



The General Provisions below shall apply to this Tariff.





***Active Transmission Constraint:*** Any transmission constraint for which a Resource is committed to avoid exceeding, or to relieve, the constraint limit.

***Actual Energy Injections:*** For a Generation Resource, a net Metered volume measured in MWh that flows into the Transmission System during the Operating Day at a specified location that is submitted to the Transmission Provider by a Market Participant or a Market Participant's Meter Data Management Agent for each Hour of the Operating Day or, for an External Asynchronous Resource or Electric Storage Resource, a net Metered volume measured in MWh that flows into or out of (withdrawal positive, injection negative) the Transmission System during the Operating Day at a specified location that is submitted to the Transmission Provider by a Market Participant or a Market Participant's Meter Data Management Agent for each Hour of the Operating Day. For a Demand Response Resource-Type I, or for a Demand Response Resource-Type II, or an EDR resource, a calculated volume in MWh that is equal to the amount as calculated or Metered according to the specifications and protocols in the Measurement and Verification Procedures. The Actual Energy Injection of the Demand Response Resource is calculated by the Transmission Provider based on the meter data submitted by a Market Participant or a Market Participant's Meter Data Management Agent for each Hour of the Operating Day that is used for Settlement purposes. Given the appropriate qualification, Demand Response Resources-Type I Resources can provide the following products: Energy, Contingency Reserve, and capacity under Module E.

***Actual Energy Withdrawal:*** For a Load Zone where one or more Demand Response Resources Type I are committed for Energy and/or are offered for Contingency Reserve, where one

or more Demand Response Resource Type II are committed during a specific Hour, or where an EDR resource has reduced Load, a calculated volume in MWh that flows out of the Transmission System during the Operating Day at a specified location that is equal to the time-weighted average of the Metered volume of the Load Zone for that Hour plus Actual Energy Injections within the Load Zone for the Demand Response Resources and EDR resources. For all other Load Zones, a Metered volume measured in MWh that flows out of the Transmission System during the Operating Day at a specified location. The Load Zone Metered volume in MWh that flows out of the Transmission System during the Operating Day, used for the calculation of the Actual Energy Withdrawal, is submitted to the Transmission Provider by a Market Participant or a Market Participant's Meter Data Management Agent for each Hour of the Operating Day that is used for Settlement purposes.

***Actual Resource Response:*** The actual movement, in MWs, relative to Setpoint Instructions for a Resource within a Dispatch Interval.

***Additional Regulating Mileage:*** Any Regulating Mileage Target for a Resource in a Dispatch Interval beyond the amount considered for the Dispatch Interval during the market clearing.

***Adjusted Financial Transmission Rights Capability:*** The expected available transmission capacity in the FTR Auction, respecting the Simultaneous Feasibility Test, over the Transmission Provider Region during: (1) a given Month, less FTRs held by existing FTR Holders; or (2) a Season, less FTRs held by existing FTR Holders and baseloading assumptions.

***Affected Participant:*** A Market Participant, a person that engages in Market Activities or a person that takes any other service under the Tariff that has provided to the Transmission Provider, Confidential Information that is requested by, or is disclosed to, an Authorized Requestor under a Non-Disclosure Agreement.

***Affiliate:*** With respect to a person or entity, any individual, corporation, partnership, firm, joint venture, association, joint stock company, trust or unincorporated organization, directly or indirectly controlling, controlled by, or under common control with, such person or entity.

***Agency Agreement:*** The agreement that is Appendix G of the ISO Agreement.

***Aggregate Annual Transmission Revenue Requirement (Aggregate ATRR):*** The annual transmission revenue requirement calculated by combining the annual transmission revenue requirements of each individual RFP Respondent and each individual Proposal Participant identified in a Proposal, all as provided in Section VIII.D.4.3 of Attachment FF of the Tariff.

***Aggregate Power Supply Curve:*** The combined Energy Offer curves for all Resources, excluding DRRs, which is the capacity from all such resources at each price offered.

***Aggregate Price Node (APNode):*** An aggregation of Elemental Pricing Nodes whose LMP is calculated as the sum of the products of the LMP at each Elemental Pricing Node defined in the Aggregate Price Node and the associated pre-established normalized weighting factors for the Elemental Pricing Node.

***Aggregator of Retail Customers (ARC):*** A Market Participant that represents demand response on behalf of one or more eligible retail customers, for which the participant is not such

customers' LSE, and intends to offer demand response directly into the Transmission Provider's Energy and Operating Reserve Markets, as a Planning Resource or as an EDR resource.

***Allowable ZRC Offer Costs:*** Costs associated with a Planning Resource reflected in its ZRC Offer, or the CONE, or facility-specific Reference Level costs, considered in determining ZRC Offer Revenue Sufficiency Credits for a Planning Year.

***Allowance Level:*** A description of the mitigation measure described in Module D which allows a Market Participant that is an LSE or represents an LSE, to purchase or schedule a specified portion of its Energy, Operating Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve requirements in the Real Time Energy and Operating Reserve Market.

***Alternate Selected Developer(s):*** Shall be RFP Respondent(s) who is/are not chosen as the Selected Developer(s) and whose Proposal is selected to be the alternate Proposal by the Competitive Transmission Executive Committee, pursuant to Attachment FF of the Tariff, for implementation if the Selected Developer fails to execute or request an unexecuted filing of the Selected Developer Agreement and provide the required Project Financial Security within the timeframe provided in Attachment FF Section VIII.H. The Alternate Selected Developer(s) shall not be the same entity or entities that have been chosen as the Selected Developer(s).

***Ancillary Services:*** Those services that are necessary to support Capacity and the transmission of Energy from Resources to Loads while maintaining reliable operation of the Transmission System in accordance with Good Utility Practice.

***Annual ARR Allocation:*** The procedure used by the Transmission Provider annually to allocate ARRs and MTPS ARRs.

***Annual ARR Registration:*** The annual process for registering ARR Entitlements and MTPS ARR Entitlements.

***Applicable Laws and Regulations:*** All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority having jurisdiction over the Parties, their respective facilities and/or the respective services they provide.

***Applicable Reliability Standards:*** Reliability Standards approved by the Federal Energy Regulatory Commission (FERC) under Section 215 of the Federal Power Act relating to operation of the Transmission Provider in carrying out its Reliability Coordinator, Balancing Authority, Market Operator, Transmission Service Provider, and Planning Coordinator functions. In addition to FERC approved standards, any regional reliability criteria and/or standards relating to operation of the Transmission Provider in carrying out the functions listed above.

***Applicant:*** An entity desiring to hold FTRs, take Transmission Service, engage in Market Activities or take any other service under this Tariff, or become a Market Participant, Transmission Customer or Coordination Customer under this Tariff.

***Application:*** A request by an Eligible Customer for Transmission Service pursuant to the provisions of this Tariff.

***ARR Delivery Point:*** The ARR Zone or Interface specified in an ARR where Transmission

Service terminates.

**ARR Entitlement(s):** Right to nominate and be allocated ARRs based on transmission usage, upgrades or other basis.

**ARR Holder(s):** The Market Participant that receives ARRs, or the Transmission Provider to the extent it receives ARRs, through the Annual ARR Allocation.

