) agreements executed on or after July 9, 1996 or (ii) agreements executed prior to the aforementioned date that the Commission requires to be unbundled, by the date specified by the Commission. The Transmission Provider will maintain separate accounting, pursuant to Section 8, for any use of Non-Firm Point-To-Point Transmission Service to make Third-Party Sales.

14.4 Service Agreements:

The Transmission Provider shall offer a standard form Non-Firm Point-To-Point Transmission Service Agreement (Attachment B) to an Eligible Customer when it first submits a Completed Application for Non-Firm Point-To-Point Transmission Service pursuant to the Tariff. Executed Service Agreements that contain the information required under the Tariff shall be filed with the Commission in compliance with applicable Commission regulations.

14.5 Classification of Non-Firm Point-To-Point Transmission Service:

Non-Firm Point-To-Point Transmission Service shall be offered under terms and conditions contained in Part II of the Tariff. The Transmission Provider undertakes no obligation under the Tariff to plan its Transmission System in order to have sufficient capacity for Non-Firm Point-To-Point Transmission Service. Parties requesting Non-Firm Point-To-Point Transmission Service for the transmission of firm power do so with the full realization that such service is subject to availability and to Curtailment or Interruption under the terms of the Tariff. The Transmission Provider 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 Transmission Provider) exceeds its non-firm capacity reservation. Non-Firm Point-To-Point Transmission Service shall include transmission of energy on an hourly basis

and transmission of scheduled short-term capacity and energy on a daily, weekly or monthly basis, but not to exceed one month's reservation for any one Application, under Schedule 8.

14.6 Scheduling of Non-Firm Point-To-Point Transmission Service:

Schedules for Non-Firm Point-To-Point Transmission Service must be submitted to the Transmission Provider no later than 2:00 p.m. of the day prior to commencement of such service. Schedules submitted after 2:00 p.m. will be accommodated, if practicable. Hour-to-hour and intra-hour (four intervals consisting of fifteen minute schedules) schedules of energy that is to be delivered must be stated in increments of 1,000 kW per hour. Transmission Customers within the Transmission Provider's service area with multiple requests for Transmission Service at a Point of Receipt, each of which is under 1,000 kW per hour, may consolidate their schedules at a common Point of Receipt into units of 1,000 kW per hour. Scheduling changes will be permitted up to twenty (20) minutes before the start of the next scheduling interval provided that the Delivering Party and Receiving Party also agree to the schedule modification. The Transmission Provider will furnish to the Delivering Party's system operator, hour-to-hour and intra-hour schedules equal to those furnished by the Receiving Party (unless reduced for losses) and shall deliver the capacity and energy provided by such schedules. Should the Transmission Customer, Delivering Party or Receiving Party revise or

terminate any schedule, such party shall immediately notify the Transmission Provider, and the Transmission Provider shall have the right to adjust accordingly the schedule for capacity and energy to be received and to be delivered.

14.7 Curtailment or Interruption of Service:

The Transmission Provider reserves the right to Curtail, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for reliability reasons when an emergency or other unforeseen condition threatens to impair or degrade the reliability of its Transmission System. The Transmission Provider reserves the right to Interrupt, in whole or in part, Non-Firm Point-To-Point Transmission Service provided under the Tariff for economic reasons in order to accommodate (1) a request for Firm Transmission Service, (2) a request for Non-Firm Point-To-Point Transmission Service of greater duration, (3) a request for Non-Firm Point-To-Point Transmission Service of equal duration with a higher price, (4) transmission service for Network Customers from non-designated resources, or (5) transmission service for Firm Point-to-Point Transmission Service during conditional curtailment periods as described in Section 15.4. The Transmission Provider also will discontinue or reduce service to the Transmission Customer to the extent that deliveries for transmission are discontinued or reduced at the Point(s) of Receipt. Where required,

Curtailments or Interruptions will be made on a nondiscriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (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 Point-To-Point Transmission Service under the Tariff. Non-Firm Point-To-Point Transmission Service over secondary Point(s) of Receipt and Point(s) of Delivery will have a lower priority than any Non-Firm Point-To-Point Transmission Service under the Tariff. The Transmission Provider will provide advance notice of Curtailment or Interruption where such notice can be provided consistent with Good Utility Practice. Transmission Provider shall take necessary measures to ensure reliability in EPE's BAA in accordance with Section 6 of Attachment P.

II. POINT-TO-POINT TRANSMISSION SERVICE

15 Service Availability

15.1 General Conditions:

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability:

A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement:

If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The

Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at 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 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice 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 applies only to those facilities that the Transmission

Provider has the right to expand or modify.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.
- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Long-Term Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified

number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service:

The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 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.

15.7 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer ~~is responsible for replacing~~ shall compensate Transmission Provider for losses associated with all transmission service as ~~calculated by the Transmission Provider~~ provided in Schedule 10. The applicable Real Power Loss factors and rates for Real Power Loss service are set forth in Schedule 10.

II. POINT-TO-POINT TRANSMISSION SERVICE

16 Transmission Customer Responsibilities

16.1 Conditions Required of Transmission Customers:

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

- (a) The Transmission Customer has pending a Completed Application for service;
- (b) The Transmission Customer meets the creditworthiness criteria set forth in Section 11;
- (c) The Transmission Customer will have arrangements in place for any other transmission service necessary to effect the delivery from the generating source to the Transmission Provider prior to the time service under Part II of the Tariff commences;
- (d) The Transmission Customer agrees to pay for any facilities constructed and chargeable to such Transmission Customer under Part II of the Tariff, whether or not the Transmission Customer takes service for the full term of its reservation;
- (e) The Transmission Customer provides the information required by the Transmission Provider's planning process established in Attachment K; and
- (f) The Transmission Customer has executed a Point-To-Point

Service Agreement or has agreed to receive service pursuant to
Section 15.3. ___

(g) The Transmission Customer must comply with the requirements
of Attachment P regarding the EIM.

**16.2 Transmission Customer Responsibility for Third-Party
Arrangements:**

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service.

The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the capacity and energy to be transmitted by the Transmission Provider pursuant to Part II of the Tariff on behalf of the Receiving Party at the Point of Delivery or the Delivering Party at the Point of Receipt. However, the Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in making such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

28 Nature of Network Integration Transmission Service

28.1 Scope of Service:

Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3 and must comply with the requirements of Attachment P regarding the EIM.

28.2 Transmission Provider Responsibilities:

The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network

Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service:

The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service:

The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (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 Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses:

Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer shall compensate Transmission Provider for ~~is responsible for replacing~~ losses associated with all transmission service as ~~calculated by the Transmission Provider~~ provided in Schedule 10. The applicable Real Power Loss factors and rates for Real Power Loss service are set forth in Schedule 10.

28.6 Restrictions on Use of Service:

The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section

28.4 to facilitate a wholesale sale that does not serve a Network Load.

28.7 Participation in the EIM:

Notwithstanding the limitations in Section 28.6, Network Customers utilizing a Network Integration Transmission Service Agreement and Native Load Customer may participate in the EIM without a requirement to terminate the designation of any Network Resource that is an EPE EIM Participating Resource consistent with Section 30.3 of this Tariff and without a requirement to reserve additional Point-To-Point Transmission Service for such transaction.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

29 Initiating Service

29.1 Condition Precedent for Receiving Service:

Subject to the terms and conditions of Part III of the Tariff, the Transmission Provider will provide Network Integration Transmission Service to any Eligible Customer, provided that (i) the Eligible Customer completes an Application for service as provided under Part III of the Tariff, (ii) the Eligible Customer and the Transmission Provider complete the technical arrangements set forth in Sections 29.3 and 29.4, (iii) the Eligible Customer executes a Service Agreement pursuant to Attachment F for service under Part III of the Tariff or requests in writing that the Transmission Provider file a proposed unexecuted Service Agreement with the Commission, and (iv) the Eligible Customer executes a Network Operating Agreement with the Transmission Provider pursuant to Attachment G.

29.2 Application Procedures:

An Eligible Customer requesting service under Part III of the Tariff must submit an Application, with a deposit approximating the charge for one month of service, to the Transmission Provider as far as possible in advance of the month in which service is to commence. Unless subject to the procedures in Section 2, Completed Applications for Network Integration Transmission Service will be assigned a priority according to the date and time the Application is received, with the earliest Application receiving the highest

priority. Applications should be submitted by entering the information listed below on the Transmission Provider's OASIS. Prior to implementation of the Transmission Provider's OASIS, a Completed Application may be submitted by (i) transmitting the required information to the Transmission Provider by telefax, or (ii) providing the information by telephone over the Transmission Provider's time recorded telephone line. Each of these methods will provide a time-stamped record for establishing the service priority of the Application. A Completed Application shall provide all of the information included in 18 CFR § 2.20 including but not limited to the following:

- (i) The identity, address, telephone number and facsimile number of the party requesting service;
- (ii) A statement that the party requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) A description of the Network Load at each delivery point. This description should separately identify and provide the Eligible Customer's best estimate of the total loads to be served at each transmission voltage level, and the loads to be served from each Transmission Provider substation at the same transmission voltage level. The description should include a ten (10) year forecast of summer and winter load and resource requirements beginning with the first year after the service is scheduled to commence;

- (iv) The amount and location of any interruptible loads included in the Network Load. This shall include the summer and winter capacity requirements for each interruptible load (had such load not been interruptible), that portion of the load subject to interruption, the conditions under which an interruption can be implemented and any limitations on the amount and frequency of interruptions. An Eligible Customer should identify the amount of interruptible customer load (if any) included in the 10 year load forecast provided in response to (iii) above;
- (v) A description of Network Resources (current and 10-year projection). For each on-system Network Resource (unless part of an on-system system sale), such description shall include:
- Unit size and amount of capacity from that unit to be designated as Network Resource
 - VAR capability (both leading and lagging) of all generators
 - Operating restrictions
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
 - Approximate variable generating cost (\$/MWH) for redispatch computations
 - Arrangements governing sale and delivery of power to third parties from generating facilities located in the Transmission Provider Control Area, where only a portion of unit output is designated as a Network Resource

For each off-system Network Resource, such description shall

include:

- Identification of the Network Resource as an off-system resource
- Amount of power to which the customer has rights
- Delivery point(s) to the Transmission Provider's Transmission System
- Transmission arrangements on the external transmission system(s)
- Operating restrictions, if any
 - Any periods of restricted operations throughout the year
 - Maintenance schedules
 - Minimum loading level of unit
 - Normal operating level of unit
 - Any must-run unit designations required for system reliability or contract reasons
- Approximate variable generating cost (\$/MWH) for redispatch computations;

(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 Transmission Provider
- Operating restrictions needed for reliability
- Operating guides employed by system operators
- Contractual restrictions or committed uses of the Eligible Customer's transmission system, other than the Eligible Customer's Network Loads and Resources
- Location of Network Resources described in subsection (v) above
- 10 year projection of system expansions or upgrades
- Transmission System maps that include any proposed expansions or upgrades
- Thermal ratings of Eligible Customer's Control Area ties with other Control Areas;

(vii) Service Commencement Date and the term of the requested

Network Integration Transmission Service. The minimum term

for Network Integration Transmission Service is one year;

(viii) A statement signed by an authorized officer from or agent of the Network Customer attesting that all of the network resources listed pursuant to Section 29.2(v) satisfy the following conditions:

(1) the Network Customer owns the resource, has committed to purchase generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) the Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program; and

(ix) Any additional information required of the Transmission Customer as specified: (1) in the Transmission Provider's planning process established in Attachment K; and (2) Attachment P.

