

LASSEN MUNICIPAL UTILITY DISTRICT
OPEN ACCESS TRANSMISSION TARIFF

TABLE OF CONTENTS

I.	COMMON SERVICE PROVISIONS.....	1
1.	Definitions.....	1
1.1	Affiliate:.....	1
1.2	Ancillary Services:.....	1
1.3	Available Transmission Capability (ATC):	1
1.4	Commission:.....	1
1.5	Completed Application:.....	1
1.6	Balancing Authority Area:.....	1
1.7	Curtailment:.....	2
1.8	Delivering Party:.....	2
1.9	Designated Agent:	2
1.10	Eligible Customer:.....	2
1.11	Facilities Study:	2
1.12	Firm Point-To-Point Transmission Service:.....	2
1.13	Good Utility Practice:	2
1.14	Interruption:.....	2
1.15	LMUD.....	2
1.16	Load Shedding:	3
1.17	Long-Term Firm Point-to-Point Transmission Service.....	3
1.18	Native Load Customers:.....	3
1.19	Non-Firm Sale	3
1.20	Part I:.....	3
1.21	Part II:	3
1.22	Part III:.....	3
1.23	Parties:.....	3
1.24	Point(s) of Delivery:.....	3
1.25	Point(s) of Receipt:.....	4
1.26	Point-To-Point Transmission Service:	4
1.27	Power Purchaser:.....	4
1.28	Pre-Confirmed Application:	4
1.29	Receiving Party:	4
1.30	Reservation Fee:	4
1.31	Reserved Capacity:	4
1.32	Service Agreement:.....	4
1.33	Service Commencement Date:.....	4
1.34	Short-Term Firm Point-To-Point Transmission Service:.....	5
1.35	System Condition:	5
1.36	System Impact Study:.....	5
1.37	Third-Party Sale:	5
1.38	Transmission Customer:.....	5
1.39	Transmission Provider:.....	5
1.40	Transmission Service:	5
1.41	Transmission System:.....	5

1.42	Upgrade:	5
1.43	Wheel-Out:	5
2.	Initial Allocation	6
3.	Ancillary Services	6
3.1	Scheduling, System Control and Dispatch Service:	7
3.2	Reactive Supply and Voltage Control from Generation or Other Sources Service:	7
3.3	Regulation and Frequency Response Service:	7
3.4	Energy Imbalance Service:	7
3.5	Operating Reserve - Spinning Reserve Service:	7
3.6	Operating Reserve - Non-Spinning Reserve Service:	7
3.7	Generator Imbalance Service:	7
4.	Tax-Exempt Debt:	7
4.1	Facilities Financed by Tax-Exempt Debt:	7
4.2	Alternative Procedures for Requesting Transmission Service:	7
5.	Reciprocity	8
6.	Billing and Payment:	8
6.1	Billing Procedure:	8
6.2	Interest on Unpaid Balances:	8
6.3	Customer Default:	9
7.	Accounting for the Transmission Provider's Use of the Tariff	9
7.1	Transmission Revenues:	9
7.2	Study Costs and Revenues:	9
8.	Governing Law	9
9.	Force Majeure and Indemnification	9
9.1	Force Majeure:	9
9.2	Indemnification:	10
10.	Creditworthiness	10
11.	Dispute Resolution Procedures Other Than Those Related To Termination Under Section 12	10
11.1	Notice and Request for Dispute Resolution Procedures:	10
11.2	Internal Dispute Resolution Procedures:	10
11.3	External Arbitration Procedures:	11
11.4	Arbitration Decisions:	11
11.5	Costs:	11
12.	Changes to this Tariff by the Transmission Provider and Tariff Availability	12
12.1	Unilateral Right to Change:	12
12.2	Tariff Availability:	12
12.3	Termination of Service Agreement:	12
II.	POINT-TO-POINT TRANSMISSION SERVICE	12
13.	Nature of Firm Point-To-Point Transmission Service	12
13.1	Term:	12
13.2	Reservation Priority:	13
13.3	Use of Firm Transmission Service by the Transmission Provider:	13
13.4	Service Agreements:	13

13.5	Transmission Customer Obligations for Facility Additions or Redispatch Costs:	14
13.6	Curtailment of Firm Transmission Service:.....	14
13.7	Classification of Firm Transmission Service:	15
13.8	Scheduling of Firm Point-To-Point Transmission Service:	15
14.	Nature of Non-Firm Point-To-Point Transmission Service.....	16
14.1	Term:	16
14.2	Reservation Priority:.....	16
14.3	Use of Non-Firm Point-To-Point Transmission Service by the Transmission Provider:.....	16
14.4	Service Agreements:.....	16
14.5	Classification of Non-Firm Point-To-Point Transmission Service:.....	16
14.6	Scheduling of Non-Firm Point-To-Point Transmission Service:.....	17
14.7	Curtailment or Interruption of Service:	17
15.	Service Availability.....	18
15.1	General Conditions:	18
15.2	Determination of Available Transmission Capability:	18
15.3	Initiating Service in the Absence of an Executed Service Agreement:	18
15.4	Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System:	18
15.5	Deferral of Service:	19
15.6	Real Power Losses:.....	19
16.	Transmission Customer Responsibilities	19
16.1	Conditions Required of Transmission Customers:	19
16.2	Transmission Customer Responsibility for Third-Party Arrangements:.....	19
17.	Procedures for Arranging Firm Point-To-Point Transmission Service.....	20
17.1	Application:	20
17.2	Completed Application:.....	20
17.3	Deposit:.....	21
17.4	Notice of Deficient Application:.....	21
17.5	Response to a Completed Application:.....	21
17.6	Execution of Service Agreement:	22
17.7	Extensions for Commencement of Service:.....	22
18.	Procedures for Arranging Non-Firm Point-To-Point Transmission Service	22
18.1	Application:	22
18.2	Completed Application:.....	23
18.3	Reservation of Non-Firm Point-To-Point Transmission Service:	23
18.4	Determination of Available Transmission Capability:	23
19.	Additional Study Procedures For Firm Point-To-Point Transmission Service Requests	23
19.1	Notice of Need for System Impact Study:	23
19.2	System Impact Study Agreement and Cost Reimbursement:	24
19.3	System Impact Study Procedures:.....	24
19.4	Facilities Study Procedures:	25
19.5	Facilities Study Modifications:.....	25
19.6	Due Diligence in Completing New Facilities:.....	26

19.7	Partial Interim Service:.....	26
19.8	Penalties for Failure to Meet Study Deadlines:.....	27
20.	Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service	27
20.1	Delays in Construction of New Facilities:.....	27
20.2	Alternatives to the Original Facility Additions:	27
20.3	Refund Obligation for Unfinished Facility Additions:	27
III.	OTHER SPECIFIC SERVICE PROVISIONS	29
21.	Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities.....	29
21.1	Responsibility for Third-Party System Additions:.....	29
21.2	Coordination of Third-Party System Additions:.....	29
22.	Changes in Service Specifications	30
22.1	Modifications on a Non-Firm Basis:	30
22.2	Modifications on a Firm Basis:.....	30
23.	Sale or Assignment of Transmission Service.....	29
23.1	Procedures for Assignment or Transfer of Service:.....	29
23.2	Limitations on Assignment or Transfer of Service:	30
23.3	Information on Assignment or Transfer of Service:.....	30
24.	Metering and Power Factor Correction at Receipt and Delivery Points(s)	30
24.1	Transmission Customer Obligations:	30
24.2	Transmission Provider Access to Metering Data:	30
24.3	Power Factor:.....	30
25.	Compensation for Transmission Service	30
26.	Stranded Cost Recovery	31
27.	Compensation for New Facilities and Redispatch Costs.....	31
28.	Jurisdiction Not Conferred	31

- SCHEDULE 1 - Scheduling, System Control and Dispatch Service
- SCHEDULE 2 - Reactive Supply and Voltage Control from Generation or Other Sources Service
- SCHEDULE 3 - Regulation and Frequency Response Service
- SCHEDULE 4 - Energy Imbalance Service
- SCHEDULE 5 - Operating Reserve - Spinning Reserve Service
- SCHEDULE 6 - Operating Reserve - Non-Spinning or Supplemental Reserve Service
- SCHEDULE 7 - Long-Term and Short-Term Firm Point-to-Point Transmission Service
- SCHEDULE 8 - Non-Firm Point-to-Point Transmission Service