**ARR Obligation:** The financial credit or obligation resulting from the difference between the clearing prices from the annual FTR Auction at the ARR Delivery Point and the clearing prices at the ARR Receipt Point.

**ARR Receipt Point:** The transaction receipt point specified in an ARR.

**ARR Settled Exposure:** The potential exposure to non-payment associated with ARRs that have been settled.

**ARR Stage Factors:** The factors that determine the nomination caps in Stage 1A and Stage 1B of the ARR allocation procedure.

**ARR Term:** The term specified in the ARR.

**ARR Transactions Not Yet Settled:** The value of the ARRs based on the clearing price(s) established as a result of the most recent annual FTR Auction which have not been settled.

**ARR Zone(s):** Geographic areas defined for the purpose of allocating ARRs based upon locations where a Market Participant serves Load.

**Area Control Error (ACE):** The instantaneous difference between Net Actual Interchange and Net Scheduled Interchange, taking into account the effects of frequency bias, including a correction for meter error, expressed in MW.

***Asset Owner:*** An entity identified by a Market Participant through the Transmission Provider registration process that is eligible to be represented by the Market Participant in Market Activities.

***Attachment Y Notice:*** A completed form, entitled “Attachment Y Notification of Generator/SCU/Pseudo-tied Out Generator Change of Status, Including Notification of Rescission,” provided to the Transmission Provider to Suspend all or any portion of a resource by an owner of a Generation Resource, Synchronous Condenser Unit (SCU), or a Generator that is directly interconnected to the Transmission System but is Pseudo-tied out of the Transmission Provider’s Balancing Authority Area or to rescind such a notification.

***Attachment Y Conversion Period:*** The period between the date of submission of the Attachment Y Notice and the June 1st start of the third full Planning Year following the submittal of the Attachment Y Notice in which the owner of a Generation Resource or SCU may elect to convert an Attachment Y Notice to a notice of retirement by waiving rescission and modification rights and committing to retirement of the asset.

***Auction Clearing Price (ACP):*** The price, expressed in \$/MW-day, associated with the MW quantity that clears in the Planning Resource Auction for a given LRZ or ERZ for a Season for the applicable Planning Year.

***Auction Revenue Rights (ARR):*** Entitlements to a share of the revenues generated in the annual FTR Auction.

***Authorized Agency:*** (i) a State public utility commission, including the Council of the City of New Orleans, within the geographic limits of the Transmission Provider Region that

regulates the distribution or supply of electricity to retail customers or is legally charged with monitoring the operation of wholesale or retail markets serving retail suppliers or customers within its State; (ii) the Organization of MISO States or any successor organization, formed to act as a regional state committee within the Transmission Provider Region; or (iii) a state agency, including the Council of the City of New Orleans, that has both access to documents in the possession of a state public utility commission, including the Council of the City of New Orleans, pursuant to state statute and the ability to protect those documents in accordance with the Non Disclosure Agreement.

***Authorized Requestor:*** A person who has executed a Non Disclosure Agreement, and is authorized by an Authorized Agency to receive and discuss Confidential Information. Authorized Requestors may include State public utility commissioners, State commission staff, attorneys representing an Authorized Agency, and employees, consultants and/or contractors directly employed by an Authorized Agency, provided, however, that consultants or contractors may not initiate requests for Confidential Information from the Transmission Provider or the IMM.

***Automatic Generation Control (AGC):*** The automated process of addressing imbalances in supply and demand by sending to Resources, at least every six (6) seconds, signals to either raise or lower output to correct for instantaneous changes in Load and generation, when the Transmission Provider's Area Control Error calculation indicates an imbalance between supply and demand.

***Available Max Emergency Resource (AME Resource):*** A Resource with a Commitment Status

of Emergency or an Electric Storage Resource with a Commitment Status of Emergency Charge or Emergency Discharge.

***Available Non-FTR Financial Security:*** For Credit purposes, any Financial Security held in excess of alternative capitalization requirements and Total FTR Obligations and available for securing Non-FTR Potential Exposure.

***Available Transfer Capability:*** The maximum amount of additional Energy that may be carried by the Transmission System or by the transmission systems of Coordination Customers under current or projected operating conditions.

***Balancing Authority:*** The responsible entity that integrates Resource plans ahead of time, maintains Load-generation balance within a Balancing Authority Area and supports the Eastern Interconnection frequency in real time.

***Balancing Authority Agreement:*** The “Agreement Between Midwest ISO and Midwest ISO Balancing Authorities Relating to Implementation of the TEMT” which was filed October 5, 2004 in Docket Nos. ER04-691-002 and EL02-104-002, as may be amended from time to time, and is designated as FERC Electric Tariff, Rate Schedule No. 3.

***Balancing Authority Area:*** An electric power system or combination of electric power systems bounded by interconnection metering and telemetering to which a common generation control scheme is applied within the Balancing Authority in order to: (i) match the power output of the Generation Resources within the electric power system(s) and Energy delivered from or to entities outside the electric power system(s), with the demand (including losses) within the electric power system(s); (ii) maintain scheduled Interchange with other Balancing Authority Areas, within the limits of Good Utility Practice; (iii) maintain the frequency of the electric power system(s) within reasonable limits in accordance with Good Utility Practice and Applicable Reliability Standards.

***Base Penalty Charge:*** A base sanction that is assessed by the Independent Market Monitor against a Market Participant that is found to have engaged in conduct that is not permitted under the Tariff.

***Baseline Reliability Projects:*** Network Upgrades identified in the MTEP as required to ensure the Transmission System is in compliance with applicable national Electric Reliability Organization reliability standards and reliability standards adopted by Regional Entities

and applicable to the Transmission Provider's Transmission Owners' planning criteria filed with federal, state, or local regulatory authorities, and applicable federal, state and local system planning and operating reliability criteria. Baseline Reliability Projects include projects of 100kV voltage class or above needed to maintain reliability while accommodating the ongoing needs of existing Transmission Customers.

***Baseline Reliability Study:*** A study performed by the Transmission Provider as part of the MTEP development to determine whether the Transmission System is in compliance with applicable national Electric Reliability Organization reliability standards and reliability standards adopted by Regional Entities and applicable to the Transmission Provider's or Transmission Owners' planning criteria filed with federal, state, or local regulatory authorities, and applicable federal, state and local system planning and operating reliability criteria, the result of which is the identification of Baseline Reliability Projects.

***Baseload Reserved Source Point (RSP):*** The Baseload Reserved Source Point for use in the ARR allocation process.

***Baseload Reserved Source Set (BRSS):*** The Baseload Supply Resources that have met the Resource Qualification Requirements for inclusion as a Reserved Source Point for a given ARR Zone.

***Baseload Supply Resource(s):*** Generation Resource associated with serving a Market Participant's Baseload Usage and that is used for Baseload Reserved Source Point calculations.

***Baseload Usage:*** Transmission usage that is fifty percent (50%) of Peak Usage of Network Load. For Market Participants utilizing Point-To-Point Transmission Service, fifty

percent (50%) of the Point-To-Point Transmission Service MW amount will be assumed to be Baseload Usage. However, this assumption will not require an LSE to pay multiple Transmission Service charges for Loads included in the LSE's Baseload Usage.