Unless the Parties agree to a different time frame, the Transmission Provider must acknowledge the request within ten (10) days of receipt. The acknowledgement must include a date by which a response, including a Service Agreement, will be sent to the Eligible Customer. If an Application

fails to meet the requirements of this section, the Transmission Provider shall notify the Eligible Customer requesting service within fifteen (15) days of receipt and specify the reasons for such failure. Wherever possible, the Transmission Provider will attempt to remedy deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application without prejudice to the Eligible Customer filing a new or revised Application that fully complies with the requirements of this section. The Eligible Customer will be assigned a new priority consistent with the date of the new or revised Application. The Transmission Provider shall treat this information consistent with the standards of conduct contained in Part 358 of the Commission's regulations. If a Service Agreement for Network Integration Transmission Service is executed, the deposit and any accrued interest will be credited against the Transmission Customer's monthly transmission service bill(s) upon commencement of service until the deposit and interest are returned, provided the Transmission Customer is considered creditworthy pursuant to the criteria set forth in Attachment L. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR § 35.19a(a)(2)(iii), and shall be calculated from the day the deposit amount is credited to the Transmission Provider's account. Each Transmission Customer deposit held by the Transmission Provider pursuant to this Section 29.2 as of the effective date of this tariff sheet shall be returned with interest to

each respective Transmission Customer provided the Transmission Customer is considered creditworthy pursuant to the criteria as set forth in Attachment L, by crediting the deposit and interest to each respective Transmission Customer's monthly transmission service bill(s) in the month(s) following the issuance of the final and non-appealable Commission decision accepting this tariff sheet. In the event the entire deposit and interest are not fully credited before the expiration or termination of the Service Agreement for Network Integration Transmission Service and the Transmission Customer has no outstanding payment balance due, the Transmission Provider will return any remaining deposit, with interest, to the Transmission Customer within thirty (30) days of the expiration or termination of the Service Agreement.

29.2.1 Transmission Provider may waive the collection of a deposit under Section 29.2 where the Transmission Customer is an existing customer of Transmission Provider, with a minimum two-year timely payment history and no default under its existing Service Agreement(s). A two-year timely payment history is considered a consecutive two-year period in which the Transmission Customer's payment practices conformed to Section 7.1.

29.2.2 An Application is considered a Completed Application when the Transmission Provider receives the Eligible Customer's deposit in accordance with Section 29.2 above. To allow an Eligible Customer to seek waiver of the deposit under Section 29.2.1, without

jeopardizing its reservation priority, Transmission Provider will assign a reservation priority based upon when the Transmission Provider receives the Eligible Customer's Application (without the deposit). The Eligible Customer will not lose its place in the reservation queue if the Transmission Provider grants waiver of the deposit under Section 29.2.1 or if the Transmission Provider, absent a waiver, receives the Eligible Customer's deposit no later than ten days following receipt of the Eligible Customer's Application.

29.3 Technical Arrangements to be Completed Prior to Commencement of Service:

Network Integration Transmission Service shall not commence until the Transmission Provider and the Network Customer, or a third party, have completed installation of all equipment specified under the Network Operating Agreement consistent with Good Utility Practice and any additional requirements reasonably and consistently imposed to ensure the reliable operation of the Transmission System. The Transmission Provider shall exercise reasonable efforts, in coordination with the Network Customer, to complete such arrangements as soon as practicable taking into consideration the Service Commencement Date.

29.4 Network Customer Facilities:

The provision of Network Integration Transmission Service shall be conditioned upon the Network Customer's constructing, maintaining and

operating the facilities on its side of each delivery point or interconnection necessary to reliably deliver capacity and energy from the Transmission Provider's Transmission System to the Network Customer. The Network Customer shall be solely responsible for constructing or installing all facilities on the Network Customer's side of each such delivery point or interconnection.

29.5 Filing of Service Agreement:

The Transmission Provider will file Service Agreements with the Commission in compliance with applicable Commission regulations.

III. NETWORK INTEGRATION TRANSMISSION SERVICE

30 Network Resources

30.1 Designation of Network Resources:

Network Resources shall include all generation owned, purchased or leased by the Network Customer designated to serve Network Load under the Tariff.

Network Resources may not include resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program or participating in the EIM in accordance with Attachment P.

Any owned or purchased resources that were serving the Network Customer's loads under firm agreements entered into on or before the Service Commencement Date shall initially be designated as Network Resources until the Network Customer terminates the designation of such resources.

30.2 Designation of New Network Resources:

The Network Customer may designate a new Network Resource by providing the Transmission Provider with as much advance notice as practicable. A designation of a new Network Resource must be made through the Transmission Provider's OASIS by a request for modification of service pursuant to an Application under Section 29. This request must include a statement that the new Network Resource satisfies the following conditions:

(1) the Network Customer owns the resource, has committed to purchase

generation pursuant to an executed contract, or has committed to purchase generation where execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff; and (2) The Network Resources do not include any resources, or any portion thereof, that are committed for sale to non-designated third party load or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program. The Network Customer's request will be deemed deficient if it does not include this statement and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.3 Termination of Network Resources:

The Network Customer may terminate the designation of all or part of a generating resource as a Network Resource by providing notification to the Transmission Provider through OASIS as soon as reasonably practicable, but not later than the firm scheduling deadline for the period of termination. Any request for termination of Network Resource status must be submitted on OASIS, and should indicate whether the request is for indefinite or temporary termination. A request for indefinite termination of Network Resource status must indicate the date and time that the termination is to be effective, and the identification and capacity of the resource(s) or portions thereof to be

indefinitely terminated. A request for temporary termination of Network Resource status must include the following:

- (i) Effective date and time of temporary termination;
- (ii) Effective date and time of redesignation, following period of temporary termination;
- (iii) Identification and capacity of resource(s) or portions thereof to be temporarily terminated;
- (iv) Resource description and attestation for redesignating the network resource following the temporary termination, in accordance with Section 30.2; and
- (v) Identification of any related transmission service requests to be evaluated concomitantly with the request for temporary termination, such that the requests for undesignation and the request for these related transmission service requests must be approved or denied as a single request. The evaluation of these related transmission service requests must take into account the termination of the network resources identified in (iii) above, as well as all competing transmission service requests of higher priority.

As part of a temporary termination, a Network Customer may only redesignate the same resource that was originally designated, or a portion thereof.

Requests to redesignate a different resource and/or a resource with increased

capacity will be deemed deficient and the Transmission Provider will follow the procedures for a deficient application as described in Section 29.2 of the Tariff.

30.4 Operation of Network Resources:

The Network Customer shall not operate its designated Network Resources located in the Network Customer's or Transmission Provider's Control Area such that the output of those facilities exceeds its designated Network Load, plus Non-Firm Sales delivered pursuant to Part II of the Tariff, plus losses, plus power sales under a reserve sharing program, plus sales that permit curtailment without penalty to serve its designated Network Load. This limitation shall not apply to EPE EIM Participating Resources responding to Dispatch Instruction or to changes in the operation of a Transmission Customer's Network Resources at the request of the Transmission Provider to respond to an emergency or other unforeseen condition which may impair or degrade the reliability of the Transmission System. For all Network Resources not physically connected with the Transmission Provider's Transmission System, the Network Customer may not schedule delivery of energy in excess of the Network Resource's capacity, as specified in the Network Customer's Application pursuant to Section 29, unless the Network Customer supports such delivery within the Transmission Provider's Transmission System by either obtaining Point-to-Point Transmission Service

or utilizing secondary service pursuant to Section 28.4. The Transmission Provider shall specify the rate treatment and all related terms and conditions applicable in the event that a Network Customer's schedule at the delivery point for a Network Resource not physically interconnected with the Transmission Provider's Transmission System exceeds the Network Resource's designated capacity, excluding energy delivered using secondary service or Point-to-Point Transmission Service.

30.5 Network Customer Redispatch Obligation:

As a condition to receiving Network Integration Transmission Service, the Network Customer agrees to redispatch its Network Resources as requested by the Transmission Provider pursuant to Section 33.2. To the extent practical, the redispatch of resources pursuant to this section shall be on a least cost, non-discriminatory basis between all Network Customers, and the Transmission Provider.

30.6 Transmission Arrangements for Network Resources Not Physically Interconnected With The Transmission Provider:

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

Good Utility Practice.

30.7 Limitation on Designation of Network Resources:

The Network Customer must demonstrate that it owns or has committed to purchase generation pursuant to an executed contract in order to designate a generating resource as a Network Resource. Alternatively, the Network Customer may establish that execution of a contract is contingent upon the availability of transmission service under Part III of the Tariff.

30.8 Use of Interface Capacity by the Network Customer:

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

30.9 Network Customer Owned Transmission Facilities:

The Network Customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. In order to receive such consideration the Network Customer must demonstrate that its transmission facilities are integrated into the plans or operations of the Transmission Provider to serve its power and transmission

customers. For facilities added by the Network Customer subsequent to July 13, 2007, the Network Customer shall receive credit for such transmission facilities added if such facilities are integrated into the operations of the Transmission Provider's facilities; provided however, the Network Customer's transmission facilities shall be presumed to be integrated if such transmission facilities, if owned by the Transmission Provider, would be eligible for inclusion in the Transmission Provider's annual transmission revenue requirement as specified in Attachment H. 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.

SCHEDULE 1

Scheduling, System Control and Dispatch Service And EIM Administrative Service

This service is required to schedule the movement of power through, out of, within, or into a Control Area. This service can be provided only by the operator of the Control Area in which the transmission facilities used for transmission service are located. Scheduling, System Control and Dispatch Service is to be provided directly by the Transmission Provider (if the Transmission Provider is the Control Area operator) or indirectly by the Transmission Provider making arrangements with the Control Area operator that performs this service for the Transmission Provider's Transmission System. The Transmission Customer must purchase this service from the Transmission Provider or the Control Area operator. The charges for Scheduling, System Control and Dispatch Service are to be based on the rates described further below. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator.