SCHEDULE 9 - Generator Imbalance Service

SCHEDULE 10 - Wheeling Fee

ATTACHMENT A - Form of Service Agreement for Firm Point-to-Point Transmission Service

ATTACHMENT A-1 Form of Service Agreement for the Resale, Reassignment or Transfer of Point-to-Point Transmission Service

ATTACHMENT B - Form of Service Agreement for Non-Firm Point-to-Point Transmission Service

ATTACHMENT C - Methodology to Assess Available Transfer Capability

ATTACHMENT D - Methodology for Completing a System Impact Study

ATTACHMENT E - Index of Point-to-Point Transmission Service Customers

ATTACHMENT F - Procedures for Addressing Parallel Flows

ATTACHMENT G - Transmission Planning Process

ATTACHMENT H - Creditworthiness Procedures

I. COMMON SERVICE PROVISIONS**1. Definitions****1.1 Affiliate:**

With respect to a corporation, partnership, individual, firm, member, joint power agency, association, joint state company, trust or incorporated organization, or other person or entity, each such other corporation, partnership, individual, firm, member, joint power agency, association, joint state company, trust or incorporated organization, or other person or entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, such corporation, partnership, individual, firm, member, joint power agency, association, joint state company, trust or incorporated organization, or other person or entity.

1.2 Ancillary Services:

Those services 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 Available Transmission Capability (ATC):

ATC is the best engineering calculation of capability that is not committed to other uses during the scheduling interval for which service is requested.

1.4 Commission:

The Federal Energy Regulatory Commission.

1.5 Completed Application:

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

1.6 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 Balancing Authority 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.

1.7 Curtailment:

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

1.8 Delivering Party:

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

1.9 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.

1.10 Eligible Customer:

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)(2) 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.

1.11 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.

1.12 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.

1.13 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).

1.14 Interruption:

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

- 1.15 LMUD:**
Lassen Municipal Utility District.
- 1.16 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.
- 1.17 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.
- 1.18 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.
- 1.19 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.
- 1.20 Part I:**
Tariff Definitions and Common Service Provisions contained in Sections 1 through 12
- 1.21 Part II:**
Tariff Sections 13 through 20 pertaining to Point-To-Point Transmission Service in conjunction with the applicable Common Service Provisions of Part I and appropriate Schedules and Attachments.
- 1.22 Part III:**
Tariff Sections 21 through 28 pertaining to Other Specific Service Provisions as they may be stated and documented or as they may arise throughout the course of providing Point-to-Point Transmission Service.
- 1.23 Parties:**
The Transmission Provider and the Transmission Customer receiving service under the Tariff.
- 1.24 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.

1.25 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.

1.26 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.

1.27 Power Purchaser:

The entity that is purchasing the capacity and energy to be transmitted under the Tariff. A Power Purchaser shall not be a retail customer of the Transmission Provider within the Transmission Provider's service territory.

1.28 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.

1.29 Receiving Party:

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

1.30 Reservation Fee:

The fee paid by Transmission Customer to Transmission Provider to reserve transmission capacity for Transmission Customer's use prior to commencement of service as contemplated in Section 17.7.

1.31 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.

1.32 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.

1.33 Service Commencement Date:

The date the Transmission Provider begins to provide service pursuant to the terms of an executed Service Agreement.

1.34 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.

1.35 System Condition:

A specified condition on the Transmission Provider's system or on a neighboring system, such as a constrained transmission element or flow gate, 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.

1.36 System Impact Study:

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

1.37 Third-Party Sale:

Any sale for resale in interstate commerce to a Power Purchaser.

1.38 Transmission Customer:

Any Eligible Customer (or its Designated Agent) that executes a Service Agreement to receive transmission service under Part II of this Tariff.

1.39 Transmission Provider:

The Lassen Municipal Utility District.

1.40 Transmission Service:

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

1.41 Transmission System:

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

1.42 Upgrade:

Physical improvements to the Transmission System.

1.43 Wheel-Out:

The use of LMUD's electric system for the transmission of energy from a generating unit located within LMUD's electric system to serve a load located outside of LMUD's electric system.

2. Initial Allocation

All Completed Applications for firm transmission service received prior to the effective date of this tariff shall be studied in the order in which they were assigned in the Queue. All Completed Applications for firm transmission service received after the effective date of this Tariff shall be assigned a priority pursuant to Section 13.2.

3. Ancillary Services

Ancillary Services are needed with transmission service to maintain reliability within and among the Balancing Authority Areas affected by the transmission service. The Transmission Provider will not be providing the Transmission Customer with Ancillary Services; Transmission Customer must either self-provide Ancillary Services or procure them from another entity. To the extent necessary, Transmission Provider shall assist in the coordination of the procurement of such Ancillary Services. Ancillary Services must be procured by the Transmission Customer from an entity within the Balancing Authority into which the Transmission Customer is selling.

The Transmission Customer is required to provide, to the extent it is physically feasible to do so from its resources or from resources available to it, Generator Imbalance Service when Transmission Service is used to deliver energy from a generator located within its Balancing Authority Area. LMUD does not have, and does not have available to it, resources that would allow it to provide Generation Imbalance Service. The Transmission Customer using Transmission Service to deliver energy from a generator located within the Transmission Provider's Balancing Authority Area is required to acquire Generator Imbalance Service, whether from the Transmission Provider, from a third party, or by self-supply.

If the Transmission Provider is an entity providing transmission service but is not a Balancing Authority, as in the case of LMUD, it may be unable to provide some or all of the Ancillary Services. In this case, the Transmission Provider can fulfill its obligation to provide Ancillary Services by assisting in the procurement of these Ancillary Services from the Balancing Authority. The Transmission Customer may elect to (i) have the Transmission Provider assist in the procurement of Ancillary Services from the Balancing Authority; (ii) secure the Ancillary Services directly from the Balancing Authority; or (iii) secure the Ancillary Services from a third party or by self-supply if technically feasible.

The Transmission Provider shall specify the rate treatment and all related terms and conditions in the event of an unauthorized use of Ancillary Services by the Transmission Customer.

The specific Ancillary Services, prices and/or compensation methods are described on the Schedules that are attached to and made a part of the Tariff. Three principal requirements apply to discounts for Ancillary Services provided by the Transmission Provider in conjunction with its provision of transmission service as follows: (1) any offer of a discount made by the Transmission Provider must be announced to all Eligible Customers solely by posting on Transmission Provider's website, (2) any customer-initiated requests for discounts (including requests for use by one's wholesale merchant or an Affiliate's use) must

occur solely by posting on the Transmission Provider's website, and (3) once a discount is negotiated, details must be immediately posted on the Transmission Provider's website. A discount agreed upon for an Ancillary Service must be offered for the same period to all Eligible Customers on the Transmission Provider's system. Sections 3.1 through 3.7 below list the seven Ancillary Services.

3.1 Scheduling, System Control and Dispatch Service:

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

3.2 Reactive Supply and Voltage Control from Generation or Other Sources Service:

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

3.3 Regulation and Frequency Response Service:

The rates and/or methodology are described in Schedule 3.

3.4 Energy Imbalance Service:

The rates and/or methodology are described in Schedule 4.

3.5 Operating Reserve - Spinning Reserve Service:

The rates and/or methodology are described in Schedule 5.

3.6 Operating Reserve - Non-Spinning Reserve Service:

The rates and/or methodology are described in Schedule 6.

3.7 Generator Imbalance Service:

Where applicable the rates and/or methodology are described in Schedule 9.

4. Tax-Exempt Debt

4.1 Facilities Financed by Tax-Exempt Debt:

Notwithstanding any other provision of this Tariff, the Transmission Provider shall not be required to provide Transmission Service to any Eligible Customer pursuant to this Tariff if the provision of such Transmission Service would jeopardize the tax-exempt status of any tax-exempt debt used to finance the Transmission Provider's facilities that would be used in providing such Transmission Service.

4.2 Alternative Procedures for Requesting Transmission Service:

If the Transmission Provider determines that the provision of transmission service requested by an Eligible Customer would jeopardize the tax-exempt status of any tax-exempt debt used to finance its facilities that would be used in providing such transmission service, it shall advise the Eligible Customer within sixty (60) days of receipt of the Completed Application and shall not be obligated to provide the requested transmission service.