***Behind the Meter Generation (BTMG):*** Generation resources used to serve wholesale or retail load located behind a CPNode that are not included in the Transmission Provider's Setpoint Instructions and in some cases can also be deliverable to Load located within the Transmission Provider Region using either Network Integration, Point-To-Point Transmission Service or transmission service pursuant to a Grandfathered Agreement. These resources have an obligation to be made available during Emergencies.

***Bid:*** A request to purchase Energy in the Day Ahead Energy and Operating Reserve Market, including Demand Bids, Price Sensitive Demand Bids, and Fixed Interchange Schedule Export Schedules, Dispatchable Interchange Schedule Export Schedules, and Virtual Bids, at a specified location, quantity, and time period, that is duly submitted to the Transmission Provider pursuant to this Tariff and the Business Practices Manuals.

***Bi-Directional Ramp Rate Curve:*** The MW/minute ramp rate curve, that may include up to ten (10) linear segments at which a Generation Resource, Demand Response Resource - Type II, Electric Storage Resource, or Distributed Energy Aggregated Resource can respond to either increasing or decreasing Setpoint Instructions.

***Bilateral Transaction Schedule:*** A schedule associated with a Bilateral Transaction.

***Bilateral Transactions:*** Interchange Schedules, Dynamic Interchange Schedules, Financial Schedules and GFA Schedules.

***Billing Agent:*** An entity designated by a Market Participant as the entity to receive from, or

forward payment to, the Transmission Provider on the Market Participant's Settlement Statements. The Market Participant shall remain liable for all obligations issued to it in the Settlement Statements.

***Binding Settlement Zone:*** Any Reserve Zone with a Market Clearing Price for Regulating Reserve, Spinning Reserve, Supplemental Reserve, or Short-Term Reserve, as applicable, derived in the Day-Ahead Energy and Operating Reserve Market or in the Real-Time Energy and Operating Reserve Market that has any non-zero Market Clearing Price Zonal Terms for Operating Reserves or Short-Term Reserve.

***Binding Transmission Constraints:*** A transmission constraint that causes a change in the dispatch or commitment of one or more Electric Facilities to avoid exceeding, or to relieve, the constraint limit.

***Blackstart Equipment:*** The equipment that is necessary to make a generation unit, Electric Storage Resource, or Distributed Energy Aggregated Resource a Blackstart Unit capable of reliably providing Blackstart Service.

***Blackstart Service:*** The process used by the Transmission Operator, Load Serving Entities, and Generator operators to reenergize to a fully operational state the entire transmission network and the remainder of the delivery system to normal operation. This process includes systematic start up of Blackstart Units via Blackstart Equipment, energizing transmission to critical facilities such as larger generating units, energizing to the largest generators to facilitate the restoration of system loads.

***Blackstart System Restoration Plan:*** The plan developed by the Transmission Provider acting in its capacity as the Reliability Coordinator, to coordinate the system restoration plans

developed by the individual Transmission Operators to re-energize the Transmission System following a system-wide blackout.

**Blackstart Unit:** A generation unit, Electric Storage Resource, or Distributed Energy Aggregated Resource that has Blackstart Equipment attached to it or is otherwise configured to allow the unit to be started without assistance from any other resource.

**Blackstart Unit Owner:** An entity that either: (1) owns and controls the output of, or operates a Blackstart Unit; or (2) has contractual rights to direct the operation of a Blackstart Unit and to receive the compensation provided for under Schedule 33 of the Tariff.

**Border External Resource:** An External Resource that: (i) has direct interconnection facilities to a substation that contains the terminal of a transmission line under the Transmission Provider's functional control; (ii) will schedule in response to notification by the Transmission Provider during a declared Energy Emergency solely from unit(s) connected to such substation; and, (iii) whose Capacity offered into MISO may be accommodated on those transmission line(s) under the Transmission Provider's functional control.

**Branch Facility:** A facility located within a pricing Zone having a defined Line Outage Distribution Factor.

**Broad Constrained Area:** An electrical area in the Transmission Provider Region within which one or more Binding Transmission Constraints, or binding Post Reserve Deployment Constraints (other than Sub-Regional Power Balance Constraints) exist, or binding Sub-Regional Power Balance Constraints into the Second Planning Area exist.

**Bulk Electric System:** The electrical Generation Resources, transmission lines, interconnections

with neighboring systems, and associated equipment, generally operated at voltages of 100 kV or higher as further defined by the applicable Regional Entity.

***Bundled Load:*** The aggregate usage by customers who purchase electric services as a single service or customers who purchase electric services under a retail tariff rate schedule that includes Energy and delivery components, as distinguished from customers who purchase Transmission Service as a separate service.

***Bus:*** A specific electrical location within the Transmission System and/or within other transmission systems within the Eastern Interconnection modeled in the Network Model.

***Business Day:*** A day in which the Federal Reserve System is open for business.

***Business Practices Manuals:*** The instructions, rules, policies, procedures and guidelines established by the Transmission Provider for the operation, planning, accounting and settlement requirements of the Transmission Provider Region.

***Calculated Demand Response Resource-Type I Output:*** The hourly average Actual Energy Injection for each associated Demand Response Resource – Type I for the Hour for the purposes of assessing Excessive/Deficient Energy Deployment Charges.

***Calculated Demand Response Resource-Type II Output:*** (i) For a DRR-Type II Resource that is providing Regulating Service, the Dispatch Interval Actual Energy Injections; or (ii) For a DRR-Type II Resource that is not providing Regulation Service, the average Dispatch Target for Energy for the DRR-Type II Resource, expressed in MW and scaled by Actual Energy Injection.

***Calendar Day:*** Any day of the week, including Saturday, Sunday or a Federal holiday.

***Candidate ARR (CARR):*** ARR nominations submitted by Market Participants to be considered throughout the Annual ARR Allocation process.

***Candidate Baseload ARR:*** Candidate ARR rights equal to each Market Participant's Baseload Usage in an ARR Zone.

***Candidate Peak ARR:*** Candidate ARR rights equal to each Market Participant's Peak Usage in an ARR Zone.

***Candidate MTPS ARR:*** MTPS ARR nominations submitted by the Transmission Provider to be considered during the Annual ARR Allocation process.

***Capacity:*** The instantaneous rate at which Energy can be delivered, received or transferred, including Energy associated with Operating Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve, measured in MW.

***Capacity Deficiency Charge:*** A charge that is assessed to an LSE that has provided notification prior to the Planning Resource Auction that it will meet its Initial PRMR in part or in

whole by paying the Capacity Deficiency Charge so that the Transmission Provider does not clear associated Zonal Resource Credits (ZRC) for the associated Initial PRMR through the PRA process.

***Capacity Export Limit (CEL):*** The amount of Planning Resources in MWs for an LRZ or ERZ determined by the Transmission Provider that can be reliably exported from that LRZ or ERZ for each Season.

***Capacity Import Limit (CIL):*** The amount of Planning Resources in MWs for an LRZ determined by the Transmission Provider that can be reliably imported into that LRZ for each Season.