The Transmission Customer will be allowed to use dynamic scheduling when it is feasible and reliable. Dynamic scheduling involves the arrangement for moving load or generation served within one Control Area such that the load or generation is recognized in the real-time control and dispatch of another Control Area. If a Transmission Customer requests that the Transmission Provider perform dynamic scheduling, the Transmission Provider will provide this service at negotiated rates, terms and conditions.

Such negotiated rates, terms and conditions will be subject to Commission approval. The Transmission Customer must secure adequate transmission arrangements to support this service.

The below language shall apply during such hours when the Transmission Provider is participating in the EIM.

This service recovers the administrative costs assessed by the CAISO as the MO of the EIM to the EPE EIM Entity in accordance with Sections 4.5.1.1.4, 4.5.1.3, 11.22.8, and 29.11(i) of the MO Tariff (EIM Administrative Costs). All Transmission Customers purchasing Long Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire EIM Administrative Service from the Transmission Provider. EIM Administrative Costs assigned to the EPE EIM Entity shall be sub-allocated to Transmission Customers on the basis of Measured Demand for the time period in which the EIM Administrative Costs were incurred.

Transmission Customers Obligated to Acquire Scheduling, System Control and Dispatch Service:

All Transmission Customers purchasing Long-Term Firm Point-to-Point Transmission Service, Short-Term Firm Point-to-Point Transmission Service, Non-Firm Point-to-Point Transmission Service, or Network Integration Transmission Service from the Transmission Provider shall be required to acquire Scheduling, System Control and Dispatch Service from the Transmission Provider.

Charge for Scheduling, System Control and Dispatch Service:

All Transmission Customers required to acquire Scheduling, System Control and Dispatch Service shall pay a charge invoiced monthly for Scheduling, System Control and Dispatch Service equal to the amount set forth below. The rates on which such charges are determined shall be calculated on an annual basis using an annual Schedule 1 revenue requirement identified in Attachment H-1, tab "Schedule 1," line 22. Annual updates to the Schedule 1 rates shall follow the procedures set forth in Attachment H-2.

- 1) For Yearly Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 28 multiplied by either: (a) the amount of Reserved Capacity per year for Point-to-Point Transmission Service or (b) the Monthly Network Load calculated pursuant to Section 34.2 of the Tariff for Network Integration Transmission Service.
- 2) For Monthly Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 29 multiplied by the amount of Reserved Capacity per month.
- 3) For Weekly Service, the demand charge identified in Attachment H-1, tab "Projected Schedule 1," line 30 multiplied by the amount of Reserved Capacity per week.
- 4) For Daily On-Peak Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 31 multiplied by the amount of Reserved Capacity per day during on-peak periods.
- 5) For Daily Off-Peak Service, the demand charge identified in Attachment H-1, tab "Schedule 1," line 32 multiplied by the amount of Reserved Capacity per day during off-peak periods.

- 6) For Hourly On-Peak Service, the demand charge identified in Attachment H-1, tab “Schedule 1,” line 33 multiplied by the amount of Reserved Capacity per hour during on-peak periods.
- 7) For Hourly Off-Peak Service, the demand charge identified in Attachment H-1, tab “Schedule 1,” line 34 multiplied by the amount of Reserved Capacity per hour during off-peak periods.

The total charge in any day, pursuant to a reservation for Hourly delivery, shall not exceed the Daily Rate pursuant to this Schedule 1 times the highest amount in megawatts of Reserved Capacity in any hour during such day. In addition, the total charge in any week, pursuant to a reservation for Hourly or Daily delivery, shall not exceed the Weekly Rate pursuant to this Schedule 1 times the highest amount in megawatts of Reserved Capacity in any hour during such week.

SCHEDULE 4

Energy Imbalance Service

This schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 10 of Attachment P of this Tariff, Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. An Interconnection Customer, as defined in Attachment M or N of the Tariff, as applicable, must pay imbalance charges in accordance with this schedule. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. ~~The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances~~

~~occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.~~

A Transmission Customer shall be charged or paid for Energy Imbalance Service measured as the deviation of the Transmission Customer's metered load compared to the load component of the Transmission Customer Base Schedule (as determined pursuant to Section 4.2.4 of Attachment P of this Tariff) settled as UIE for the period of the deviation at the applicable LAP price where the load is located, as determined by the MO under Section 29.11(b)(3)(c) of the MO Tariff.

~~The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of incremental or decremental cost; (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of incremental cost or 75 percent of decremental cost.~~

~~—— For purposes of this Schedule, incremental cost shall be the product of (i) the amount of power by which the Transmission Customer's load exceeds the scheduled energy and (ii) the average settled index price reported by the Intercontinental Exchange ("ICE") in the ICE Day Ahead Power Price Report for Palo Verde Peak ("PV Peak Index") and Palo Verde Off-Peak ("PV Off-Peak Index"), as applicable, for the hour in which Energy Imbalance Service is provided; and decremental cost shall be the product of (i) the amount of power by which the scheduled energy exceeds the Transmission Customer's load and (ii) the PV Peak Index or the PV Off-Peak Index, as applicable, for the hour in which Energy Imbalance Service is provided. In the event that Energy Imbalance Service is provided during a time where no volumes are reported on the PV Peak Index and/or PV Off-Peak Index, the most recent firm on-peak and/or off-peak prices will be carried forward. If ICE permanently ceases to report the PV Peak and/or PV Off-Peak Index, or if the methodology used to determine the PV Peak and/or PV Off-Peak Index is materially modified, Transmission Provider shall select a permanent replacement index, reported by a reputable third party.~~

SCHEDULE 4A

Energy Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment P of this Tariff, this Schedule 4A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended, Schedule 4 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Energy Imbalance Service is provided when a difference occurs between the scheduled and the actual delivery of energy to a load located within a Control Area over a single hour. The Transmission Provider must offer this service when the transmission service is used to serve load within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Energy Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly energy imbalances under this Schedule or a penalty for hourly generator imbalances under Schedule 9 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other. The Transmission Provider shall establish charges for energy imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a

minimum of 2 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of the month, at 100 percent of incremental or decremental cost; (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any energy imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 125 percent of incremental cost or 75 percent of decremental cost.

For purposes of this Schedule, incremental cost shall be the product of (i) the amount of power by which the Transmission Customer's load exceeds the scheduled energy and (ii) the average settled index price reported by the Intercontinental Exchange ("ICE") in the ICE Day Ahead Power Price Report for Palo Verde Peak ("PV Peak Index") and Palo Verde Off-Peak ("PV Off-Peak Index"), as applicable, for the hour in which Energy Imbalance Service is provided; and decremental cost shall be the product of (i) the amount of power by which the scheduled energy exceeds the Transmission Customer's load and (ii) the PV Peak Index or the PV Off-Peak Index, as applicable, for the hour in which Energy Imbalance Service is provided. In the event that Energy

Imbalance Service is provided during a time where no volumes are reported on the PV Peak Index and/or PV Off-Peak Index, the most recent firm on-peak and/or off-peak prices will be carried forward. If ICE permanently ceases to report the PV Peak and/or PV Off-Peak Index, or if the methodology used to determine the PV Peak and/or PV Off-Peak Index is materially modified, Transmission Provider shall select a permanent replacement index, reported by a reputable third party.

SCHEDULE 9

Generator Imbalance Service

This Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended. In accordance with Section 9 of Attachment P of this Tariff, Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area ~~and a delivery schedule~~ that is not an EPE EIM Participating Resource and the resource component of the Transmission Customer Base Schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour.

The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The

Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service

obligation. To the extent the Control Area operator performs this service for the

Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator.

~~The Transmission Provider may charge a Transmission Customer a penalty for either~~

~~hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.~~

The Transmission Provider shall establish charges for Generator Imbalance Service as follows (the following provisions do not apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch or which have communicated physical changes in the output of resources to the MO):

A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the resource component of the Transmission Customer Base Schedule settled as UIE by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff.

The following provisions shall apply to Transmission Customers which have received a Manual Dispatch or EIM Available Balancing Capacity dispatch, or which have communicated physical changes in the output of resources to the MO or for other reasons imbalance energy is calculated by the MO:

(1)

- a. A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of

resources incorporated by the MO in the FMM or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff; or

- b. A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of the Transmission Customer's metered generation compared to the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, as UIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(3)(B) of the MO Tariff; and

(2)

- a. A Transmission Customer shall be charged or paid for Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in the FMM or for other instructions by the MO, compared to the resource component of the Transmission Customer Base Schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode FMM price where the generator is located, as determined by the MO under Section 29.11(b)(1)(A)(ii) of the MO Tariff; or

b. Generator Imbalance Service measured as the deviation of either the Manual Dispatch amount, the EIM Available Balancing Capacity dispatch amount, or physical changes in the output of resources incorporated by the MO in RTD or for other instructions by the MO, compared to the FMM schedule, as IIE calculated by the MO for the period of the deviation at the applicable PNode RTD price where the generator is located, as determined by the MO under Section 29.11(b)(2)(A)(ii) of the MO Tariff.

Applicability to Interconnection Customers: To the extent the Interconnection Customer is a different entity than the Transmission Customer and controls the output of a generator located in the Transmission Provider's Control Area, the Interconnection Customer may be subject to charges for Generator Imbalance Service (rather than the Transmission Customer) in accordance with this Schedule 9.

~~The Transmission Provider shall establish charges for generator imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent of incremental or decremental cost, (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations~~

~~greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.~~

~~—— Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of incremental and decremental cost. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.~~

~~—— For purposes of this Schedule, incremental cost shall be the product of (i) the amount by which the delivery schedule from the generator exceeds the output of that generator and (ii) the average settled index price reported by the Intercontinental Exchange (“ICE”) in the ICE Day Ahead Power Price Report for Palo Verde Peak (“PV Peak Index”) and Palo Verde Off-Peak (“PV Off-Peak Index”), as applicable, for the hour in which Generator Imbalance Service is provided; and decremental cost shall be the product of (i) the amount of power by which the output of the generator exceeds the~~

~~delivery schedule from the generator and (ii) the PV Peak Index or the PV Off-Peak Index, as applicable, for the hour in which Generator Imbalance Service is provided. In the event that Generator Imbalance Service is provided during a time where no volumes are reported on the PV Peak and/or PV Off-Peak Index, the most recent firm on-peak and/or off-peak prices will be carried forward. If ICE permanently ceases to report the PV Peak and/or PV Off-Peak Index, or if the methodology used to determine the index at the PV Peak and/or PV Off-Peak Index is materially modified, Transmission Provider shall select a permanent replacement index, reported by a reputable third party.~~

SCHEDULE 9A

Generator Imbalance Service when EIM Suspended

In accordance with Section 10 of Attachment P of this Tariff, this Schedule 9A shall apply during such hours when the Transmission Provider is not participating in the EIM and when the EIM has been suspended. Schedule 9 shall apply during such hours when the Transmission Provider is participating in the EIM and when the EIM has not been suspended.