5. Reciprocity

A Transmission Customer receiving transmission service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Provider on similar terms and conditions over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer's corporate Affiliates. A Transmission Customer that is a member of, or takes transmission service from, a power pool, Regional Transmission Organization (RTO), Independent System Operator (ISO) or other transmission organization approved by the Commission for the operation of transmission facilities also agrees to provide comparable transmission service to the transmission-owning members of such power pool and Regional Transmission Group, RTO, ISO or other transmission organization on similar terms and conditions over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric energy in interstate commerce owned, controlled or operated by the Transmission Customer's corporate Affiliates.

This reciprocity requirement applies not only to the Transmission Customer that obtains transmission service under the Tariff, but also to all parties to a transaction that involves the use of transmission service under the tariff, including the power seller, buyer and any intermediary, such as a power marketer. This reciprocity requirement also applies to any Eligible Customer that owns, controls or operates transmission facilities that uses an intermediary, such as a power marketer, to request transmission service under the Tariff. If the Transmission Customer does not own, control or operate transmission facilities, it must include in its Application a sworn statement of one of its duly authorized officers or other representatives that the purpose of its Application is not to assist an Eligible Customer to avoid the requirements of this provision.

6. Billing and Payment**6.1 Billing Procedure:**

Within a reasonable time after the first three days of each month, 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.

6.2 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.

6.3 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 demand payment of any security provided by the Transmission Customer and may initiate procedures under Section 11.1 of this Tariff to terminate service but shall not terminate service. In the event of a billing dispute between the Transmission Provider and the Transmission Customer, the Transmission Provider will continue to provide service under the Service Agreement as long as the Transmission Customer (i) continues to make all payments not in dispute, and (ii) pays into an independent escrow account the portion of the invoice in dispute, pending resolution of such dispute. If the Transmission Customer fails to meet these two requirements for continuation of service, then the Transmission Provider may provide notice to the Transmission Customer of its intention to terminate service pursuant to this Section 6.3 and Section 11.1.

7. Accounting for the Transmission Provider's Use of the Tariff

The Transmission Provider shall record the following amounts, as outlined below.

7.1 Transmission Revenues:

Include in a separate operating revenue account or subaccount the revenues it receives from Transmission Service when making Third-Party Sales under Part II of the Tariff.

7.2 Study Costs and Revenues:

Include in a separate transmission operating expense account or subaccount, costs properly chargeable to expense that are incurred to perform any System Impact Studies or Facilities Studies which the Transmission Provider conducts to determine if it must construct new transmission facilities or Upgrades necessary for its own uses, including making Third-Party Sales under the Tariff; and include in a separate operating revenue account or subaccount the revenues received for System Impact Studies or Facilities Studies performed when such amounts are separately stated and identified in the Transmission Customer's billing under the Tariff.

8. Governing Law

This Tariff shall be governed by the laws of the State of California.

9. Force Majeure and Indemnification**9.1 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.

9.2 Indemnification:

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

10. Creditworthiness

The Transmission Provider will specify its Creditworthiness procedures in Attachment H.

11. Dispute Resolution Procedures Other Than Those Related To Termination Under Section 12

The provisions of this Section 11 shall be the exclusive basis by which to resolve all disputes arising under this Tariff except as otherwise provided in Section 12 and except for those disputes resulting from the Transmission Provider's proposed termination of service under Section 12.

11.1 Notice and Request for Dispute Resolution Procedures:

Prior to terminating service pursuant to the provisions of Section 6.3, the Transmission Provider shall provide written notice to the Transmission Customer of its intent to terminate service at least sixty (60) days prior to the date such termination is proposed to take effect. If the Transmission Customer does not request in writing to the Transmission Provider, within seven (7) calendar days of the Transmission Customer's receipt of notice, that the Transmission Provider initiate the arbitration provision of this Section 11, the Transmission Provider shall terminate service on the date contained in its notice to the customer. If the Transmission Customer requests in writing that the Transmission Provider initiate arbitration proceedings, the provisions of Sections 11.2 through 11.5 shall apply.

11.2 Internal Dispute Resolution Procedures:

Any dispute between a Transmission Customer and the Transmission Provider involving Transmission Service under the Tariff, (excluding disputes involving the Transmission Provider's proposed termination of service under Section 12 and disputes regarding

applications for rate changes or other changes to the Tariff, or to any Service Agreement entered into under the Tariff) 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.

11.3 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 (“Arbitration Rules”), provided, however, in the event of a conflict between the Arbitration Rules and the terms of this Section 11.3, the terms of this Section 11.3 shall prevail. A notice of arbitration shall be submitted within thirty (30) days before the last day permitted to submit such claim under Section 911.2 of the California Government Code.

11.4 Arbitration Decisions:

Unless otherwise agreed, the arbitrator(s) shall render a decision within ninety (90) days of appointment and shall notify the Parties in writing of such decision and the reasons therefore. The arbitrator(s) shall be authorized only to interpret and apply the provisions of 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 governed by the rules of the State of California. The decision of the arbitrator(s) may be appealed via complaint filed in a court of competent jurisdiction 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.

11.5 Costs:

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

1. the cost of the arbitrator chosen by the Party to sit on the three member panel and a pro rata share of the cost of the third arbitrator chosen; or
2. the pro rata share of the cost of the single arbitrator jointly chosen by the Parties.

12. Changes to this Tariff by the Transmission Provider and Tariff Availability**12.1 Unilateral Right to Change**

Notwithstanding any other provision in this Tariff or a Service Agreement, the Transmission Provider's Board of Directors shall have the right unilaterally to make a change in rates, charges, classification of service, or any rule, regulation, or Service Agreement related thereto. The Transmission Provider will notify current Transmission Customers thirty (30) days before a change becomes effective. If any regulatory body or agency, or any court of competent jurisdiction, determines that this Tariff, its operation or effect is unjust, unreasonable, unlawful, imprudent or otherwise not in the public interest, the Transmission Provider may, at its discretion, unilaterally make such changes to this Tariff as it deems are necessary to eliminate such defect or eliminate that determination.

12.2 Tariff Availability

Nothing contained in this Tariff shall restrict the Transmission Provider's right, unilaterally, upon its Board of Directors' approval, to withdraw the Tariff at any time. Upon such withdrawal of this Tariff, all Service Agreements for Non-Firm Point-to-Point Transmission Service shall terminate immediately, provided that the Transmission Provider shall complete Non-Firm Point-to-Point Transmission Service for specific scheduled Non-Firm Point-to-Point Transmission Service transactions prior to the date of termination of the Tariff (not to exceed service for one month). The Transmission Provider shall provide at least 30 days notice of its intent to terminate this Tariff to Transmission Customers that have entered into Service Agreements.

12.3 Termination of Service Agreement:

The Transmission Provider may terminate immediately any Service Agreement that it determines may jeopardize the tax-exempt status of its debt, as described in Section 4.

II. Point-To-Point Transmission Service**Preamble**

The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service pursuant to the applicable terms and conditions of this Tariff. Point-To-Point Transmission Service is for the receipt of capacity and energy at designated Point(s) of Receipt and the transfer of such capacity and energy to designated Point(s) of Delivery.

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 day and the maximum term shall be as determined by Transmission Provider.

13.2 Reservation Priority:

1. 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.
2. 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-confirmed, 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 of the request or reservation.
3. If the Transmission System becomes oversubscribed, requests for service may preempt competing reservations up to the following conditional reservation deadlines; one day before the commencement of daily service, one week before the commencement of weekly service, and one month before the commencement of monthly service. Before the conditional reservation deadline, if available transfer capability is insufficient to satisfy all requests and reservations, 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 and 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 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, pre-confirmation status, price and date of response will be used to determine the order by which the multiple shorter duration requests 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.
4. 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 priority with Native Load Customers.