***Capacity Replacement Non-Compliance Charge:*** The charge assessed to a Market Participant for failing to replace ZRCs that were designated for RAR and did not fulfill their performance obligations as set forth in Module E-1.

***Capacity Resources:*** The Generation Resources, Demand Response Resource- Type I, Demand Response Resource-Type II, Dispatchable Intermittent Resources, External Resources, Intermittent Generation, or Electric Storage Resources that are available to meet Demand.

***Carved Out GFA(s):*** Any Grandfathered Agreement(s) that the Commission has identified as “carved out” pursuant to Appendix B of the Commission’s September 16, 2004 order, Midwest Independent Transmission System Operator, Inc., 108 FERC ¶ 61,236 (2004) or that meet the criteria in Section 38.8.3(A).b, and set forth in Attachment P to this Tariff, as that Attachment may be amended from time to time.

***Cash Collateral Agreement:*** A Credit Support Document taking the form found in Exhibit III of Attachment L of this Tariff.

***Cash Deposit:*** Cash collateral provided to Transmission Provider to secure Applicant's and/or Tariff Customer's performance under the terms and conditions of Transmission Provider's Tariff, and/or other agreements.

***Catastrophic Generator Outage:*** A forced outage that results in a unit being, or reasonably expected to be unavailable for a minimum of six (6) continuous months, which is not the result of a planned maintenance outage.

***Category A Tariff Customer:*** A Tariff Customer who grants a continuing first-priority security interest to the Transmission Provider in all right, title and interest in any and all accounts receivable and other rights of payment of the Tariff Customer for goods and services provided under, or otherwise arising under, pursuant to or in connection with, the Tariff and/or any of the Agreements.

***Category B Tariff Customer:*** Any Tariff Customer who does not grant a Receivable Security Interest to the Transmission Provider.

***Change in Total System Cost:*** The net change in variable operational costs, which include fuel, variable O&M, variable environmental costs, and other variable costs as mutually agreed upon by the Transmission Provider and the Market Participant, measured in dollars as a result of changing the output of one or more units in response to a redispatch request from the Transmission Provider.

***Charge:*** The withdrawal of energy from the Transmission System by an Electric Storage Resource for the purpose of storing the energy for injection back into the Transmission System at a later time.

***Cleared Zonal Resource Credits (Cleared ZRCs):*** Zonal Resource Credits that have cleared the

Planning Resource Auction, were used in a Fixed Resource Adequacy Plan, were used in a Reliability Based Demand Curve Opt Out, or are currently being used to replace ZRCs.

***Coincident Peak Demand:*** The Demand in MWs, for an LSE and/or EDC, that occurs coincident to the peak Demand for each Season in the Transmission Provider Region, where all Demand has been augmented to include any known reductions in Demand related to LMRs.

***Co-located Resources:*** Two or more Generators located behind the same point of interconnection that participate separately in the Energy and Operating Reserve Markets and share an Interconnection Service Limit.

***Combined Reliability Systems:*** The Reliability Coordination Customer Transmission Facilities and all other transmission facilities for which the Transmission Provider performs Reliability Coordination Services under Part I of Module F.

***Commercial Model:*** A presentation of the relationships between Market Participants and their Resources, Commercial Pricing Nodes and the Network Model in the Energy and Operating Reserve Markets.

***Commercial Operation Date:*** Shall have the meaning set forth in Attachment X of this Tariff.

***Commercial Pricing Node (CPNode):*** An Elemental Pricing Node or an Aggregate Price Node in the Commercial Model used to schedule and settle Market Activities. Commercial Pricing Nodes include Resources, Hubs, Load Zones and/or Interfaces.

***Commercially Significant Voltage and Local Reliability Issue:*** Transmission System voltage or other local reliability concerns that result in Voltage and Local Reliability Commitments. These issues are designated for reasons including, but not limited to, occurrence

frequency, monetary impact, or other criteria as defined in Schedule 44. A Local Balancing Authority or an interested Market Participant may request that the Transmission Provider evaluate a Voltage and Local Reliability Issue for designation as commercially significant.

**Commission:** The Federal Energy Regulatory Commission, also known as FERC, or its successor.

**Commitment Status:** A specification submitted by a Market Participant in its Generation Offer, External Asynchronous Resource Offer, Demand Response Resource-Type I Offer, Demand Response Resource-Type II Offer, or Electric Storage Resource Offer for each Hour to indicate whether or how the Transmission Provider is authorized to commit the Resource or deploy the Resource for Operating Reserves for the Hour.

**Common Bus:** A single Bus to which two or more Resources are connected in an electrically equivalent manner where such Resources are treated as a single Resource for compliance monitoring purposes.

**Common Information Model (CIM):** The format adopted by the NERC Data Exchange Working Group that will be used by the Congestion Management Customer and the Transmission Provider to exchange Energy Management System models once a year.

**Comparable FTRs:** FTRs that are identical in all material respects except for the quantity of MW specified.

**Competitive Developer Qualification Process:** The process utilized to certify Qualified Transmission Developers pursuant to Section VIII.B of Attachment FF of the Tariff.

**Competitive Developer Selection Process:** The process utilized to solicit Proposals, evaluate

Proposals, and designating a Selected Proposal and Selected Developer(s) pursuant to Section VIII of Attachment FF of the Tariff.

***Competitive Substation Facility:*** A transmission substation facility contained within an Eligible Project that is subject to the Competitive Developer Selection Process in accordance with Section VIII.A of Attachment FF of the Tariff.

***Competitive Transmission Executive Committee:*** A committee consisting of three (3) or more executive staff of the Transmission Provider, including at least one (1) officer, that is charged with overseeing all Transmission Provider staff and consultants involved in evaluating Transmission Developer Applications and Proposals in response to a posted Request for Proposal. The Competitive Transmission Executive Committee will have exclusive and final decision-making authority over: (i) the certification and termination of Qualified Transmission Developers; and (ii) the evaluation and selection of Proposals, resulting in designating Selected Developers. The Competitive Transmission Executive Committee shall possess the specific technical, financial, and regulatory expertise necessary for evaluation of Transmission Developer Applications and Proposals.

***Competitive Transmission Facility:*** A Competitive Substation Facility or Competitive Transmission Line Facility.

***Competitive Transmission Line Facility:*** A transmission line facility contained within an Eligible Project that is subject to the Competitive Developer Selection Process in accordance with Section VIII.A of Attachment FF of the Tariff.

***Competitive Transmission Process:*** The process utilized to certify Qualified Transmission Developers, identify Competitive Transmission Projects, solicit Proposals, evaluate

Proposals, and designating a Selected Proposal and Selected Developer(s) pursuant to Section VIII of Attachment FF of the Tariff. The Competitive Transmission Process includes the Competitive Developer Qualification Process and Competitive Developer Selection Process.

***Competitive Transmission Project:*** The Competitive Transmission Facilities contained within an Eligible Project.

***Competitively Sensitive Information:*** Information that is not public and the unauthorized disclosure of which could have anti-competitive effects, provide a competitor with an unfair or improper competitive advantage, or unfairly or improperly result in competitive harm, detriment, prejudice, disadvantage or injury to the legitimate proprietary rights, business or commercial interests, market position, or ability to bargain freely, of the lawful owners, possessors or users of such information.