Generator Imbalance Service is provided when a difference occurs between the output of a generator located in the Transmission Provider's Control Area and a delivery schedule from that generator to (1) another Control Area or (2) a load within the Transmission Provider's Control Area over a single hour. The Transmission Provider must offer this service, to the extent it is physically feasible to do so from its resources or from resources available to it, when Transmission Service is used to deliver energy from a generator located within its Control Area. The Transmission Customer must either purchase this service from the Transmission Provider or make alternative comparable arrangements, which may include use of non-generation resources capable of providing this service, to satisfy its Generator Imbalance Service obligation. To the extent the Control Area operator performs this service for the Transmission Provider, charges to the Transmission Customer are to reflect only a pass-through of the costs charged to the Transmission Provider by that Control Area Operator. The Transmission Provider may charge a Transmission Customer a penalty for either hourly generator imbalances under this Schedule or a penalty for hourly energy imbalances under Schedule 4 for imbalances

occurring during the same hour, but not both unless the imbalances aggravate rather than offset each other.

The Transmission Provider shall establish charges for generator imbalance based on the deviation bands as follows: (i) deviations within +/- 1.5 percent (with a minimum of 2 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be netted on a monthly basis and settled financially, at the end of each month, at 100 percent of incremental or decremental cost, (ii) deviations greater than +/- 1.5 percent up to 7.5 percent (or greater than 2 MW up to 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled financially, at the end of each month, at 110 percent of incremental cost or 90 percent of decremental cost, and (iii) deviations greater than +/- 7.5 percent (or 10 MW) of the scheduled transaction to be applied hourly to any generator imbalance that occurs as a result of the Transmission Customer's scheduled transaction(s) will be settled at 125 percent of incremental cost or 75 percent of decremental cost, except that an intermittent resource will be exempt from this deviation band and will pay the deviation band charges for all deviations greater than the larger of 1.5 percent or 2 MW. An intermittent resource, for the limited purpose of this Schedule is an electric generator that is not dispatchable and cannot store its fuel source and therefore cannot respond to changes in system demand or respond to transmission security constraints.

Notwithstanding the foregoing, deviations from scheduled transactions in order to respond to directives by the Transmission Provider, a balancing authority, or a reliability coordinator shall not be subject to the deviation bands identified above and, instead, shall be settled financially, at the end of the month, at 100 percent of incremental and decremental cost. Such directives may include instructions to correct frequency decay, respond to a reserve sharing event, or change output to relieve congestion.

For purposes of this Schedule, incremental cost shall be the product of (i) the amount by which the delivery schedule from the generator exceeds the output of that generator and (ii) the average settled index price reported by the Intercontinental Exchange (“ICE”) in the ICE Day Ahead Power Price Report for Palo Verde Peak (“PV Peak Index”) and Palo Verde Off-Peak (“PV Off-Peak Index”), as applicable, for the hour in which Generator Imbalance Service is provided; and decremental cost shall be the product of (i) the amount of power by which the output of the generator exceeds the delivery schedule from the generator and (ii) the PV Peak Index or the PV Off-Peak Index, as applicable, for the hour in which Generator Imbalance Service is provided. In the event that Generator Imbalance Service is provided during a time where no volumes are reported on the PV Peak and/or PV Off-Peak Index, the most recent firm on-peak and/or off-peak prices will be carried forward. If ICE permanently ceases to report the PV Peak and/or PV Off-Peak Index, or if the methodology used to determine the index at the PV Peak and/or PV Off-Peak Index is materially modified, Transmission Provider shall select a permanent replacement index, reported by a reputable third party.

SCHEDULE 10

Real Power Losses

The Transmission Customer taking Network Integration Transmission Service, Firm Point-to-Point, or Non-Firm Point-to-Point Transmission Service, excluding Energy Imbalance Service and Generator Imbalance Service, shall reimburse the Transmission Provider for Real Power Losses as provided in this Tariff. The Transmission Customer must financially settle for Real Power Losses by reimbursement as specified herein. The procedures to determine the amount of Real Power Losses associated with a Transmission Customer's Base Schedule, as well as the reimbursement for Real Power Losses, are set forth below:

The amount of Real Power Losses assessed to a Transmission Customer in a given hour shall be the product of such Transmission Customer Base Schedule during the hour in MWhs and the applicable loss factor provided in this Schedule 10. The Transmission Customer shall compensate the Transmission Provider at a rate equal to the amount of Real Power Losses assessed to such Transmission Customer in a given hour multiplied by the hourly LAP price for the EPE BAA in that hour as established by the MO under section 29.11 (b)(3)(C) of the MO Tariff.

Real Power Loss Factors:

~~When the Transmission Customer uses one or more of the Transmission Provider's posted transmission paths, the Transmission Customer's usage creates Real Power Losses. The Transmission Customer may elect, on a monthly basis, to (1) supply the~~

~~capacity and/or energy necessary to compensate the Transmission Provider for such Real Power Losses; (2) receive an amount of electricity at delivery points that is reduced by the amount of Real Power Losses incurred by the Transmission Provider; or (3) with the concurrence of the Transmission Provider, have the Transmission Provider supply the capacity and/or energy necessary to compensate for such Real Power Losses.~~

- 1) **Point-to-Point Transmission Service on External Transmission Paths:** For the following transmission paths, the Real Power Loss factors will be the same as the hourly loss factors Transmission Provider is charged by the applicable transmission owner or operator pursuant to the ANPP Valley Transmission System Agreement. Transmission Provider shall post the methodology for determining losses on the ANPP Valley Transmission System on its OASIS system. The Points of Receipt and Points of Delivery served by the Transmission Provider on the ANPP Valley Transmission System are as follows: PALOVERDE500, WESTWING500, KYRENE500, and JOJOBA500.
- 2) **Point-to-Point Transmission Service on Internal Transmission Paths:** For both non-recallable (firm) and recallable (non-firm) Point to Point Transmission Service on transmission paths internal to the Transmission Provider's ~~control~~ areaBAA, the Real Power Loss factor will be based on the Transmission Provider's average system losses of 4.23 percent. ~~The Transmission Provider will apply this Real Power Loss factor to all scheduled usage of transmission paths internal to its control area.~~
- 3) ~~3)~~ **Network Integration Transmission Service:** For Network Integration

Transmission Service, the Real Power Loss factors shall be 4.23 percent for Demand and 2.69 percent for Energy.

4)3) ~~**Rates for Real Power Loss Service:** If the Transmission Provider and the Transmission Customer agree to have the Transmission Provider compensate for Real Power Losses, the Transmission Customer shall be charged for Real Power Loss service at a rate not to exceed 115 percent of the Transmission Provider's hourly incremental cost to produce energy after serving all other obligations, including economy and opportunity transactions.~~

ATTACHMENT P
Energy Imbalance Market

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10.3.1 Corrective Actions for Temporary Contingencies

1. General Provision - Purpose and Effective Date of Attachment P

Attachment P provides for Transmission Provider's participation as the EPE EIM Entity in the EIM administered by the MO. This Attachment P should be read in conjunction with the EPE EIM BP.

Attachment P shall be in effect upon its acceptance by the Commission, with the exceptions provided below, for as long as Transmission Provider implements the EIM and until all final settlements are finalized resulting from such implementation. Sections 4.1.5, 4.1.6, 8 and 10 of this Attachment P take effect no earlier than April 5, 2023, or the implementation date of Transmission Provider's participation in the EIM, whichever is later. All other sections of this Attachment P take effect on January 25, 2023 or seven (7) days prior to the start of EPE's parallel operations with CIASO's EIM market, whichever is earlier.

This Attachment P shall apply to: (1) all Transmission Customers and Interconnection Customers, as applicable, with new and existing service agreements under Parts II and III and Attachments M and N of this Tariff, (2) all Transmission Customers with legacy transmission agreements that pre-existed this Tariff and that expressly incorporate by reference the applicability of EPE's Tariff and/or this Attachment P in particular, and (3) Transmission Provider's use of the transmission system for service to Native Load Customers. To the extent an Interconnection Customer controls the output of a generator located in EPE's BAA, the EPE EIM Entity may require the Interconnection Customer to comply with a requirement in this Attachment P that on its face applies to a Transmission Customer to the extent that the EPE EIM Entity makes a determination, in its sole discretion, that the Interconnection Customer is the more appropriate party to satisfy the requirements of Attachment P than any Transmission Customer.

This Attachment P shall work in concert with the provisions of the MO Tariff implementing the EIM to support operation of the EIM. To the extent that this Attachment P is inconsistent with a provision in the remainder of this Tariff with regard to the EPE EIM Entity's administration of the EIM, this Attachment P shall prevail.

This Attachment P governs the relationship between the EPE EIM Entity and all Transmission Customers and Interconnection Customers subject to this Tariff. This Attachment P does not establish privity between Transmission Customers and the MO or make a Transmission Customer subject to the MO Tariff. Any Transmission Customer duties and obligations related to the EIM are those identified in this Tariff, unless the Transmission Customer voluntarily elects to participate directly in the EIM with EPE EIM Participating Resources, in which case the MO Tariff provisions for EIM Participating Resources and EIM Participating Resource Scheduling Coordinators shall also apply.

For purposes of the remainder of this Attachment P, the use of the defined term "Transmission Customer(s)" shall include any applicable Interconnection Customer who, pursuant to a determination made by the Transmission Provider as provided above, has been identified to be the more appropriate party to satisfy the requirements of this Attachment P.

2. Election of Transmission Customers to become EPE EIM Participating Resources

The decision of a Transmission Customer to participate in the EIM with resources as EPE EIM Participating Resources is voluntary. A Transmission Customer that chooses to have a resource become an EPE EIM Participating Resource must:

- (1) Meet the requirements specified in Section 3 of this Attachment P and the EPE EIM BP;
- (2) Become or retain a MO-certified EIM Participating Resource Scheduling Coordinator;
and
- (3) Follow the application and certification process specified in this Attachment P and the EPE EIM BP posted on the Transmission Provider's OASIS.

Transmission Customers which own or control multiple resources may elect to have any or all of their resources be EPE EIM Participating Resources, in which case any resources that are not elected by the Transmission Customer to be EPE EIM Participating Resources shall be treated as Non-Participating Resources for purposes of this Attachment P.

3. Eligibility to be an EPE EIM Participating Resource

3.1 Internal Resources - Transmission Rights

Resources owned or controlled by Transmission Customers and located within the metered boundaries of EPE's BAA are eligible to become EPE EIM Participating Resources. The Transmission Customer that owns or controls the resource must have associated transmission rights based on one of the following:

- (1) The resource is a designated Network Resource of a Network Customer, and the Network Customer elects to participate in the EIM through its Network Integration Transmission Service Agreement; or
- (2) The resource is associated with either (i) a service agreement for Firm Point-to-Point Transmission Service or (ii) a service agreement for Non- Firm Point-to-Point Transmission Service, and such Transmission Customer elects to participate in the EIM.