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 from ATC under agreements executed on or after the effective date of this Tariff. The Transmission Provider will maintain separate accounting, pursuant to Section 7, 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 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. 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 ninety (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:

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 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. Any Upgrade costs to be charged to Transmission Customer under the Tariff shall 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 and the system directly and indirectly interconnected with Transmission Provider's Transmission System, Curtailments will be made on a non-discriminatory basis to the transaction(s) that effectively relieve the constraint. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment F. If multiple transactions require Curtailment, to the extent practicable and consistent with Good Utility Practice, the Transmission Provider will curtail service to Transmission Customers taking Firm Point-To-Point Transmission Service on a basis comparable to the curtailment of service to the Transmission Provider's Native Load Customers. All Curtailments will be made on a non-discriminatory basis, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. When the Transmission Provider determines that an electrical emergency exists on its Transmission System and implements emergency procedures to Curtail Firm Transmission Service, the Transmission Customer shall make the required reductions upon request of the Transmission Provider. However,

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

13.7 Classification of Firm Transmission Service:

- (a) The Transmission Customer taking Firm Point-To-Point Transmission Service may (1) change its Receipt and Delivery Points to obtain service on a non-firm basis consistent with the terms of Section 22.1 or (2) request a modification of the Points of Receipt or Delivery on a firm basis pursuant to the terms of Section 22.2.
- (b) The Transmission Customer may purchase transmission service to make sales of capacity and energy from multiple generating units that are on the Transmission Provider's Transmission System. For such a purchase of transmission service, the resources will be designated as multiple Points of Receipt, unless the multiple generating units are at the same generating plant in which case the units would be treated as a single Point of Receipt.
- (c) The Transmission Provider shall provide firm deliveries of capacity and energy from the Point(s) of Receipt to the Point(s) of Delivery. Each Point of Receipt at which firm transmission capacity is reserved by the Transmission 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 or Point of Delivery that it has not reserved.

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

Transmission Customer shall be responsible for scheduling or procuring scheduling services over Transmission Provider's facilities. Transmission Provider does not provide scheduling services under this Tariff. Transmission Customer shall coordinate its schedules with Transmission Provider.

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.

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 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-Confirmation 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 for Non-Firm Point-To-Point Transmission Service other than hourly transactions after notification by the Transmission Provider. 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 from ATC under agreements executed on or after the effective date of this Tariff. The Transmission Provider will maintain separate accounting, pursuant to Section 7, 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.

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:

Transmission Customer shall be responsible for scheduling or procuring scheduling services over Transmission Provider's facilities. Transmission Provider does not provide scheduling services under this Tariff. Transmission Customer shall coordinate its schedules with Transmission Provider.

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 systems directly and indirectly interconnected with Transmission Provider's Transmission System, or when directed by the Balancing Authority Area Operator. Transmission Provider may elect to implement such Curtailments pursuant to the Transmission Loading Relief procedures specified in Attachment J. 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, or (4) 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 non-discriminatory basis to the transaction(s) that effectively relieve the constraint, however, Non-Firm Point-To-Point Transmission Service shall be subordinate to Firm Transmission Service. If multiple transactions require Curtailment or Interruption, to the extent practicable and consistent with Good Utility Practice, Curtailments or Interruptions will be made to transactions of the shortest term (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). 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.

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 (ATC) 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, upon written request from the Transmission Customer, the Transmission Provider and the Transmission Customer shall submit the disputed terms and conditions to dispute resolution procedures pursuant to Section 11. The written request from the Transmission Customer shall specify which terms of the Service Agreement are acceptable and which terms are not acceptable. The Transmission Provider shall commence providing Transmission Service under an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service, subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider under the rates and terms ultimately determined by the outcome of Section 11, and (ii) comply with the terms and conditions of this 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, or Conditional Curtailment:

- (a) 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, except to the extent limited by Section 4, 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 G, 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 G, 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 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) 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 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 to compensate for losses associated with all transmission service as calculated by the Transmission Provider. The applicable real power loss factor shall be specified on the Transmission Provider's website.

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 10;
- (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 G; and
- (f) The Transmission Customer has executed a Point-To-Point Service Agreement or has agreed to receive service pursuant to Section 15.3.

16.2 Transmission Customer Responsibility for Third-Party Arrangements:

Any scheduling arrangements that may be required by other electric systems shall be the responsibility of the Transmission Customer requesting service. The Transmission Customer shall provide, unless waived by the Transmission Provider, notification to the Transmission Provider identifying such systems and authorizing them to schedule the

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

17. Procedures for Arranging Firm Point-To-Point Transmission Service

17.1 Application:

A request for Firm Point-To-Point Transmission Service for periods of one year or longer must contain a written Application to Lassen Municipal Utility District, 65 S. Roop Street, Susanville, CA 96130, at least sixty (60) days in advance of the calendar month in which service is to commence. The Transmission Provider will consider requests for such firm service on shorter notice when feasible. Requests for firm service for periods of less than one year shall be subject to expedited procedures that shall be negotiated between the Parties within the time constraints provided in Section 17.5. All Firm Point-To-Point Transmission Service requests should be submitted by entering the information listed below by written letter to Transmission Provider's Electric Operations Department. Each of these methods will provide a date-stamped record for establishing the priority of the Application.

17.2 Completed Application:

A Completed Application shall provide all of the following information:

- (i) The identity, address, telephone number and facsimile number of the entity requesting service;
- (ii) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (iii) The location of the Point(s) of Receipt and Point(s) of Delivery and the identities of the Delivering Parties and the Receiving Parties;
- (iv) The location of the generating facility(ies) supplying the capacity and energy and the location of the load ultimately served by the capacity and energy transmitted. The Transmission Provider will treat this information as confidential except to the extent that disclosure of this information is required by this Tariff, by regulatory or judicial order, for reliability purposes pursuant to Good Utility Practice;
- (v) A description of the supply characteristics of the capacity and energy to be delivered;
- (vi) An estimate of the capacity and energy expected to be delivered to the Receiving Party;
- (vii) The Service Commencement Date and the term of the requested Transmission Service;
- (viii) The transmission capacity requested for each Point of Receipt and each Point of Delivery on the Transmission Provider's Transmission System; customers may combine their requests for service in order to satisfy the minimum transmission capacity requirement;
- (ix) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service; and

- (x) Any additional information required by the Transmission Provider's planning process established in Attachment G.

17.3 Deposit:

A Completed Application for Firm Point-To-Point Transmission Service also shall include a deposit of either one month's charge for Reserved Capacity or the full charge for Reserved Capacity for service requests of less than one month. If the Application is rejected by the Transmission Provider because it does not meet the conditions for service as set forth herein, said deposit shall be returned with interest less any reasonable costs incurred by the Transmission Provider in connection with the review of the losing bidder's Application. The deposit also will be returned with interest less any reasonable costs incurred by the Transmission Provider if the Transmission Provider is unable to complete new facilities needed to provide the service. If an Application is withdrawn or the Eligible Customer decides not to enter into a Service Agreement for Firm Point-To-Point Transmission Service (including, but not limited to, the circumstance where the Eligible Customer elects not to execute any required study agreements or provide required deposits in connection with those study agreements), the deposit shall be refunded in full, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer. The Transmission Provider will provide to the Eligible Customer a complete accounting of all costs deducted from the refunded deposit, which the Eligible Customer may contest if there is a dispute concerning the deducted costs. Deposits associated with construction of new facilities are subject to the provisions of Section 19. If a Service Agreement for Firm Point-To-Point Transmission Service is executed, the deposit, with interest, less reasonable costs incurred by the Transmission Provider to the extent such costs have not already been recovered by the Transmission Provider from the Eligible Customer, will be returned to the Transmission Customer upon expiration of the Service Agreement for Firm Point-To-Point Transmission Service. Applicable interest shall be computed in accordance with the Commission's regulations at 18 CFR 35.19a (a) (2)(iii), as actual interest earned by the Transmission Provider, less the actual cost of administering the deposit account, and shall be calculated from the day the deposit check is credited to the Transmission Provider's account.

17.4 Notice of Deficient Application:

If an Application fails to meet the requirements of the Tariff, the Transmission Provider shall notify the entity requesting service within fifteen (15) days of receipt of the reasons for such failure. The Transmission Provider will attempt to remedy minor deficiencies in the Application through informal communications with the Eligible Customer. If such efforts are unsuccessful, the Transmission Provider shall return the Application, along with any deposit, with interest less reasonable costs incurred by the Transmission Provider. Upon receipt of a new or revised Application that fully complies with the requirements of Part II of the Tariff, the Eligible Customer shall be assigned a new priority consistent with the date of the new or revised Application.