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

***Composite Credit Score:*** A composite numerical score scaled from 1.00 to 6.99, representing the sum of the Qualitative and Quantitative score as calculated by the Transmission Provider's credit scoring model in Attachment L of this Tariff.

***Confidential Information:*** Any proprietary or commercially or competitively sensitive information, trade secret or information regarding a plan, specification, pattern, procedure, design, device, list, concept, policy or compilation relating to the present or planned business of a Transmission Customer, Market Participant, or other user, which is designated as confidential by the entity supplying the information, whether conveyed

orally, electronically, in writing, through inspection, or otherwise, that is received by the Transmission Provider and is not disclosed except under the terms of a Confidential Information policy.

***Congestion Management Customer:*** Any entity taking Interconnected Operations and Congestion Management Service under Part II of Module F.

***Congestion Management Process (CMP):*** The process described in Attachment LL of the Tariff.

***Constraint Contribution Factor:*** Factor that represents the impact that an incremental Actual Energy Injection or Actual Energy Withdrawal of one MW has on a given Active Transmission Constraint.

***Constraint Generation Shift Factor Cutoff:*** A Generation Shift Factor level defined for each transmission constraint that determines the generating units to be included in a Broad Constrained Area, Narrow Constrained Area or Dynamic NCA associated with the constraint. Generation Resources with a Generation Shift Factor whose absolute value is greater than the Constraint Generation Shift Factor Cutoff are included in the Broad Constrained Area, Narrow Constrained Area or Dynamic NCA.

***Constraint Management Charge Allocation Factor:*** A factor that is used to apportion Real-Time Revenue Sufficiency Guarantee Credits in an Hour between (i) the Real-Time Revenue Sufficiency Guarantee Constraint Management Charge and (ii) the Real-Time Revenue Sufficiency Guarantee Day-Ahead Schedule Deviation Charge and the Real-Time Revenue Sufficiency Guarantee Headroom Charge.

***Contingency Reserve:*** Spinning Reserve and Supplemental Reserve provided by Resources

available to the Transmission Provider to use in the event of a system contingency as specified in Schedule 5-Spinning Reserve and Schedule 6– Supplemental Reserve of this Tariff.

***Contingency Reserve Deployment Failure Charge:*** A charge assessed to any Resource that fails to achieve in a Contingency Reserve Deployment Period at least one hundred percent (100%) of the Contingency Reserve Deployment Instruction target.

***Contingency Reserve Deployment Instruction:*** An instruction issued by the Transmission Provider to Resources with cleared Contingency Reserve to deploy a specific MW quantity of cleared Contingency Reserve as communicated via Setpoint Instructions or other electronic means.

***Contingency Reserve Deployment Period:*** The period of time the Resource has to deploy Contingency Reserve following the issuance of a Contingency Reserve Deployment Instruction that is equal to ten minutes.

***Contingency Reserve Offer Price Cap:*** The maximum price permitted for a Spinning Reserve Offer, an On-Line Supplemental Reserve Offer, an Off-Line Supplemental Reserve Offer or a Supplemental Reserve Offer in the Energy and Operating Reserve Markets.

***Continuing Error:*** A continuing software, system or other execution that is inconsistent with the Tariff.

***Control:*** The possession, directly or indirectly, of the power to direct the management or policies of a person or an entity. A voting interest of ten percent (10%) or more shall create a rebuttable presumption of Control.

***Controllable Devices:*** Devices that may include phase shifters, DC lines, and back-to-back

AC/DC converters.

***Co-optimized Zonal Contingency Reserve Requirement:*** The minimum amount of Contingency Reserve the Transmission Provider needs to procure within a Reserve Zone as determined based upon co-optimization with Post Reserve Deployment Constraints.

***Co-optimized Zonal Operating Reserve Requirement:*** The sum of the Co-optimized Zonal Contingency Reserve Requirement and Co-optimized Zonal Regulating Reserve Requirement.

***Co-optimized Zonal Regulating Reserve Requirement:*** The minimum amount of Regulating Reserve the Transmission Provider needs to procure within a Reserve Zone as determined based upon co-optimization with Post Reserve Deployment Constraints.

***Co-optimized Zonal Short-Term Reserve Requirement:*** The minimum amount of Short-Term Reserve the Transmission Provider needs to procure within a Reserve Zone as determined based upon co-optimization with Post Reserve Deployment Constraints.

***Co-optimized Zonal Spinning Reserve Requirement:*** The minimum amount of Spinning Reserve the Transmission Provider needs to procure within a Reserve Zone as determined based upon co-optimization with Post Reserve Deployment Constraints.

***Coordinated Flowgate:*** A Flowgate that is subject to the Transmission Provider's or Coordination Customer's operational control and through which flows are affected by transmission over transmission facilities within its operational control, or with respect to which Transmission Provider serves as a Reliability Authority.

***Coordinated Transaction Schedule:*** An Interchange Schedule to purchase Energy in the Real-Time Energy and Operating Reserve Market from a Source Point in either the MISO

Balancing Authority Area or PJM Balancing Authority Area and sell it at a Sink Point in the other balancing authority area that is cleared if the forecasted LMP at the Sink Point minus the forecasted LMP at the Source Point is greater than or equal to the dollar value specified in the bid associated with the Interchange Schedule.

***Coordinating Owner:*** Any entity that is not subject to the jurisdiction of the Commission but participating in the ISO through the execution of a coordination agreement which includes provisions for the elimination of rate pancaking. The terms and provisions of a Coordinating Owner's coordination agreement shall supersede the similar terms and provisions of this Tariff where applicable.

***Coordination Customer:*** Any customer taking Coordination Services from the Transmission Provider pursuant to Module F of the Tariff. The term Coordination Customer includes: Reliability Coordination Customer, and Congestion Management Customer.

***Coordination Services:*** The services provided by the Transmission Provider pursuant to Module F of the Tariff. Coordination Services include Reliability Coordination Service and Interconnected Operations and Congestion Management Service.

***Corporate Guaranty:*** A legal document taking the form found in Exhibit I of Attachment L of this Tariff used by an Affiliate of an Applicant and/or Tariff Customer that guarantees the obligations of such Applicant or Tariff Customer.

***Cost Allocation Zone:*** The zones identified in Attachment WW of this Tariff used for allocating the costs of Market Efficiency Projects.

***Cost of Congestion:*** The Marginal Congestion Component of LMP at the sink minus the Marginal Congestion Component of LMP at the source.

**Cost of Losses:** Marginal Losses Component of LMP at the sink minus the Marginal Losses Component of LMP at the source.

**Cost of New Entry (CONE):** The capital, operating, financial and other costs of acquiring a new Generation Resource within the Transmission Provider Region for any designated LRZ.

**Council of the City of New Orleans (CNO):** The governmental body with the power of supervision, regulation, and control over public utilities providing service within the City of New Orleans, *i.e.*, Entergy New Orleans, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter of the City of New Orleans. CNO shall have all the rights and responsibilities granted herein to states, state public utility commissions, state agencies, and State Regulatory Authorities.