3.2 Resources External to EPE's BAA

3.2.1 Use of Pseudo-Ties

A resource owned or controlled by a Transmission Customer that is not physically located inside the metered boundaries of EPE's BAA may participate in the EIM as an EPE EIM Participating Resource if the Transmission Customer: (1) implements a Pseudo-Tie into EPE's BAA, consistent with EPE's business practice posted on Transmission Provider's OASIS; (2) has arranged firm transmission over any third-party transmission systems to an EPE BAA intertie boundary equal to the amount of energy that will be Dynamically Transferred through a Pseudo-Tie into EPE's BAA, consistent with EPE's business practice posted on Transmission Provider's OASIS;

(3) has secured transmission service consistent with Section 3.1 of this Attachment P, and (4) has already registered the pseudo-tie and resource with the NAESB webRegistry.

3.2.2 Pseudo-Tie Costs

Pseudo-Tie implementation costs shall be allocated in a manner consistent with the treatment of Network Upgrades and Direct Assignment Facilities to facilitate a Pseudo-Tie into EPE's BAA.

3.3 Application and Certification of EPE EIM Participating Resources

This section should be read in conjunction with the EPE EIM BP.

3.3.1 Application

To register a resource to become an EPE EIM Participating Resource, an applicant must submit a completed application and shall provide a deposit of \$1,500 for the EPE EIM Entity to process the application. Upon completion of processing the completed application, the EPE EIM Entity shall charge and the applicant shall pay the actual costs of the application processing. Any difference between the deposit and the actual costs of the application processing shall be paid by or refunded (without interest) to the EPE EIM Participating Resource applicant, as appropriate. At the time of application, any EPE EIM Participating Resource applicant must elect to perform the duties of either a CAISO Metered Entity or Scheduling Coordinator Metered Entity, consistent with the MO's requirements, as applicable.

3.3.2 Processing the Participating Resource Application

The EPE EIM Entity shall make a determination as to whether to accept or reject the application within 45 days of receipt of the application. At minimum, the EPE EIM Entity shall validate through the application that the EPE EIM Participating Resource applicant has satisfied Sections 3.1 and 3.2 of this Attachment P, as applicable, and met minimum telemetry and metering requirements, as set forth in the MO's requirements and the EPE EIM BP. Within 45 days of receipt of the application and in accordance with the process outlined in the EPE EIM BP, the EPE EIM Entity may request additional information and will attempt to resolve any minor deficiencies in the application with the Transmission Customer. The EPE EIM Entity may extend the 45-day period to accommodate the resolution of minor deficiencies in the application in order to make a determination on an application. If the EPE EIM Entity approves the application, it shall send notification of approval to both the EPE EIM Participating Resource applicant and the MO. If the EPE EIM Entity rejects the application, the EPE EIM Entity shall send notification stating the grounds for rejection to the EPE EIM Participating Resource applicant. Upon request, the EPE EIM Entity may provide guidance to the applicant as to how the EPE EIM Participating Resource applicant may cure the grounds for the rejection. In the event that the EPE EIM Entity has granted an extension of the 45-day period but the applicant has neither provided the additional requested information nor otherwise resolved identified deficiencies within six (6) months of the EPE EIM Entity's initial

receipt of the application, the application shall be deemed rejected by the EPE EIM Entity. If an application is rejected, the EPE EIM Participating Resource applicant may resubmit its application at any time (including submission of a new processing fee deposit).

3.3.3 Certification Notice

Upon approval of an application and in accordance with the process specified in the EPE EIM BP, certification by the EPE EIM Entity of the EPE EIM Participating Resource to participate in the EIM shall occur once the Transmission Customer has demonstrated and the MO has confirmed that the Transmission Customer has:

- (1) Met the MO's criteria to become an EIM Participating Resource and executed the MO's pro forma EIM Participating Resource Agreement;
- (2) Qualified to become or retained the services of a MO-certified EIM Participating Resource Scheduling Coordinator;
- (3) Met the necessary metering requirements of this Tariff and Section 29.10 of the MO Tariff and the EIM Participating Resource Scheduling Coordinator has executed the MO's pro forma Meter Service Agreement for Scheduling Coordinators; and
- (4) Met communication and data requirements of this Tariff and Section 29.6 of the MO Tariff; and has the ability to receive and implement Dispatch Instructions every five minutes from the MO.

Upon receiving notice from the MO of the completion of the enumerated requirements by the Transmission Customer, the EPE EIM Entity shall provide notice to both the Transmission Customer with an EPE EIM Participating Resource and the MO that the EPE EIM Participating Resource is certified and therefore eligible to participate in the EIM.

3.3.4 Status of Resource Pending Certification

If the Transmission Customer: (i) has submitted an application for a resource to be an EPE EIM Participating Resource but the application has not been approved; or (ii) has not yet been certified by the EPE EIM Entity consistent with Section 3.3.3 of this Attachment P, the resource shall be deemed to be a Non-Participating Resource.

3.3.5 Notice and Obligation to Report a Change in Information

Each Transmission Customer with an EPE EIM Participating Resource has an ongoing obligation to inform the EPE EIM Entity of any changes to any of the information submitted as part of the application process under this Attachment P consistent with EPE EIM Business Practice Manual.

This information includes, but is not limited to:

- (1) Any change in the EPE EIM Participating Resource Scheduling Coordinator representing the resource;
- (2) Any change in the ownership or control of the resource;

- (3) Any change to the physical characteristics of the resource required to be reported to the MO in accordance with Section 29.4(c)(4)(C) of the MO Tariff; or
- (4) If either the MO terminates the participation of the EPE EIM Participating Resource in the EIM or the Transmission Customer has terminated the EPE EIM Participating Resource's participation in the EIM; in either case, that resource shall be considered to be a Non- Participating Resource for purposes of this Tariff, including Attachment P.

4. Roles and Responsibilities

4.1 Transmission Provider as the EPE EIM Entity and the EPE EIM Entity Scheduling Coordinator

4.1.1 Responsibilities

4.1.1.1 Identification of EIM Entity Scheduling Coordinator

The EPE EIM Entity can serve as the EPE EIM Entity Scheduling Coordinator or retain a third party to perform such role. If the EPE EIM Entity is not the EPE EIM Entity Scheduling Coordinator, the EPE EIM Entity shall communicate to the EPE EIM Entity Scheduling Coordinator the information required by the EPE EIM Entity Scheduling Coordinator to fulfill its responsibilities in the EIM.

The EPE EIM Entity Scheduling Coordinator shall coordinate and facilitate the EIM in accordance with the requirements of the MO Tariff. The EPE EIM Entity Scheduling Coordinator must meet the certification requirements of the MO and enter into any necessary MO agreements.

4.1.1.2 Processing EPE EIM Participating Resource Applications

The EPE EIM Entity shall be responsible for processing applications of Transmission Customers seeking authorization to participate in the EIM with resources as EPE EIM Participating Resources in accordance with Section 3.3 of this Attachment P.

4.1.1.3 Determination of EIM Implementation Decisions for EPE's BAA

The EPE EIM Entity is solely responsible for making any decisions with respect to EIM participation that the MO requires of EIM Entities. The EPE EIM Entity has made the following determinations:

- (1) Eligibility requirements: Eligibility requirements are set forth in Section 3 of Attachment P.
- (2) Load Aggregation Points: There shall be one LAP for EPE's BAA.

(3) **MO load forecast:** The EPE EIM Entity shall utilize the MO load forecast but shall retain the right to provide the load forecast to the MO in accordance with the MO Tariff.

(4) **MO metering agreements:** The EPE EIM Entity and all Transmission Customers with EPE EIM Participating Resources shall have the option to elect to be Scheduling Coordinator Metered Entities or CAISO Metered Entities in accordance with Section 29.10 of the MO Tariff. The EPE EIM Entity shall be a Scheduling Coordinator Metered Entity on behalf of all Transmission Customers with Non-Participating Resources in accordance with Section 29.10 of the MO Tariff.

4.1.1.4 EPE EIM Business Practice

The EPE EIM Entity shall establish and revise, as necessary, procedures to facilitate implementation and operation of the EIM through the EPE EIM BP that shall be posted on the Transmission Provider's OASIS.

4.1.1.5 Determination to Take Corrective Actions or Permanently Terminate Participation in the EIM

The EPE EIM Entity may take corrective actions in EPE's BAA in accordance with the requirements of Section 10.3 of Attachment P.

In addition, the EPE EIM Entity, in its sole and absolute discretion, may permanently terminate its participation in the EIM by providing notice of termination to the MO pursuant to applicable agreements and by making a filing pursuant to Section 205 of the Federal Power Act to revise this Tariff consistent with the Commission's requirements.

4.1.2 Responsibilities of the EPE EIM Entity to Provide Required Information

4.1.2.1 Provide Modeling Data to the MO

The EPE EIM Entity shall provide the MO information associated with transmission facilities within EPE's BAA, including, but not limited to, network constraints and associated limits that must be observed in EPE's BAA network and interties with other BAAs.

4.1.2.2 Registration

The EPE EIM Entity shall register all Non-Participating Resources with the MO consistent with EPE's EIM Business Practice Manual. The EPE EIM Entity may choose to obtain default energy bids from the MO for Non-Participating Resources that are Balancing Authority Area Resources. The EPE EIM Entity shall update this information in accordance with the MO's requirements as revised information is received from Transmission Customers with Non-Participating Resources in accordance with Section 4.2.1.2 of this Attachment P.

4.1.3 Day-to-Day EIM Operations

4.1.3.1 Submission of Transmission Customer Base Schedule, Forecast Data for Non-Participating Resources that are Variable Energy Resources, and Resource Plans

The EPE EIM Entity is responsible for providing the data required by the MO in accordance with Section 29.34 of the MO Tariff, including but not limited to: (1) hourly Transmission Customer Base Schedules; (2) Forecast Data for Non-Participating Resources that are Variable Energy Resources; and (3) Resource Plans.

4.1.3.2 Communication of Manual Dispatch Information

The EPE EIM Entity shall inform the MO of a Manual Dispatch by providing adjustment information for the affected resources in accordance with Section 29.34 of the MO Tariff.

4.1.3.3 Confirmation

The MO shall calculate, and the EPE EIM Entity shall confirm, actual values for Dynamic Schedules reflecting EIM Transfers to the MO within 60 minutes after completion of the Operating Hour to ensure the e-Tag author will be able to update these values in accordance with WECC policies and industry standards through an update to the e-Tag. If WECC policies and industry standards are modified such that the 60-minute time frame set forth in the preceding sentence is no longer sufficient to enable compliance with the WECC policies and industry standards, Transmission Provider shall specify in its EIM BP the applicable time frame necessary to remain compliant.