17.5 Response to a Completed Application:

Following receipt of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall make a determination of available transfer capability

as required in Section 15.2. The Transmission Provider shall notify the Eligible Customer as soon as practicable, but not later than thirty (30) days after the date of receipt of a Completed Application either (i) if it will be able to provide service without performing a System Impact Study or (ii) if such a study is needed to evaluate the impact of the Application pursuant to Section 19.1. Responses by the Transmission Provider must be made as soon as practicable to all completed applications and the timing of such responses must be made on a non-discriminatory basis.

17.6 Execution of Service Agreement:

Whenever the Transmission Provider determines that a System Impact Study is not required and that the service can be provided, it shall notify the Eligible Customer as soon as practicable but no later than thirty (30) days after receipt of the Completed Application. Where a System Impact Study is required, the provisions of Section 19 will govern the execution of a Service Agreement. Failure of an Eligible Customer to execute and return the Service Agreement or to submit a written request for dispute resolution procedures pursuant to Section 15.3, within fifteen (15) days after it is tendered by the Transmission Provider will be deemed a withdrawal and termination of the Application and any deposit submitted shall be refunded with interest, less reasonable costs incurred by the Transmission Provider. Nothing herein limits the right of an Eligible Customer to file another Application after such withdrawal and termination.

17.7 Extensions for Commencement of Service:

The Transmission Customer can obtain, subject to availability, up to five (5) one-year extensions for the commencement of service. The Transmission Customer may postpone service by paying a non-refundable annual Reservation Fee equal to one-months' charge for Firm Transmission Service for each year or fraction thereof within 15 days of notifying the Transmission Provider it intends to extend the commencement of service. If during any extension for the commencement of service an Eligible Customer submits a Completed Application for Firm Transmission Service, and such request can be satisfied only by releasing all or part of the Transmission Customer's Reserved Capacity, the original Reserved Capacity will be released unless the following condition is satisfied. Within thirty (30) days, the original Transmission Customer agrees to pay the Firm Point-To-Point transmission rate for its Reserved Capacity concurrent with the new Service Commencement Date. In the event the Transmission Customer elects to release the Reserved Capacity, the Reservation Fees or portions thereof previously paid will be forfeited.

18. Procedures for Arranging Non-Firm Point-To-Point Transmission Service

18.1 Application:

Eligible Customers seeking Non-Firm Point-To-Point Transmission Service must submit a Completed Application to the Transmission Provider. Applications should be submitted by entering the information listed below by written letter to the Transmission Provider's Electric Operations Department. This method will provide a date-stamped record for establishing the service priority of the Application.

18.2 Completed Application:

A Completed Application shall provide all of the following information:

The identity, address, telephone number and facsimile number of the entity requesting service;

- (i) A statement that the entity requesting service is, or will be upon commencement of service, an Eligible Customer under the Tariff;
- (ii) The Point(s) of Receipt and the Point(s) of Delivery;
- (iii) The maximum amount of capacity requested at each Point of Receipt and Point of Delivery; and
- (iv) The proposed dates and hours for initiating and terminating transmission service hereunder.

In addition to the information specified above, when required to properly evaluate system conditions, the Transmission Provider also may ask the Transmission Customer to provide the following:

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

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

- (vii) A statement indicating that, if the Eligible Customer submits a Pre-Confirmed Application, the Eligible Customer will execute a Service Agreement upon receipt of notification that the Transmission Provider can provide the requested Transmission Service.

18.3 Reservation of Non-Firm Point-To-Point Transmission Service:

Requests for monthly service shall be submitted no earlier than sixty (60) days before service is to commence.

18.4 Determination of Available Transfer Capability:

Following receipt of a tendered schedule the Transmission Provider will make a determination on a non-discriminatory basis of available transfer capability pursuant to Section 15.2. Such determination shall be made as soon as reasonably practicable after receipt.

19. Additional Study Procedures For Firm Point-To-Point Transmission Service Requests**19.1 Notice of Need for System Impact Study:**

After receiving a request for service, the Transmission Provider shall determine on a non-discriminatory basis whether a System Impact Study is needed. A description of the Transmission Provider's methodology for completing a System Impact Study is provided in Attachment D. If the Transmission Provider determines that a System Impact Study is necessary to accommodate the requested service, it shall so inform the Eligible Customer, as

soon as practicable. Once informed, the Eligible Customer shall timely notify the Transmission Provider if it elects to have the Transmission Provider study conditional curtailment as part of the System Impact Study. If notification is provided prior to tender of the System Impact Study Agreement, the Eligible Customer can avoid the costs associated with the study of these options. The Transmission Provider shall within thirty (30) days of receipt of a Completed Application, tender a System Impact Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required System Impact Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the System Impact Study Agreement and return it with the required deposit to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the System Impact Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest.

19.2 System Impact Study Agreement and Cost Reimbursement:

- (i) The System Impact Study Agreement will clearly specify the: maximum charge, based on the Transmission Provider's estimate of the actual cost, and date for completion of the System Impact Study. The charge shall not exceed the actual cost of the study. In performing the System Impact Study, the Transmission Provider shall rely, to the extent reasonably practicable, on existing transmission planning studies. The Eligible Customer will not be assessed a charge for such existing studies; however, the Eligible Customer will be responsible for charges associated with any modifications to existing planning studies that are reasonably necessary to evaluate the impact of the Eligible Customer's request for service on the Transmission System.
- (ii) If in response to multiple Eligible Customers requesting service in relation to the same competitive solicitation, a single System Impact Study is sufficient for the Transmission Provider to accommodate the requests for service, the costs of that study shall be pro-rated among the Eligible Customers.
- (iii) For System Impact Studies that the Transmission Provider conducts on its own behalf, the Transmission Provider shall record the cost of the System Impact Studies pursuant to Section 20.

19.3 System Impact Study Procedures:

Upon receipt of an executed System Impact Study Agreement, the Transmission Provider will use due diligence to complete the required System Impact Study within a one hundred-and-twenty (120) day period. The System Impact Study shall identify (1) any system constraints, identified with specificity by transmission element or flow gate, and (2) conditional curtailment options (when requested by an Eligible Customer) including the number of hours per year and the System Conditions during which conditional curtailment may occur. For customers requesting the study of redispatch options, the System Impact Study shall provide a measurement of each resource's impact on the system constraint. If the Transmission Provider possesses information indicating that any resource outside its Balancing Authority Area could relieve the constraint, it shall identify each such resource in the System Impact Study. In the event that the Transmission Provider is unable to complete the required System Impact Study within such time period, it shall so notify the Eligible Customer and provide an estimated completion date along with an explanation of the

reasons why additional time is required to complete the required studies. A copy of the completed System Impact Study and related work papers, excluding proprietary information, shall be made available to the Eligible Customer as soon as the System Impact Study is complete. The Transmission Provider will use the same due diligence in completing the System Impact Study for an Eligible Customer as it uses when completing studies for itself. The Transmission Provider shall notify the Eligible Customer immediately upon completion of the System Impact Study if the Transmission System will be adequate to accommodate all or part of a request for service or that no costs are likely to be incurred for new transmission facilities or upgrades. In order for a request to remain a Completed Application, within fifteen (15) days of completion of the System Impact Study the Eligible Customer must execute a Service Agreement or request the filing of an unexecuted Service Agreement pursuant to Section 15.3, or the Application shall be deemed terminated and withdrawn.

19.4 Facilities Study Procedures:

If a System Impact Study indicates that additions or upgrades to the Transmission System are needed to supply the Eligible Customer's service request, the Transmission Provider, within thirty (30) days of the completion of the System Impact Study, shall tender to the Eligible Customer a Facilities Study Agreement pursuant to which the Eligible Customer shall agree to reimburse the Transmission Provider for performing the required Facilities Study. For a service request to remain a Completed Application, the Eligible Customer shall execute the Facilities Study Agreement and return it to the Transmission Provider within fifteen (15) days. If the Eligible Customer elects not to execute the Facilities Study Agreement, its application shall be deemed withdrawn and its deposit, pursuant to Section 17.3, shall be returned with interest less the costs incurred of the System Impact Study. Upon receipt of an executed Facilities Study Agreement, the Transmission Provider will use due diligence to complete the required Facilities Study within a one hundred-and-twenty (120) day period. If the Transmission Provider is unable to complete the Facilities Study in the allotted time period, the Transmission Provider shall notify the Transmission Customer and provide an estimate of the time needed to reach a final determination along with an explanation of the reasons that additional time is required to complete the study. When completed, the Facilities Study will include a good faith estimate of the time required to complete such construction and initiate the requested service. The Transmission Customer shall provide the Transmission Provider with a letter of credit or other reasonable form of security acceptable to the Transmission Provider equivalent to the costs of new facilities or upgrades consistent with commercial practices as established by the Uniform Commercial Code. The Transmission Customer shall have thirty (30) days to execute a Service Agreement or request the filing of an unexecuted Service Agreement and provide the required letter of credit or other form of security or the request will no longer be a Completed Application and shall be deemed terminated and withdrawn.