**Counterflow ARR:** ARR allocated during the LTTR Restoration and Termination Stage of an Annual ARR Allocation based on a Counterflow ARR Entitlement.

**Counterflow ARR Entitlement:** Any Stage 1A eligible ARR Entitlement's portion that was not nominated in Stage 1A of a Market Participant's year 1 Annual ARR Allocation but that the Transmission Provider deems to provide counterflow necessary to enable curtailed Stage 1A CARRs to be restored (fully or partly) during the LTTR Restoration and Termination Stage of an Annual ARR Allocation.

**Credit and Security Agreement:** A Credit Support Document taking the form found in Exhibit V of Attachment L of this Tariff.

**Credit Policy:** The Transmission Provider's creditworthiness requirements and credit evaluation procedures as contained in Attachment L of this Tariff.

**Credit Support Documents:** Any agreement or instrument in any way guaranteeing or securing

any or all of a Tariff Customer's obligations under this Tariff (including, without limitation, the Credit Policy), any agreement entered into under, pursuant to, or in connection with this Tariff or any agreement entered into under, pursuant to, or in connection with this Tariff or the Credit Policy, and/or any other agreement to which the Transmission Provider and the Tariff Customer are parties, including, without limitation, any Corporate Guaranty, Cash Collateral Agreement, Letter of Credit, Credit and Security Agreement or agreement granting a security interest.

***Critical Energy Infrastructure Information (CEII):*** Confidential information described in 18 C.F.R § 388.113(c)(1), as may be amended from time to time.

***Curtailment:*** A reduction in firm or non-firm Transmission Service in response to a transfer capability shortage as a result of system reliability conditions pursuant to Section 14.7 or Section 27A of this Tariff.

***Customer Load Aggregation:*** A Load Zone approved by the Transmission Provider for the purposes of submitting Bids to or scheduling into the Energy and Operating Reserve Markets and for settlement of Market Activities.

***Cyber Exigency:*** A suspicious electronic act or event that has the potential to compromise reliability within the Transmission Provider Region or other electrical facilities directly or indirectly connected to the Transmission System and whose severity reasonably requires that the Transmission Provider obtain expert assistance not normally called upon to counter such an electronic act or to resolve such an event.

**Day:** A twenty four (24) hour period beginning at 0000 hours EST.

***Day-Ahead and Real-Time Revenue Sufficiency Guarantee Voltage and Local Reliability***

**Charge:** The sum of the Day-Ahead Revenue Sufficiency Guarantee Credits in an Hour attributable to Day-Ahead Voltage and Local Reliability Commitments and Real-Time Revenue Sufficiency Guarantee Credits in an Hour attributable to Real-Time Voltage and Local Reliability Commitments.

***Day-Ahead Bilateral Transaction Schedules Marginal Losses Surplus:*** The sum of Transmission Usage Charges minus the Cost of Congestion for all Bilateral Transaction Schedules cleared in the Day-Ahead Energy and Operating Reserve Market.

***Day-Ahead Commitment Period:*** Contiguous set of hours within the Day for which there exists a Day-Ahead Schedule for Energy.

***Day Ahead Energy and Operating Reserve Market:*** The forward market for purchases and sales of Energy, Operating Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve conducted by the Transmission Provider the Day prior to the Operating Day.

***Day-Ahead Energy and Operating Reserve Market Marginal Losses Surplus:*** The total Day-Ahead Energy and Operating Reserve Market charges for Energy purchases, minus total Day-Ahead Energy and Operating Reserve Market payments for Energy sales, minus total Day-Ahead Energy and Operating Reserve Market congestion payments.

***Day-Ahead Ex Ante LMP:*** The LMP calculated through the clearing of the Day-Ahead Energy and Operating Reserve Market using the process defined in Schedule 29 of this Tariff.

***Day-Ahead Ex Ante MCP:*** The MCP for Regulating Reserve, Spinning Reserve, Supplemental

Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve calculated through the clearing of the Day-Ahead Energy and Operating Reserve Market using the process defined in Schedule 29 of this Tariff.

***Day-Ahead Ex Post LMP:*** The LMP calculated for the Day-Ahead Energy and Operating Reserve Market using the process defined in Schedule 29A of this Tariff.

***Day-Ahead Ex Post MCP:*** The MCP for Regulating Reserve, Spinning Reserve, Supplemental Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve calculated for the Day-Ahead Energy and Operating Reserve Market using the process defined in Schedule 29A of this Tariff.

***Day Ahead Hourly Marginal Losses Surplus:*** The total of the Day Ahead Energy and Operating Reserve Market Marginal Losses Surplus plus the Day Ahead Bilateral Transactions Schedules Marginal Losses Surplus.

***Day-Ahead Margin:*** For an Hour, the difference between the Market Participant's accepted Day-Ahead Energy Offer and the Day-Ahead Ex Post LMP for that interval.

***Day-Ahead Margin Assurance Payment (DAMAP):*** The Real-Time make-whole payment provided under Section 40.3.6 of this Tariff to the Resources described therein, when such Resources' Day-Ahead Margins have been eroded.

***Day Ahead Revenue Sufficiency Guarantee Charge:*** The sum of the Day-Ahead Revenue Sufficiency Guarantee Credits in an Hour in the Day, excluding Day-Ahead Revenue Sufficiency Guarantee Credits associated with Voltage and Local Reliability Commitments, allocated to Market Participants in that Hour pro rata based upon cleared Bids, in that Hour.

***Day-Ahead Revenue Sufficiency Guarantee Credit:*** A Resource credit guaranteed by the Transmission Provider ensuring the minimum recovery of the Production Cost and Operating Reserve Cost of a Resource that has been committed and scheduled by the Transmission Provider in the Day-Ahead Energy and Operating Reserve Market.

***Day Ahead Schedule:*** A set of values consisting of one (1) value for each Hour of a single Operating Day for each Commercial Pricing Node as determined in the Day Ahead Energy and Operating Reserve Market by the Transmission Provider indicating the Energy MWh supply or demand financial obligation of a Market Participant at a Commercial Pricing Node. The Operating Reserve MW supply financial obligation of a Market Participant at a Commercial Pricing Node, the Up Ramp Capability MW supply financial obligation of a Market Participant at a Commercial Pricing Node, the Down Ramp Capability MW supply financial obligation of a Market Participant at a Commercial Pricing Node, and the Short-Term Reserve MW supply financial obligation of a Market Participant at a Commercial Pricing Node.

***Debt:*** For credit scoring purposes, the total amount of all borrowed money of an Applicant or Market Participant.

***Debt Adder:*** The percentage of long-term debt, as stated on the Tariff Customer's most recent audited financial statement, that is treated as equity to determine the Unsecured Credit Allowance.

***Debt to Equity Ratio:*** For credit scoring purposes, the ratio of Debt to Equity.

***Default:*** The occurrence at any time, of any of the events listed in Section 7.16.1 or 7.16.2 with respect to such Tariff Customer, or the failure to include payment for any obligations

under this Tariff, if such failure is not remedied on or before the later of (i) the expiration of the applicable cure period as set forth in this Tariff or the applicable agreement; (ii) the second (2<sup>nd</sup>) Business Day after the Tariff Customer receives written notice to cure with respect to defaults described in Sections 7.16.1.b, d, and e; or (iii) the second (2<sup>nd</sup>) Business Day after the Tariff Customer receives written notice to cure with respect to defaults described in Section 7.16.1.a.