4.1.3.4 Dispatch of EIM Available Balancing Capacity of a Non-Participating Resource

Upon notification by the MO, the EPE EIM Entity shall notify the Non-Participating Resource of the Dispatch Operating Point for any EIM Available Balancing Capacity from the Non-Participating Resource, except in circumstances in which the EPE EIM Entity determines the additional capacity is not needed for the BAA or has taken other actions to meet the capacity need.

4.1.4 Provision of Meter Data

The EPE EIM Entity shall submit load, resource, and Interchange meter data to the MO in accordance with the format and timeframes required in the MO Tariff on behalf of Transmission Customers with Non-Participating Resources, loads, and Interchange.

4.1.5 Settlement of MO Charges and Payments

The EPE EIM Entity shall be responsible for financial settlement of all charges and payments allocated by the MO to the EPE EIM Entity. The EPE EIM Entity shall sub-allocate EIM charges and payments in accordance with Schedules 1, 1A, 4, and 10 of this Tariff or Section 8 of Attachment P, as applicable.

4.1.6 Dispute Resolution with the MO

The EPE EIM Entity shall manage dispute resolution with the MO for the EPE EIM Entity settlement statements consistent with Section 29.13 of the MO Tariff, Section 12.4 of this Tariff, and the EPE EIM BP. Transmission Customers with EPE EIM Participating Resources shall manage dispute resolution with the MO for any settlement statements they receive directly from the MO.

4.2 Transmission Customer Responsibilities

The following Transmission Customers must comply with the information requirements of this section: (1) Transmission Customers with an EPE EIM Participating Resource; (2) Transmission Customers with a Non-Participating Resource; (3) Transmission Customers with load within EPE's BAA; and (4) subject to the limitations identified in Section 4.2.4.5.1 of this Attachment P, Transmission Customers wheeling through EPE's BAA. This section should be read in conjunction with the EPE EIM BP.

4.2.1 Initial Registration Data

4.2.1.1 Transmission Customers with an EPE EIM Participating Resource

A Transmission Customer with an EPE EIM Participating Resource shall provide the EPE EIM Entity with the data necessary to meet the requirements established by the MO to register all resources with the MO as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.1.2 Transmission Customers with Non-Participating Resources

A Transmission Customer with Non-Participating Resources shall provide the EPE EIM Entity with data necessary to meet the requirements established by the MO as required by Section 29.4(c)(4)(C) of the MO Tariff.

4.2.2 Responsibility to Update Required Data

4.2.2.1 Transmission Customers with an EPE EIM Participating Resource

Each Transmission Customer with an EPE EIM Participating Resource has an ongoing obligation to inform the MO and EPE EIM Entity of any changes to any of the information submitted by the Transmission Customer provided under Section 4.2.1 of this Attachment P that reflects changes in operating characteristics as required by Section 29.4(e)(4)(D) of the MO Tariff.

4.2.2.2 Transmission Customers with Non-Participating Resources

Each Transmission Customer with a Non-Participating Resource has an ongoing obligation to inform the EPE EIM Entity of any changes to any of the information submitted by the Transmission Customer with a Non-Participating Resource provided under Section 4.2.1 of this Attachment P.

4.2.3 Outages

Transmission Customers with EPE EIM Participating Resources and Transmission Customers with Non-Participating Resources shall be required to provide planned and unplanned outage information for their resources in accordance with Section 7 of this Attachment P and the EPE EIM BP.

4.2.4 Submission of Transmission Customer Base Schedule

Every Transmission Customer (including Transmission Customers which do not have any resources or load within EPE's BAA) shall submit the Transmission Customer Base Schedule to the EPE EIM Entity. This submission must include Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable. If the Transmission Customer does not serve load within EPE's BAA, submission of the Transmission Customer Base Schedule shall balance to the Transmission Customer's anticipated actual generation within EPE's BAA. The submissions shall be in the format and within the timing requirements established by the MO and the EPE EIM Entity as required in Section 4.2.4.5 of this Attachment P and the EPE EIM BP.

4.2.4.1 Transmission Customers with an EPE EIM Participating Resource or Non-Participating Resource in the EPE BAA

A Transmission Customer with an EPE EIM Participating Resource or a Non-Participating Resource is not required to submit Forecast Data for:

- (1) resources located in EPE's BAA that are less than three MW; or
- (2) behind-the-meter generation which is not contained in the MO's network model.

Each EPE EIM Participating Resource Scheduling Coordinator shall provide to the EPE EIM Entity:

- (1) the energy bid range data (without price information) of the respective resources it represents that are participating in the EIM; and
- (2) Dispatch Operating Point data of the respective resources it represents that are participating in the EIM.

4.2.4.2 Transmission Customers with Non-Participating Resources that are Variable Energy Resources

4.2.4.2.1 Resource Forecasts

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit (i) resource Forecast Data with hourly granularity and (ii) resource Forecast Data with 5-minute or 15-minute granularity. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall provide, at minimum, a three-hour rolling forecast with 15- minute granularity, updated every 15 minutes, and may provide, in the alternative, a three-hour rolling forecast with 5-minute granularity, updated every 5 minutes.

4.2.4.2.2 Method of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource shall submit resource Forecast Data consistent with this Section 4.2.4.2 using any one of the following methods:

- (1) The Transmission Customer may elect to use the EPE EIM Entity's Variable Energy Resource reliability forecast prepared for Variable Energy Resources within EPE's BAA, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 10 of this Tariff;
- (2) The Transmission Customer may elect to self-supply the Forecast Data and provide such data to the EPE EIM Entity, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 10 of this Tariff;
or
- (3) The Transmission Customer may elect that the MO produce Forecast Data for the Variable Energy Resource, made available to the Transmission Customer in a manner consistent with Section 29.11 (j)(1) of the MO Tariff, which shall be considered to be the basis for physical changes in the output of the resource communicated to the MO, for purposes of settlement pursuant to Schedule 10 of this Tariff.

4.2.4.2.3 Timing of submission

A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource must elect one of the above methods prior to either: (1) the date EPE joins the EIM or (2) the date the Non-Participating Resource interconnects to EPE's BAA. A Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource may change its election by providing advance notice to the EPE EIM Entity.

To the extent a Transmission Customer with a Non-Participating Resource that is a Variable Energy Resource elects method (2) above, and such Transmission Customer fails to submit resource Forecast Data for any time interval as required by this Section 4.2.4.2 of this Attachment P, the EPE EIM Entity shall apply method (1) for purposes of settlement pursuant to Schedule 10 of this Tariff.

4.2.4.3 Transmission Customers with Load

As set forth in Sections 4.2.4 of this Attachment P, a Transmission Customer is required to submit Forecast Data on all resources, Interchange, and Intrachange which balance to the Transmission Customer's anticipated load, as applicable.

For purposes of settling Energy Imbalance Service pursuant to Schedule 4 of this Tariff, the EPE EIM Entity shall calculate the load component of the Transmission Customer Base Schedule as the resource Forecast Data net of its Interchange Forecast Data and net of its Intrachange Forecast Data, as applicable.

4.2.4.4 Transmission Customers Without Resources or Load in EPE's BAA

A Transmission Customer which does not have any resources or load within EPE's BAA shall submit a Transmission Customer Base Schedule that includes Interchange and Intrachange Forecast Data to the EPE EIM Entity.

4.2.4.5 Timing of Transmission Customer Base Schedules Submission

4.2.4.5.1 Preliminary Submission of Transmission Customer Base Schedules by Transmission Customers with Resources Or Load in the EPE BAA.

Transmission Customers with resources or load in the EPE BAA shall submit their initial Transmission Customer Base Schedules 7 days prior to each Operating Day ("T - 7 days").

Transmission Customers may modify the proposed Transmission Customer Base Schedule at any time but shall submit at least one update by 10 a.m. of the day before the Operating Day.

4.2.4.5.2 Final Submissions of Transmission Customer Base Schedules

Transmission Customers shall submit proposed final Transmission Customer Base Schedules, at any time but no later than 77 minutes prior to each Operating Hour ("T-77"). Transmission Customers may modify Transmission Customer Base Schedules up to and until 57 minutes prior to the Operating Hour ("T-57").

As of 55 minutes prior to each Operating Hour (“T-55”), the Transmission Customer Base Schedule data for the Operating Hour will be considered financially binding and Transmission Customers may not submit further changes.

If the Transmission Customer fails to enter a Forecast Data value, the default will be 0 MW for that Operating Hour.

4.2.5 Metering for Transmission Customers with Non-Participating Resources

To assess imbalance, the MO shall disaggregate meter data into 5-minute intervals if the meter intervals are not already programmed to 5-minute intervals pursuant to a Transmission Customer’s applicable interconnection requirements. To the extent that a Transmission Customer owns the meter or communication to the meter, the Transmission Customer shall be responsible to maintain accurate and timely data accessible for the EPE EIM Entity to comply with Section 4.1.4 of this Attachment P.

5. Transmission Operations

5.1 Provision of Information Regarding Real-Time Status of the Transmission Provider’s Transmission System

The EPE EIM Entity shall provide the MO information on:

- (1) real time data for the Transmission System and interties; and
- (2) any changes to transmission capacity and the Transmission System due to operational circumstances.

5.2 Saved for future provision

5.3 Provision of EIM Transfer Capability by the EPE EIM Entity

The EPE EIM Entity shall facilitate the provision of transmission capacity for EIM Transfers by providing the MO with information about the amounts available for EIM Transfers utilizing Available Transfer Capability (“ATC”). The provision of EIM Transfer capacity corresponding to ATC shall be implemented by 40 minutes prior to the Operating Hour (“T-40”) by the EPE EIM Entity. The EPE EIM Entity shall include an e-Tag, with an OASIS identification reservation number(s) created for EIM Transfers utilizing ATC, and shall also include the MO, all transmission providers, and path operators associated with the OASIS identification reservation number(s) identified in the e-Tag. The amount of ATC indicated on the e-Tag will be based upon the lower of the amount of ATC calculated by each EIM Entity at that interface by T-40. The ATC associated with the submitted e-Tag shall be available for the EIM, subject to approval of the e-Tag by all required e-Tag approval entities.

6. System Operations Under Normal and Emergency Conditions

6.1 Compliance with Reliability Standards

Participation in the EIM shall not modify, change, or otherwise alter the manner in which the Transmission Provider operates its Transmission System consistent with applicable reliability standards, including adjustments. Participation in the EIM shall not modify, change, or otherwise alter the obligations of the EPE EIM Entity, Transmission Customers with EPE EIM Participating Resources, or Transmission Customers with Non-Participating Resources to comply with applicable reliability standards.