19.5 Facilities Study Modifications:

Any change in design arising from inability to site or construct facilities as proposed will require development of a revised good faith estimate. New good faith estimates also will be required in the event of new statutory or regulatory requirements that are effective before the completion of construction or other circumstances beyond the control of the

Transmission Provider that significantly affect the final cost of new facilities or upgrades to be charged to the Transmission Customer pursuant to the provisions of Part II of the Tariff.

19.6 Due Diligence in Completing New Facilities:

The Transmission Provider shall use due diligence to add necessary facilities or upgrade its Transmission System within a reasonable time. The Transmission Provider will not upgrade its existing or planned Transmission System in order to provide the requested Firm Point-To-Point Transmission Service if doing so would impair system reliability or otherwise impair or degrade existing firm service or would jeopardize the tax-exempt status of any tax-exempt debt used to finance the Transmission Provider's facilities that would be used to provide Transmission Service.

19.7 Partial Interim Service:

If the Transmission Provider determines that it will not have adequate transfer capability to satisfy the full amount of a Completed Application for Firm Point-To-Point Transmission Service, the Transmission Provider shall not be obligated to provide the incremental amount of requested Firm Point-To-Point Transmission Service that requires the addition of facilities or upgrades to the Transmission System until such facilities or upgrades have been placed in service.

19.8 Penalties for Failure to Meet Study Deadlines:

Sections 19.3 and 19.4 require a Transmission Provider to use due diligence to meet one hundred-and-twenty (120)-day study completion deadlines for System Impact Studies and Facilities Studies.

- (i) The Transmission Provider is required to post on its website a notice in the event that more than twenty (20) percent of System Impact Studies and Facilities Studies completed by the Transmission Provider in any two consecutive calendar quarters are not completed within the one hundred-and-twenty (120)-day study completion deadlines. Such notice must be posted within thirty (30) days of the end of the calendar quarter triggering the notice requirement.
- (ii) For the purposes of calculating the percent of the System Impact Studies and Facilities Studies processed outside of the one hundred-and-twenty (120)-day study completion deadlines, the Transmission Provider shall consider all System Impact Studies and Facilities Studies that it completes for during the calendar quarter. The percentage should be calculated by dividing the number of those studies which are completed on time by the total number of completed studies.

20. Procedures if the Transmission Provider is Unable to Complete New Transmission Facilities for Firm Point-To-Point Transmission Service**20.1 Delays in Construction of New Facilities:**

If any event occurs that will materially affect the time for completion of new facilities, or the ability to complete them, the Transmission Provider shall promptly notify the Transmission Customer. In such circumstances, the Transmission Provider shall within thirty (30) days of notifying the Transmission Customer of such delays, convene a technical meeting with the Transmission Customer to evaluate the alternatives available to the Transmission Customer. The Transmission Provider also shall make available to the Transmission Customer studies and work papers related to the delay, including all information that is in the possession of the Transmission Provider that is reasonably needed by the Transmission Customer to evaluate any alternatives, but excluding proprietary information.

20.2 Alternatives to the Original Facility Additions:

When the review process of Section 20.1 determines that one or more alternatives exist to the originally planned construction project, the Transmission Provider shall present such alternatives for consideration by the Transmission Customer. If, upon review of any alternatives, the Transmission Customer desires to maintain its Completed Application subject to construction of the alternative facilities, it may request the Transmission Provider to submit a revised Service Agreement for Firm Point-To-Point Transmission Service. If the alternative approach solely involves Non-Firm Point-To-Point Transmission Service, the Transmission Provider shall promptly tender a Service Agreement for Non-Firm Point-To-Point Transmission Service providing for the service. In the event the Transmission Provider concludes that no reasonable alternative exists and the Transmission Customer disagrees, the Transmission Customer may seek relief under the dispute resolution procedures pursuant to Section 11.

20.3 Refund Obligation for Unfinished Facility Additions:

If the Transmission Provider and the Transmission Customer mutually agree that no other reasonable alternatives exist and the requested service cannot be provided out of existing capability under the conditions of Part II of the Tariff, the obligation to provide the requested Firm Point-To-Point Transmission Service shall terminate and any deposit made by the Transmission Customer shall be returned with interest pursuant to Commission regulations 35.19a (a) (2) (iii). However, the Transmission Customer shall be responsible for all incurred costs by the Transmission Provider through the time construction was suspended. Further, if Facility Additions are found to be feasible through a Facilities Study and System Impact Study, and Transmission Customer declines to proceed with construction, then deposits made by Transmission Customer shall be forfeited.

III OTHER SPECIFIC SERVICE PROVISIONS**21. Provisions Relating to Transmission Construction and Services on the Systems of Other Utilities****21.1. Responsibility for Third-Party System Additions:**

The Transmission Provider shall not be responsible for making arrangements for any necessary engineering, permitting, and construction of transmission or distribution facilities on the system(s) of any other entity or for obtaining any regulatory approval for such facilities. The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, providing any information or data required by such other electric system pursuant to Good Utility Practice. All costs incurred by the Transmission Provider under this Section 21.1 shall be fully reimbursed by the Transmission Customer.

21.2. Coordination of Third-Party System Additions:

In circumstances where the need for transmission facilities or upgrades is identified pursuant to the provisions of Part II of the Tariff, and if such upgrades further require the addition of transmission facilities on other systems, the Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner. The Transmission Provider shall notify the Transmission Customer in writing of the basis for any decision to defer construction and the specific problems which must be resolved before it will initiate or resume construction of new facilities. Within sixty (60) days of receiving written notification by the Transmission Provider of its intent to defer construction pursuant to this section, the Transmission Customer may challenge the decision in accordance with the dispute resolution procedures pursuant to Section 11.

22. Changes in Service Specifications**22.1 Modifications on a Non-Firm Basis:**

The Transmission Customer taking Firm Point-To-Point Transmission Service may request the Transmission Provider to provide transmission service on a non-firm basis over Receipt and Delivery Points other than those specified in the Service Agreement ("Secondary Receipt and Delivery Points"), in amounts not to exceed its firm capacity reservation, without incurring an additional Non-Firm Point-To-Point Transmission Service charge or executing a new Service Agreement, subject to the following conditions.

- (a) Service provided over Secondary Receipt and Delivery Points will be non-firm only, on an as-available basis and will not displace any firm or non-firm service reserved or scheduled by third-parties under the Tariff or by the Transmission Provider on behalf of its Native Load Customers.
- (b) The sum of all Firm and Non-Firm Point-To-Point Transmission Service provided to the Transmission Customer at any time pursuant to this section shall not exceed the

Reserved Capacity in the relevant Service Agreement under which such services are provided.

- (c) The Transmission Customer shall retain its right to schedule Firm Point-To-Point Transmission Service at the Receipt and Delivery Points specified in the relevant Service Agreement in the amount of its original capacity reservation.
- (d) Service over Secondary Receipt and Delivery Points on a non-firm basis shall not require the filing of an Application for Non-Firm Point-To-Point Transmission Service under the Tariff. However, all other requirements of Part II of the Tariff (except as to transmission rates) shall apply to transmission service on a non-firm basis over Secondary Receipt and Delivery Points.

22.2 Modification on a Firm Basis:

Any request by a Transmission Customer to modify Receipt and Delivery Points on a firm basis shall be treated as a new request for service in accordance with Section 17 hereof, except that such Transmission Customer shall not be obligated to pay any additional deposit if the capacity reservation does not exceed the amount reserved in the existing Service Agreement. While such new request is pending, the Transmission Customer shall retain its priority for service at the existing firm Receipt and Delivery Points specified in its Service Agreement.

23. Sale or Assignment of Transmission Service

23.1 Procedures for Assignment or Transfer of Service:

A Transmission Customer may sell, assign, or transfer all or a portion of its rights under its Service Agreement, but only to another Eligible Customer (the Assignee). The Transmission Customer that sells, assigns or transfers its rights under its Service Agreement is hereafter referred to as the Reseller. Pursuant to FERC Order 739, compensation to Resellers shall be at rates established by agreement between the Reseller and the Assignee.