***Default Offer:*** A mitigation measure imposed by the Independent Market Monitor pursuant to Section 65.2 of this Tariff.

***Deferred Schedule 16 Costs:*** Any deferred pre-operating costs to be recovered under Schedule 16 of this Tariff.

***Deferred Schedule 17 Costs:*** Any deferred pre-operating costs to be recovered under Schedule 17 of this Tariff.

***Deficient Energy:*** The amount of a Generation Resource's, Electric Storage Resource's, or External Asynchronous Resource's Actual Energy Injection at a Commercial Pricing Node in the Real-Time Energy and Operating Reserve Market in a Dispatch Interval that is less than that Resource's Deficient Energy Threshold or, the amount of a Demand Response Resource's-Type I Calculated DRR Type I Output, as adjusted for Actual Energy Injection or Demand Response Resource's-Type II Calculated DRR Type II Output, at a Commercial Pricing Node in the Real Time Energy and Operating Reserve Market in a Dispatch Interval that is less than that Resource's Deficient Energy Threshold. For Load Modifying Resources, Deficient Energy is the amount of Energy in an Hour by which the resource's Energy reduction falls short of the Scheduling

Instruction, provided the Energy reduced by the resource is below its applicable Deficient Energy Threshold.

***Deficient Energy Threshold:*** The minimum value of the Tolerance Band of a resource.

***Deficient Withdrawal:*** The amount of an Electric Storage Resource's Actual Energy Injection at a Commercial Pricing Node in the Real-Time Energy and Operating Reserve Market in a Dispatch Interval that is between (i) the lesser of the Excessive Energy Threshold and zero (0) and (ii) zero (0).

***Deliverability Benefit Zone:*** A group of one or more Local Resource Zones that have equal Auction Clearing Prices for a Season in a Planning Resource Auction resulting from the same auction constraint.

***Delivering Party:*** The entity supplying Energy to be transmitted at Point(s) of Receipt.

***Delivery Point:*** The Commercial Pricing Node used to determine the point of transfer between the buyer and the seller of the Energy specified in a Financial Schedule.

***Demand:*** The maximum integrated hourly sum of Load occurring over a specified period, such as Day, Month, Season, or Year, expressed in MWs.

***Demand Bid:*** A Fixed Demand Bid or Price Sensitive Demand Bid.

***Demand Curves:*** The Market Wide Regulating Reserve Demand Curve, the Market Wide Regulating and Spinning Reserve Demand Curve, the Market Wide Operating Reserve Demand Curve, the Market Wide Up Ramp Capability Demand Curve, the Market Wide Down Ramp Capability Demand Curve, and/or the Market Wide Short-Term Reserve Demand Curve.

***Demand Reduction Shortfall:*** The difference between the EDR Dispatch Instruction and the

actual demand reduction, or zero, whichever is higher.

***Demand Reduction Tolerance:*** The tolerance band of demand reduction that an EDR Participant can make between the EDR Dispatch Instruction and actual demand reduction and still recover the production costs associated with the demand reduction.

***Demand Resource:*** Interruptible Load or Direct Control Load Management and other resources that can reduce Demand during Emergencies.

***Demand Resource Deferral Notice:*** Notice provided by a Market Participant that elects to defer the obligation to conduct a real power test.

***Demand Response Resource (DRR):*** A Demand Response Resource—Type I or Demand Response Resource—Type II.

***Demand Response Resource - Type I (DRR-Type I):*** A Resource owned by a single Load Serving Entity, or an ARC within the MISO Balancing Authority Area and that (i) is registered to participate in the Energy and Operating Reserve Markets, (ii) that is capable of supplying a specific quantity of Energy, Contingency Reserve, Short-Term Reserve or Capacity, at the choice of the Market Participant, to the Energy and Operating Reserve Market through Behind the Meter Generation and/or controllable Load, (iii) is capable of complying with the Transmission Provider's instructions, and (iv) has the appropriate metering equipment installed. Each Demand Response Resource – Type I will be modeled as a Commercial Pricing Node consisting of defined Elemental Pricing Nodes maintained and approved by the Transmission Provider that comprise injections of customer demand response within a single Local Balancing Authority Area for the purposes of scheduling, reporting Actual Energy Injections, and settling Energy,

Contingency Reserve, and Short-Term Reserve transactions. The Demand Response Resource –Type I can be modeled as aggregations of whole or portions of Elemental Pricing Nodes. Given the appropriate qualification, Demand Response Resource-Type I Resources can provide the following products: Energy, Contingency Reserve, Short-Term Reserve and capacity under Module E.

***Demand Response Resource-Type II (DRR-Type II):*** A Resource owned by a single Load Serving Entity, or an ARC within the MISO Balancing Authority Area and that (i) is registered to participate in the Energy and Operating Reserve Markets, (ii) is capable of supplying a range of Energy, Operating Reserve, Up Ramp Capability, Down Ramp Capability, and/or Short-Term Reserve at the choice of the Market Participant, to the Energy and Operating Reserve Market through Behind-The-Meter generation and/or controllable Load, (iii) is capable of complying with Transmission Provider’s Setpoint Instructions and (iv) has the appropriate metering equipment installed. Such Resources will be modeled and/or otherwise treated in a manner comparable as Generation Resources and must comply with the same Applicable Reliability Standards as Generation Resources. Given the appropriate qualification, Demand Response Resource-Type II Resources can provide the following products: Energy, Operating Reserve, Up Ramp Capability, Down Ramp Capability, Short-Term Reserve, and/or capacity under Module E, provided that a storage Resource that registers as a Demand Response Resource – Type II shall not be eligible to provide off-line Supplemental Reserve or off-line Short-Term Reserve.

***Demand Response Resource-Type I Offer:*** An Energy Offer, Shut-Down Offer, Hourly

Curtailed Offer, Spinning Reserve Offer (if a Spin Qualified Resource) and Supplemental Reserve Offer, and Off-Line Short-Term Reserve Offer (if an Off-Line Short-Term Reserve Qualified Resource) submitted by a Market Participant within the MISO Balancing Authority Area for the output of a specified Demand Response Resource Type I to supply Energy, Contingency Reserve, and/or Short-Term Reserve to the Energy and Operating Reserve Market.

***Demand Response Resource-Type II Offer:*** An Energy Offer, Start-Up Offer, No-Load Offer, Regulating Capacity Offer and Regulating Mileage Offer (if a Regulation Qualified Resource), Spinning Reserve Offer (if a Spin Qualified Resource), On Line Supplemental Reserve Offer (if not a Spin Qualified Resource), Off Line Supplemental Reserve Offer (if a Quick Start Resource), Off-Line Short-Term Reserve Offer (if an Off-Line Short-Term Reserve Qualified Resource), Short-Term Reserve Dispatch Status and Up and Down Ramp Capability dispatch status submitted by a Market Participant within the MISO Balancing Authority Area for the output of a specified Demand Response Resource Type II to supply Energy and/or Operating Reserve, Up Ramp Capability, Down Ramp Capability, and/or Short-Term Reserve to the Energy and Operating Reserve Market.