The EPE EIM Entity shall remain responsible for:

- (1) maintaining appropriate operating reserves and for its obligations pursuant to any reserve sharing group agreements;
- (2) NERC and WECC responsibilities including, but not limited to, informing the Reliability Coordinator of issues within EPE's BAA;
- (3) processing e-Tags and managing schedule curtailments at the interties; and
- (4) monitoring and managing real-time flows within system operating limits on all transmission facilities within EPE's BAA, including facilities of EPE BAA Transmission Owners. If requested by a Transmission Customer that is also an EPE BAA Transmission Owner, the EPE EIM Entity will provide additional information or data related to EIM operation as it may relate to facilities of an EPE BAA Transmission Owner.

6.2 Good Utility Practice

The EPE EIM Entity, Transmission Customers with Non-Participating Resources, and Transmission Customers with EPE EIM Participating Resources shall comply with Good Utility Practice with respect to this Attachment P.

6.3 Management of Contingencies and Emergencies

6.3.1 EIM Disruption

If the MO declares an EIM disruption in accordance with Section 29.7(j) of the MO Tariff, the EPE EIM Entity shall, in accordance with Section 29.7(j)(4) of the MO Tariff, promptly inform the MO of actions taken in response to the EIM disruption by providing adjustment information, updates to e-Tags, transmission limit adjustments, or outage and de-rate information, as applicable.

6.3.2 Manual Dispatch

The EPE EIM Entity may issue a Manual Dispatch order to a Transmission Customer with an EPE EIM Participating Resource or a Non-Participating Resource in EPE's BAA, to address reliability or operational issues in EPE's BAA that the EIM is not able to address through normal economic dispatch and congestion management.

The EPE EIM Entity shall inform the MO of a Manual Dispatch as soon as possible.

7. Outages

7.1. EPE EIM Entity Transmission Outages

7.1.1 Planned Transmission Outages and Known Derates

The EPE EIM Entity shall submit information regarding planned transmission outages and known derates to the MO's outage management system in accordance with Section 29.9(b) of the MO Tariff. The EPE EIM Entity shall update the submittal if there are changes to the transmission outage plan.

7.1.2 Unplanned Transmission Outages

The EPE EIM Entity shall submit information as soon as possible regarding unplanned transmission outages or derates to the MO's outage management system in accordance with Section 29.9(e) of the MO Tariff.

7.2 EPE BAA Transmission Owner Outages

Transmission Customers that are also EPE BAA Transmission Owners shall provide the EPE EIM Entity with planned and unplanned transmission outage data. Planned outages shall be reported to the EPE EIM Entity.

The EPE EIM Entity shall communicate information regarding planned and unplanned outages of EPE BAA Transmission Owner facilities to the MO as soon as practicable upon receipt of the information from the EPE BAA Transmission Owner.

7.3 EPE EIM Participating Resource Outages

7.3.1 Planned EPE EIM Participating Resource Outages and Known Derates

EPE EIM Participating Resource Scheduling Coordinators shall submit information regarding planned resource outages and known derates to the EPE EIM Entity. Planned outages and known derates shall be reported to the EPE EIM Entity seven (7) or more days in advance and preferably at least 30 days in advance of the outage or known derate. The EPE EIM Entity shall then submit this outage information to the MO's outage management system in accordance with Section 29.9(c) of the MO Tariff. EPE EIM Participating Resource Scheduling Coordinators shall update the submittal if there are changes to the resource outage plan.

7.3.2 Unplanned EPE EIM Participating Resource Outages or Derates

In the event of an unplanned outage required to be reported under Section 29.9(e) of the MO Tariff, the EPE EIM Participating Resource Scheduling Coordinator is responsible for notifying the EPE EIM Entity of required changes. The EPE EIM Entity shall then submit this information to the MO's outage management system. Changes in availability of 10 MW or 5% of Pmax (whichever is greater) lasting 15 minutes or longer must be reported to the EPE EIM Entity. The EPE EIM Entity shall then submit this information to the MO's outage management system.

7.4 Outages of Transmission Customers with Non-Participating Resources

7.4.1 Planned Outages and Known Derates of Transmission Customers with Non-Participating Resources

Transmission Customers with Non-Participating Resources shall report information regarding planned outages and known derates of resources to the EPE EIM Entity.

The Transmission Customer with a Non-Participating Resource shall update the submittal if there are changes to the resource's outage plan.

The EPE EIM Entity shall submit planned resource outages and known derates of Non-Participating Resources to the MO's outage management system in accordance Section 29.9(c) of the MO Tariff.

7.4.2 Unplanned Outages or Derates of Resources of Transmission Customers with Non- Participating Resources

Unplanned outages of resources of a Transmission Customer with Non- Participating Resources shall be reported to the EPE EIM Entity.

In the event of a forced outage required to be reported under Section 29.9(e) of the MO Tariff, the EPE EIM Entity is responsible for notifying the MO of required changes through the MO's outage management system.

Changes in availability of 10 MW or 5% of the element's normal system operating limits (whichever is greater) lasting 15 minutes or longer must be reported to the EPE EIM Entity. The EPE EIM Entity shall then submit this information to the MO's outage management system.

8. EIM Settlements and Billing

The EPE EIM BP shall include information on the specific charge codes applicable to EIM settlement.

8.1 Instructed Imbalance Energy (IIE)

The EPE EIM Entity shall settle as IIE imbalances that result from (1) operational adjustments of a Transmission Customer's affected base generation schedule or Interchange, which includes changes by a Transmission Customer after T-57, (2) resource imbalances created by Manual Dispatch or an EIM Available Balancing Capacity dispatch, (3) an adjustment to resource imbalances created by adjustments to resource forecasts, or (4) other reasons IIE is calculated by the MO pursuant to Section 11.5 of the MO Tariff and using the RTD or FMM price at the applicable PNode. Any allocations to the EPE EIM Entity pursuant to Section 29.1 1(b)(1) and (2) of the MO Tariff for IIE that is not otherwise recovered under Schedule 10 of this Tariff shall be settled directly with each Transmission Customer according to this Section 8.1.

8.2 Uninstructed Imbalance Energy (UIE)

Any charges or payments to the EPE EIM Entity pursuant to Section 29.11(b)(3)(B) and (C) of the MO Tariff for UIE not otherwise recovered under Schedule 4 or Schedule 10 shall not be sub-allocated to Transmission Customers.

8.3 Unaccounted for Energy (UFE)

Any charges to the EPE EIM Entity pursuant to Section 29.11(c) of the MO Tariff for UFE shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.4 Charges for Under-Scheduling or Over-Scheduling Load

8.4.1 Under-Scheduling Load

Any charges to the EPE EIM Entity pursuant to Section 29.1 1(d)(1) of the MO Tariff for underscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective under- scheduling imbalance ratio share, which is the ratio of the Transmission Customer's under-scheduled load imbalance amount relative to all other Transmission Customers' under-scheduled load imbalance amounts who have under-scheduled load for the Operating Hour, expressed as a percentage.

8.4.2 Over-Scheduling Load

Any charges to the EPE EIM Entity pursuant to Section 29.1 1(d)(2) of the MO Tariff for overscheduling load shall be assigned to the Transmission Customers subject to Schedule 4 based on each Transmission Customer's respective over- scheduling imbalance ratio share, which is the ratio of the Transmission Customer's over-scheduled load imbalance amount relative to all other Transmission Customers' over-scheduled load imbalance amounts who have over-scheduled load for the Operating Hour, expressed as a percentage.

8.4.3 Distribution of Under-Scheduling or Over-Scheduling Proceeds

Any payment to the EPE EIM Entity pursuant to Section 29.1 1(d)(3) of the MO Tariff shall be distributed to Transmission Customers that were not subject to underscheduling or overscheduling charges during the Trading Day on the basis of Metered Demand and in accordance with the procedures outlined in the EPE EIM BP.

8.5 EIM Uplifts

8.5.1 EIM BAA Real-Time Market Neutrality (Real-Time Imbalance Energy Offset - BAA)

Any charges to the EPE EIM Entity pursuant to Section 29.1 1(e)(3) of the MO Tariff for EIM BAA real-time market neutrality shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.2 EIM Entity BAA Real-Time Congestion Offset

Any charges to the EPE EIM Entity pursuant to Section 29.11 (e)(2) of the MO Tariff for the EIM real-time congestion offset shall be allocated to Transmission Customers on the basis of Measured Demand.

8.5.3 EIM Entity Real-Time Marginal Cost of Losses Offset

Any charges to the EPE EIM Entity pursuant to Section 29.1 1(e)(4) of the MO Tariff for real-time marginal cost of losses offset shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.4 EIM Neutrality Settlement

Any charges to the EPE EIM Entity pursuant to Section 29.11 (e)(5) of the MO Tariff for EIM neutrality settlement shall be sub-allocated as follows:

<u>Description</u>	<u>Allocation</u>
<u>Neutrality Adjustment (monthly and daily)</u>	<u>Measured Demand</u>
<u>Rounding Adjustment (monthly and daily)</u>	<u>Measured Demand</u>

8.5.5 Real-Time Bid Cost Recovery

Any charges to the EPE EIM Entity pursuant to Section 29.11(f) of the MO Tariff for EIM real-time bid cost recovery shall be sub-allocated to Transmission Customers on the basis of Measured Demand.

8.5.6 Flexible Ramping Product

Any charges or payments to the EPE EIM Entity pursuant to Section 29.11(p) of the MO Tariff for the Flexible Ramping Product shall be sub-allocated to Transmission Customers on the basis as follows:

<u>Description</u>	<u>Allocation</u>
<u>Flexible Ramping Forecasted Movement Resource Settlement</u>	<u>Measured Demand</u>
<u>Flexible Ramping Forecasted Movement Demand Allocation</u>	<u>Measured Demand</u>
<u>Daily Flexible Ramping Uncertainty Award (in both upward and downward directions)</u>	<u>Measured Demand</u>
<u>Monthly Flexible Ramping Uncertainty Award (in both upward and downward directions)</u>	<u>Measured Demand</u>
<u>Any other Flexible Ramping Product charges or payments</u>	<u>Measured Demand</u>

8.5.7 Inaccurate or Late Actual Settlement Quality Meter Data Penalty

To the extent the EPE EIM Entity incurs a penalty for inaccurate or late actual settlement quality meter data, pursuant to Section 37.11.1 of the MO Tariff, the EPE EIM Entity shall directly assign the penalty to the offending Transmission Customer.