The Assignee must execute a service agreement in the form provided in Attachment A-1 of this Tariff with the Transmission Provider governing reassignments of transmission service prior to the date on which the reassigned service commences. The Transmission Provider shall charge the Reseller, as appropriate, at the rate stated in the Reseller's Service Agreement with the Transmission Provider and credit the Reseller with the price reflected in the Assignee's Service Agreement with the Transmission Provider; provided that, such credit shall be reversed in the event of non-payment by the Assignee. If the Assignee does not request any change in the Point(s) of Receipt or the Point(s) of Delivery, or a change in any other term or condition set forth in the original Service Agreement, the Assignee will receive the same services as did the Reseller and the priority of service for the Assignee will be the same as that of the Reseller. The Reseller may not assign or transfer any service to an assignee, if such assignment or transfer would jeopardize the tax-exempt status of any bonds used to finance its facilities that would be used in providing such transmission service without first receiving approval from the Transmission Provider. The Transmission Provider is not obligated to provide transmission service to the assignee if such service would jeopardize the tax-exempt status of any such bonds. The Assignee will be subject to

all terms and conditions of this Tariff. If the Assignee requests a change in service, the reservation priority of service will be determined by the Transmission Provider pursuant to Section 13.2.

23.2 Limitations on Assignment or Transfer of Service:

If the Assignee requests a change in the Point(s) of Receipt or Point(s) of Delivery, or a change in any other specifications set forth in the original Service Agreement, the Transmission Provider will consent to such change subject to the provisions of the Tariff, provided that the change will not impair the operation and reliability of the Transmission Provider's generation, transmission, or distribution systems. The Assignee shall compensate the Transmission Provider for performing any System Impact Study needed to evaluate the capability of the Transmission System to accommodate the proposed change and any additional costs resulting from such change. The Reseller shall remain liable for the performance of all obligations under the Service Agreement, except as specifically agreed to by the Transmission Provider and the Reseller through an amendment to the Service Agreement.

23.3 Information on Assignment or Transfer of Service:

All sales or assignments of capacity must be posted on the Transmission Provider's website on or before the date the reassigned service commences and is subject to Section 23.1.

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

24.1 Transmission Customer Obligations:

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

24.2 Transmission Provider Access to Metering Data:

The Transmission Provider shall have access to metering data, which may reasonably be required to facilitate measurements and billing under the Service Agreement.

24.3 Power Factor:

Unless otherwise agreed, the Transmission Customer is required to maintain a power factor within the same range as the Transmission Provider pursuant to Good Utility Practices. The power factor requirements are specified in the Service Agreement where applicable.

25. Compensation for Transmission Service

Rates for Firm and Non-Firm Point-To-Point Transmission Service are provided in the Schedules appended to the Tariff: Firm Point-To-Point Transmission Service (Schedule 7); and Non-Firm Point-To-Point Transmission Service (Schedule 8). The Transmission Provider shall use Part II of the Tariff to make its Third-Party Sales from ATC. The

Transmission Provider shall account for such use at the applicable Tariff rates, pursuant to Section 7.

26. Stranded Cost Recovery

The Transmission Provider may seek to recover stranded costs from the Transmission Customer. However, the Transmission Provider proposed stranded cost recovery shall be subject to dispute resolution procedures of this Tariff.

27. Compensation for New Facilities

Whenever a System Impact Study performed by the Transmission Provider in connection with the provision of Firm Point-To-Point Transmission Service identifies the need for new facilities, the Transmission Customer shall be responsible for such costs in advance of construction.

28. Jurisdiction Not Conferred

By offering service under this Tariff, LMUD does not accede to the imposition of Federal Power Act jurisdiction or the regulations or requirements thereunder, over the transmission rates, terms and conditions of LMUD and does not intend that it become subject to the public utility regulations of the FERC.

SCHEDULE 1

Scheduling, System Control and Dispatch Service

At this time, Transmission Provider does not provide this service. To the extent required, Transmission Customers shall self-provide or procure such service. To the extent necessary, Transmission Provider shall assist in the coordination of the procurement of such service. If Transmission Provider is charged for such service by another entity, Transmission Provider retains the right to pass-through such charges to Transmission Customer.

SCHEDULE 2

**Reactive Supply and Voltage Control from
Generation or Other Sources Service**

At this time, Transmission Provider does not provide this service. To the extent required, Transmission Customers shall self-provide or procure such service. To the extent necessary, Transmission Provider shall assist in the coordination of the procurement of such service. If Transmission Provider is charged for such service by another entity, Transmission Provider retains the right to pass-through such charges to Transmission Customer.

SCHEDULE 3

Regulation and Frequency Response Service

At this time, Transmission Provider does not provide this service. To the extent required, Transmission Customers shall self-provide or procure such service. To the extent necessary, Transmission Provider shall assist in the coordination of the procurement of such service. If Transmission Provider is charged for such service by another entity, Transmission Provider retains the right to pass-through such charges to Transmission Customer.

SCHEDULE 4

Energy Imbalance Service

At this time, Transmission Provider does not provide this service. To the extent required, Transmission Customers shall self-provide or procure such service. To the extent necessary, Transmission Provider shall assist in the coordination of the procurement of such service. If Transmission Provider is charged for such service by another entity, Transmission Provider retains the right to pass-through such charges to Transmission Customer.

SCHEDULE 5

Operating Reserve - Spinning Reserve Service

At this time, Transmission Provider does not provide this service. To the extent required, Transmission Customers shall self-provide or procure such service. To the extent necessary, Transmission Provider shall assist in the coordination of the procurement of such service. If Transmission Provider is charged for such service by another entity, Transmission Provider retains the right to pass-through such charges to Transmission Customer.

SCHEDULE 6

Operating Reserve - Non-Spinning, or Supplemental Reserve Service

At this time, Transmission Provider does not provide this service. To the extent required, Transmission Customers shall self-provide or procure such service. To the extent necessary, Transmission Provider shall assist in the coordination of the procurement of such service. If Transmission Provider is charged for such service by another entity, Transmission Provider retains the right to pass-through such charges to Transmission Customer.

SCHEDULE 7**Long-Term and Short-Term Firm Point-To-Point
Transmission Service**

Subsequent to commencement of service, unless otherwise provided in this Tariff, the Transmission Customer shall compensate the Transmission Provider each month for Reserved Capacity at the sum of the applicable charges set forth below:

- 1) Monthly delivery: \$1.50 /kW of Reserved Capacity per month.
- 2) Resales: The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

Prior to the commencement of service, and subject to the terms of Section 17.7 of this Tariff, the Transmission Customer shall compensate the Transmission Provider annually a Reservation Fee at the sum of the applicable charges set forth below:

- 3) Reservation Fee: \$1.50 /kW of Reserved Capacity per year.

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

Subsequent to commencement of service, unless otherwise provided in this Tariff, the Transmission Customer shall compensate the Transmission Provider for Non-Firm Point-To-Point Transmission Service up to the sum of the applicable charges set forth below:

- 1) Monthly delivery: \$1.50 /kW of Reserved Capacity per month.
- 2) **Resales:** The rates and rules governing charges and discounts stated above shall not apply to resales of transmission service, compensation for which shall be governed by section 23.1 of the Tariff.

SCHEDULE 9

Generator Imbalance Service

At this time, Transmission Provider does not provide this service. To the extent required, Transmission Customers shall self-provide or procure such service. If Transmission Provider is charged for such service by a Balancing Authority Area, Transmission Provider retains the right to pass-through such charges to Transmission Customer.

SCHEDULE 10

Wheeling Fee

The wheeling fee under this Tariff is: \$2.00 MWh.

ATTACHMENT A

Form Of Service Agreement for Firm Point-to-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between LMUD, and _____ (“Transmission Customer”).
- 2.0 The Transmission Customer has been determined by LMUD to have a Completed Application for Firm Point-To-Point Transmission Service under the Tariff.
- 3.0 The Transmission Customer has provided LMUD an Application deposit in the amount of \$_____, in accordance with the provisions of Section 17.3 of the Tariff.
- 4.0 Service under this agreement shall commence on the latter of (1) _____the requested service commencement date or (2) such other date as is mutually agreed upon. Service under this agreement shall terminate on _____.
- 5.0 LMUD agrees to provide and the Transmission Customer agrees to take and pay for Firm Point- To-Point Transmission Service in accordance with the provisions of the Lassen Municipal Utility District Open Access Transmission Tariff (“Tariff”) and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Transmission Customer:

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

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

LMUD

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

Specifications for Long-Term Firm Point-To-Point
Transmission Service

- 1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Balancing Authority Area in which the transaction originates.