8.5.8 Other EIM Settlement Provisions

Any charges to the EPE EIM Entity pursuant to the MO Tariff for the EIM settlement shall be sub-allocated. The charges shown in the following table shall be sub-allocated as follows:

<u>Description</u>	<u>Allocation</u>
<u>Invoice Deviation (distribution and allocation)</u>	<u>EPE EIM Entity</u>
<u>Generator Interconnection Process Forfeited Deposit Allocation</u>	<u>EPE EIM Entity</u>
<u>Default Invoice Interest Payment</u>	<u>EPE EIM Entity</u>
<u>Default Invoice Interest Charge</u>	<u>EPE EIM Entity</u>
<u>Invoice Late Payment Penalty</u>	<u>EPE EIM Entity</u>
<u>Financial Security Posting (Collateral) Late Payment Penalty</u>	<u>EPE EIM Entity</u>
<u>Shortfall Receipt Distribution</u>	<u>EPE EIM Entity</u>
<u>Shortfall Allocation Reversal</u>	<u>EPE EIM Entity</u>
<u>Shortfall Allocation</u>	<u>EPE EIM Entity</u>
<u>Default Loss Allocation</u>	<u>EPE EIM Entity</u>

8.6 MO Tax Liabilities

Any charges to the EPE EIM Entity pursuant to Section 29.22(a) of the MO Tariff for MO tax liability as a result of the EIM shall be sub-allocated to those Transmission Customers triggering the tax liability.

8.7 EIM Transmission Service Charges

There shall be no incremental transmission charge assessed for transmission use related to the EIM. Participating Resources and Balancing Authority Area Resources will not incur additional transmission service charges under Schedules 7 and 8 solely as a result of EIM Dispatch Instruction.

8.8 Variable Energy Resource Forecast Charge

Any costs incurred by the EPE EIM Entity related to the preparation and submission of resource Forecast Data for a Transmission Customer with a Non-Participating Resource electing either method (1) or (2), as set forth in Section 4.2.4.2 of this Attachment P, shall be allocated to the Transmission Customer with a Non-Participating Resource electing to use either such method.

For a Transmission Customer with a Non-Participating Resource electing method (3), as set forth in Section 4.2.4.2 of this Attachment P, any charges to the EPE EIM Entity pursuant to Section 29.1 1(j)(1) of the MO Tariff for Variable Energy Resource forecast charges shall be suballocated to the Transmission Customer with a Non-Participating Resource requesting such forecast.

8.9 EIM Payment Calendar

Pursuant to Section 29.11(l) of the MO Tariff, the EPE EIM Entity shall be subject to the MO's payment calendar for issuing settlement statements, exchanging invoice funds, submitting meter data, and submitting settlement disputes to the MO. The EPE EIM Entity shall follow Section 7 of this Tariff for issuing invoices regarding the EIM. For any months in which the Transmission Provider's net billing is less than \$100, Transmission Provider will roll such amount over for future invoicing on the earlier of the end of the calendar year or once the accumulated charges reach \$100 or greater.

8.10 EIM Residual Balancing Account

To the extent that MO EIM-related charges or payments to the EPE EIM Entity are not captured elsewhere in Attachment H-1, Schedules 1, 1A, 4, and 10 of this Tariff, or this Section 8, those charges or payments shall be placed in a balancing account, with interest accruing at the rate established in 18 C.F.R. § 35.19(a)(2)(iii), until EPE makes a filing with the Commission pursuant to Section 205 of the Federal Power Act proposing an allocation methodology.

8.11 Market Validation and Price Correction

If the MO modifies the EPE EIM Entity settlement statement in accordance with the MO's market validation and price correction procedures in the MO Tariff, the EPE EIM Entity reserves the right to make corresponding or similar changes to the charges and payments suballocated under this Attachment P.

8.12 Allocation of Operating Reserves

8.12.1 Payments

Any payments to the EPE EIM Entity pursuant to Section 29.1 1(n)(1) of the MO Tariff for operating reserve obligations shall be sub-allocated to Transmission Customers with EPE EIM Participating Resources in the EPE BAA for Operating Hours during which EIM Transfers from the EPE BAA to another BAA occurred. Payments shall be sub-allocated on a ratio-share basis, defined as the proportion of the volume of Operating Reserves provided by an EPE EIM Participating Resource in the EPE BAA dispatched during the Operating Hour compared to the total volume of Operating

Reserves provided by all EPE EIM Participating Resources dispatched in the EPE BAA for the Operating Hour.

8.12.2 Charges

Any charges to the EPE EIM Entity pursuant to Section 29.11(n)(2) of the MO Tariff for Operating Reserve Obligations shall be sub-allocated to Transmission Customers within the EPE BAA based on the Transmission Customer's positive load imbalance ratio share, which is the ratio of the Transmission Customer's positive load imbalance amount (the amount that the Transmission Customer's load exceeds the Transmission Customer's resources) relative to the sum of the positive load imbalances of all other Transmission Customers with such load imbalance amounts for the Operating Hour, expressed as a percentage.

9. Compliance

9.1 Provision of Data

Transmission Customers with EPE EIM Participating Resources and EPE EIM Participating Resource Scheduling Coordinators are responsible for complying with information requests they receive directly from the EIM market monitor or regulatory authorities concerning EIM activities.

A Transmission Customer with EPE EIM Participating Resources or a Transmission Customer with Non-Participating Resources must provide the EPE EIM Entity with all data necessary to respond to information requests received by the EPE EIM Entity from the MO, the EIM market monitor, or regulatory authorities concerning EIM activities.

If the EPE EIM Entity is required by applicable laws or regulations, or in the course of administrative or judicial proceedings, to disclose information that is otherwise required to be maintained in confidence, the EPE EIM Entity may disclose such information; provided, however, that upon the EPE EIM Entity learning of the disclosure requirement and, if possible, prior to making such disclosure, the EPE EIM Entity shall notify any affected party of the requirement and the terms thereof. The party can, at its sole discretion and own cost, direct any challenge to or defense against the disclosure requirement. The EPE EIM Entity shall cooperate with the affected party to obtain proprietary or confidential treatment of confidential information by the person to whom such information is disclosed prior to any such disclosure.

The EPE EIM Entity shall treat all Transmission Customer and Interconnection Customer data and information provided to it as market-sensitive and confidential, unless the EPE EIM Entity is otherwise allowed or required to disclose. The EPE EIM Entity shall continue to abide by the Commission's Standards of Conduct and handle customer information accordingly.

9.2 Rules of Conduct

These rules of conduct are intended to provide fair notice of the conduct expected and to provide an environment in which all parties may participate in the EIM on a fair and equal basis.

Transmission Customers must:

- (1) Comply with Dispatch Instructions and EPE EIM Entity operating orders in accordance with Good Utility Practice. If some limitation prevents the Transmission Customer from fulfilling the action requested by the MO or the EPE EIM Entity, the Transmission Customer must immediately and directly communicate the nature of any such limitation to the EPE EIM Entity;
- (2) Submit bids for resources that are reasonably expected to both be and remain available and capable of performing at the levels specified in the bid, based on all information that is known or should have been known at the time of submission;
- (3) Notify the MO and/or the EPE EIM Entity, as applicable, of outages in accordance with Section 7 of this Attachment P;
- (4) Provide complete, accurate, and timely meter data to the EPE EIM Entity in accordance with the metering and communication requirements of this Tariff, and maintain responsibility to ensure the accuracy of such data communicated by any customer-owned metering or communications systems. To the extent such information is not accurate or timely when provided to the EPE EIM Entity, the Transmission Customer shall be responsible for any consequence on settlement and billing;
- (5) Provide information to the EPE EIM Entity, including the information requested in Sections 4.2.1, 4.2.2, 4.2.3, 4.2.4 and 9.1 of this Attachment P, by the applicable deadlines; and
- (6) Utilize commercially reasonable efforts to ensure that forecasts are accurate and based on all information that is known or should have been known at the time of submission to the EPE EIM Entity.

9.3 Enforcement

The EPE EIM Entity may refer a violation of Section 9.2 of this Attachment P to FERC. Violations of these rules of conduct may be enforced by FERC in accordance with FERC's rules and procedures. Nothing in this Section 9 is meant to limit any other remedy before FERC or any applicable judicial, governmental, or administrative body.

10. Market Contingencies

10.1 Temporary Suspension by the MO

In the event that the MO implements a temporary suspension in accordance with Section 29.1 (d)(1) of the MO Tariff, including the actions identified in Section 29.1 (d)(5), the EPE EIM Entity shall utilize Schedules 4A, 9, 10A, and Sections 15.7 and 28.5 of EPE's Tariff until the temporary suspension is no longer in effect or, if the MO determines to extend the suspension, for a period of time sufficient to process

termination of the EPE EIM Entity's participation in the EIM in accordance with Section 29.1(d)(2) of the MO Tariff.

10.2 Termination of Participation in EIM by the EPE EIM Entity

If the EPE EIM Entity submits a notice of termination of its participation in the EIM to the MO in accordance with the applicable agreements and Section 4.1.1.5 of this Attachment P, in order to mitigate price exposure during the 180-day period between submission of the notice and the termination effective date, the EPE EIM Entity may invoke the following corrective actions by requesting that the MO:

- (1) prevent EIM Transfers and separate the EPE EIM Entity's BAA from operation of the EIM in the EIM Area; and
- (2) suspend settlement of EIM charges with respect to the EPE EIM Entity. Once such corrective actions are implemented by the MO, the EPE EIM Entity shall utilize Schedules 4A, 10A, and Sections 15.7 and 28.5 of EPE's Tariff.

If the EPE EIM Entity takes action under this Section 10.2, the EPE EIM Entity shall notify the MO and Transmission Customers.

10.3 Corrective Actions Taken by the EPE EIM Entity for Temporary Contingencies

The EPE EIM Entity may declare a temporary contingency and invoke corrective actions for the EIM when in its judgment:

- (1) operational circumstances (including a failure of the EIM to produce feasible results in EPE's BAA) have caused, or are in danger of causing, an abnormal system condition in EPE's BAA that requires immediate action to prevent loss of load, equipment damage, or tripping system elements that might result in cascading outages, or to restore system operation to meet the applicable Reliability Standards and reliability criteria established by NERC and WECC; or
- (2) communications between the MO and the EPE EIM Entity are disrupted and prevent the EPE EIM Entity, the EPE EIM Entity Scheduling Coordinator, or an EPE EIM Participating Resource Scheduling Coordinator from accessing MO systems to submit or receive information.

10.3.1 Corrective Actions for Temporary Contingencies

If either of the above temporary contingencies occurs, the EPE EIM Entity may invoke the following corrective actions by requesting that the MO:

- (1) prevent EIM Transfers and separate the EPE EIM Entity's BAA from operation of the EIM in the EIM Area; and/or
- (2) suspend settlement of EIM charges with respect to the EPE EIM Entity.

When corrective action under 10.3.1 (2) is implemented or if the MO Tariff requires the use of these temporary schedules to set an administrative price,

the EPE EIM Entity shall utilize Schedules 4A, 10A, and Sections 15.7 and 28.5 of EPE's Tariff.

If the EPE EIM Entity takes action under this Section 10.3, the EPE EIM Entity shall notify the MO and Transmission Customers. The EPE EIM Entity and the MO shall cooperate to resolve the temporary contingency event and restore full EIM operations as soon as is practicable.