- 3.0 Point(s) of Receipt: _____
Delivering Party: _____
- 4.0 Point(s) of Delivery: _____
Receiving Party: _____
- 5.0 Maximum amount of capacity and energy to be transmitted (Reserved Capacity): _____
- 6.0 Designation of party(ies) subject to reciprocal service obligation: _____

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

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

8.1 Transmission Charge: _____

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

8.3 Ancillary Services Charges: Ancillary Services may be passed-through by
Transmission Provider to Transmission
Customer. _____

ATTACHMENT A-1

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

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between _____ (the Transmission Provider), and _____ (the Assignee).
- 2.0 The Assignee has been determined by the Transmission Provider to be an Eligible Customer under the Tariff pursuant to which the transmission service rights to be transferred were originally obtained.
- 3.0 The terms and conditions for the transaction entered into under this Service Agreement shall be subject to the terms and conditions of Part II of the Transmission Provider's Tariff, except for those terms and conditions negotiated by the Reseller of the reassigned transmission capacity (pursuant to Section 22.1 of this Tariff) and the Assignee, to include contract effective and termination dates, the amount of reassigned capacity or energy, point(s) of receipt and delivery. Changes by the Assignee to the Reseller's Points of Receipt and Points of Delivery will be subject to the provisions of Section 22.2 of this Tariff.
- 4.0 The Transmission Provider shall credit the Reseller, for the price reflected in the Assignee's Service Agreement.
- 5.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Provider:

Assignee:

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

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

Transmission Provider:

By: _____
Name Title Date

Assignee:

By: _____
Name Title Date

Specifications For The Resale, Reassignment Or Transfer of
Long-Term Firm Point-To-Point Transmission Service

- 1.0 Term of Transaction: _____
Start Date: _____
Termination Date: _____
- 2.0 Description of capacity and energy to be transmitted by Transmission Provider including the electric Balancing Authority Area in which the transaction originates.

- 3.0 Point(s) of Receipt: _____
Delivering Party: _____
- 4.0 Point(s) of Delivery: _____
Receiving Party: _____
- 5.0 Maximum amount of reassigned capacity: _____
- 6.0 Designation of party(ies) subject to reciprocal service obligation: _____

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

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

8.1 Transmission Charge: _____

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

8.3 Ancillary Services Charges: Ancillary Services may be passed-through by Transmission Provider to Transmission Customer. _____

9.0 Name of Reseller of the reassigned transmission capacity:

ATTACHMENT B

Form of Service Agreement for Non-Firm Point-to-Point Transmission Service

- 1.0 This Service Agreement, dated as of _____, is entered into, by and between LMUD, and _____ (Transmission Customer).
- 2.0 The Transmission Customer has been determined by LMUD to be a Transmission Customer under the Tariff and has filed a Completed Application for Non-Firm Point-To-Point Transmission Service in accordance with Section 18.2 of the Tariff.
- 3.0 Service under this agreement shall commence on the later of (1) _____, or (2) such other date as is mutually agreed upon. Service under this agreement shall terminate on _____.
- 4.0 The Transmission Customer agrees to supply information LMUD deems reasonably necessary in accordance with Good Utility Practice in order for it to provide the requested service.
- 5.0 LMUD agrees to provide and the Transmission Customer agrees to take and pay for Non-Firm Point-To-Point Transmission Service in accordance with the provisions of the Lassen Municipal Utility District Open Access Transmission Tariff ("Tariff") and this Service Agreement.
- 6.0 Any notice or request made to or by either Party regarding this Service Agreement shall be made to the representative of the other Party as indicated below.

Transmission Customer:

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

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

LMUD

By: _____
Name Title Date

Transmission Customer:

By: _____
Name Title Date

ATTACHMENT C

Methodology To Assess Available Transfer Capability

The Transmission Provider must include, at a minimum, the following information concerning its ATC calculation methodology:

The Transmission provider will assess Available Transmission Capability (ATC) based on standard industry calculations used to calculate ATC and Transmission Transfer Capability. The Transmission Provider will use the methodology and criteria as outlined in the Transmission Transfer Capability and the Available Transfer Capability definitions and determination documents as approved and periodically reviewed by the North American Electric Reliability Corporation.

ATTACHMENT D

Methodology for Completing a System Impact Study

After receiving request, LMUD shall determine on a non-discriminatory basis whether a system impact study is needed for providing the requested service. LMUD will perform all studies related to Transmission Service requests as it performs transmission studies for its own use of the system. LMUD will assess the capability of the Transmission System to provide the service requested using NERC and WECC Reliability Standards. If a Transmission Customer is requesting service to Wheel-Out of LMUD's electric system, LMUD shall not be responsible or liable for the costs of system impact studies required by the electric systems into which the Transmission Customer is intending to wheel electricity.

ATTACHMENT E

Index of Point-to-Point Transmission Service Customers

Customer	Date of Service Agreement
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ATTACHMENT F

Procedures for Addressing Parallel Flows

The North American Electric Reliability Corporation's (NERC) Transmission Loading Relief (TLR) procedures initially filed March 19, 1998, which are now the mandatory reliability standards that address TLR, and any amendments thereto, on file and accepted by the Federal Energy Regulatory Commission, are hereby incorporated and made part of this Tariff. See www.nerc.com for the current version of the NERC TLR procedures.

ATTACHMENT G**Transmission Planning Process**

The Transmission Provider shall establish or participate in a coordinated, open and transparent planning process with its Transmission Customers and other interested parties, including the coordination of such planning with interconnected systems within its region, to ensure that the Transmission System is planned to meet the needs of both the Transmission Provider and its Transmission Customers on a comparable and nondiscriminatory basis. The Transmission Provider's coordinated, open and transparent planning process shall be provided as an attachment to the Transmission Provider's Tariff.

The Transmission Provider's planning process shall satisfy the following nine principles, as defined in the Final Rule in Docket No. RM05-25-000: coordination, openness, transparency, information exchange, comparability, dispute resolution, regional participation, economic planning studies, and cost allocation for new projects. The planning process shall also provide a mechanism for the recovery and allocation of planning costs consistent with the Final Rule in Docket No. RM05-25-000.

The Transmission Provider's planning process must include sufficient detail to enable Transmission Customers to understand:

- (i) The process for consulting with customers and neighboring transmission providers;
- (ii) The notice procedures and anticipated frequency of meetings;
- (iii) The methodology, criteria, and processes used to develop transmission plans;
- (iv) The method of disclosure of criteria, assumptions and data underlying transmission system plans;
- (v) The obligations of and methods for customers to submit data to the transmission provider;
- (vi) The dispute resolution process;
- (vii) The transmission provider's study procedures for economic upgrades to address congestion or the integration of new resources; and
- (viii) The relevant cost allocation procedures or principles.

ATTACHMENT H

Creditworthiness Procedures

For the purpose of determining the ability of the Transmission Customer to meet its obligations related to service hereunder, the Transmission Provider may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices and must specify quantitative and qualitative criteria to determine the level of secured and unsecured credit.

The Transmission Provider may require the Transmission Customer to provide and maintain in effect during the term of the Service Agreement, an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security proposed by the Transmission Customer and acceptable to the Transmission Provider and consistent with commercial practices established by the California Uniform Commercial Code that protects the Transmission Provider against the risk of non-payment.

Additionally, the Transmission Provider must include, at a minimum, the following information concerning its creditworthiness procedures:

- (1) a summary of the procedure for determining the level of secured and unsecured credit;
- (2) a list of the acceptable types of collateral/security;
- (3) a procedure for providing customers with reasonable notice of changes in credit levels and collateral requirements;
- (4) a procedure for providing customers, upon request, a written explanation for any change in credit levels or collateral requirements;
- (5) a reasonable opportunity to contest determinations of credit levels or collateral requirements; and
- (6) a reasonable opportunity to post additional collateral, including curing any non-creditworthy determination.