***Designated Agent:*** Any entity that performs actions or functions required under this Tariff on behalf of the Transmission Provider, an Eligible Customer, the Transmission Customer, an ITC, the Market Participant or a Local Balancing Authority.

***Designated Flowgate:*** A Flowgate that has been designated to act as a constraint to power transfer on the Bulk Electric System.

***Desired Resource Response:*** The movement, in MW, that a Resource is capable of providing during a Dispatch Interval in response to Setpoint Instructions based on the Resource's applicable ramp rate, starting from its actual output at the beginning of the Dispatch Interval.

***Direct Assignment Facilities:*** Facilities or portions of facilities that are constructed by any Transmission Owner(s), ITC, or ITC Participant(s) for the sole use/benefit of a particular Transmission Customer requesting service under this Tariff. Direct Assignment Facilities shall be specified in the Service Agreement (or HVDC Service Agreement) that governs service to the Transmission Customer and shall be subject to Commission approval.

***Direct Control Load Management:*** The magnitude of customer demand that can be interrupted by direct control of the Local Balancing Authority by interrupting power supply to individual appliances or equipment on customer premises. Direct Control Load Management does not include Interruptible Demand. Where an RE's agreements do not restrict its reserve sharing pool to only the Local Balancing Authority, utilities acting as Market Participants may become members of the reserve sharing pool. These utilities have the right to participate in the reserve sharing pool, and to call on Operating Reserves, and are obligated to supply reserves when called upon by other entities. A utility meeting the above conditions, and which has interruptible contracts with its retail customers, may control its Interruptible Demand or Interruptible Load without direction from the Local Balancing Authority. The magnitude of customer demand that can be interrupted by utilities meeting the above criteria may interrupt power supply to

individual appliances or equipment on customer premises without direction from the Local Balancing Authority.

***Discharge:*** The injection of stored energy back into the Transmission System by an Electric Storage Resource.

***Dispatch Interval:*** The Dispatch Interval is a 5-minute length of time for which the Transmission Provider issues Dispatch Targets for the Real Time Energy and Operating Reserve Market.

***Dispatch Interval Actual Energy Injections:*** For a Resource, either: (i) a net Metered or calculated 5-minute volume expressed in MW that flows into or out of the Transmission System during the Operating Day at a specified location for each Dispatch Interval of the Operating Day; or (ii) when these values are not available, the average telemetered output for the Resource expressed in MW and scaled by Actual Energy Injections.

***Dispatch Interval Excessive Energy Price:*** The applicable price for Excessive Energy MW in a Dispatch Interval.

***Dispatch Interval Excessive Withdrawal Price:*** The applicable price for Excessive Withdrawal MW in a Dispatch Interval.

***Dispatch Model:*** A model of the Transmission System, Resources, and Load in the Transmission Provider Region used by the Transmission Provider to dispatch Resources through the Real-Time Energy and Operating Reserve Market.

***Dispatch Status:*** A specification submitted by a Market Participant in its Generation Offer, External Asynchronous Resource Offer, Demand Response Resource-Type I Offer, Demand Response Resource-Type II Offer, or Electric Storage Resource Offer for each

Hour to indicate whether or how the Transmission Provider is authorized to clear Energy or other Operating Reserves on the Resource for the Hour.

***Dispatch Target:*** Instructions issued by the Transmission Provider to Resources indicating Resource Energy quantities to be injected or withdrawn and cleared Operating Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve cleared for Resources at the end of a specific Dispatch Interval.

***Dispatchable Interchange Schedules:*** Export Schedules for the Day-Ahead Energy and Operating Reserve Market that specify a Bid or Import Schedules for the Day-Ahead Energy and Operating Reserve Market that specify an Offer.

***Dispatchable Intermittent Resource:*** A Generation Resource whose Economic Maximum Dispatch is dependent on forecast-driven fuel availability.

***Dispatchable Intermittent Resource Feasibility Limit:*** The maximum MW level at which a Dispatchable Intermittent Resource may operate and/or be scheduled, subject to any technical margin(s) as may be provided in the Business Practices Manuals.

***Distribution Facilities:*** The low-voltage transmission facilities owned or controlled or operated by the Transmission Provider, or a Transmission Owner, or both, and used in a sale for resale of, or to transmit, electric energy in interstate commerce on behalf of a wholesale purchaser pursuant to a Commission filed Open Access Transmission Tariff (i.e., to provide Wholesale Distribution Service).

***Disturbance Recovery Period:*** The amount of time from the occurrence of an event requiring a Contingency Reserve deployment to compliance with Applicable Reliability Standards.

***Diversity Contract:*** A type of power purchase agreement (PPA) between an LSE in the

Transmission Provider Region and an LSE with Demand external to the Transmission Provider Region that includes a one for one MW exchange of capacity that is committed to the Transmission Provider Region in exchange for capacity committed outside of the Transmission Provider Region.

**DOE:** The United States Department of Energy.

**Down Ramp Capability (DRC):** The product representing the ability of dispatchable resources to respond to future downward changes in demand within the Ramp Capability Response Time after a given dispatch. The Real-Time Market-Wide Down Ramp Capability Requirement is defined by expected market-wide downward variation in dispatchable generation to account for forecasted changes in load and Scheduled Interchange while considering the contribution of non-dispatchable generation (negative for an upward variation) plus the downward short-term uncertainty associated with the Load Forecast, non-dispatchable generation forecast, and units not responding to their set points, all evaluated over the Ramp Capability Response Time. If the resulting requirement is negative, the requirement is set to 0 so the requirement is always non-negative.

**Dynamic Interchange Schedule:** Interchange Schedules for which the Market Participant has put in place real time and interval metering facilities approved by the Transmission Provider where Resources are supplying Energy to Load on a real time basis and the supply is being effected through use of scheduled Interchange in the Transmission Provider's Area Control Error equation.

**Dynamic Narrow Constrained Area (Dynamic NCA):** An electrical area identified by the IMM in accordance with section 63.4.1, sub-paragraphs i through l, of this Tariff, regardless of

whether the area is in an existing or future Narrow Constrained Area, or is defined by one or more Binding Transmission Constraint(s) not expected, or not yet determined, to be sustained for a period long enough to identify it as a Narrow Constrained Area in accordance with section 63.4.1, sub-paragraphs (a) through (h).

***Dynamic Transfers:*** The provision of the real-time monitoring, telemetering, computer software, hardware, communications, engineering, Energy accounting (including inadvertent interchange), and administration required to electronically move all or a portion of the real Energy services associated with a Generator or Load out of one Balancing Authority Area into another.

***Eastern Interconnection:*** The ERO certified Balancing Authorities operating in the eastern part of North America.

***Eastern Prevailing Time (EPT):*** Eastern Daylight Time during periods when the eastern time zone is observing daylight saving time, Eastern Standard Time during periods when the eastern time zone is observing standard time.

***Economic Maximum Dispatch:*** The maximum MW level at which a Resource may be dispatched by the Transmission Provider in real-time for Energy under normal system conditions. For Intermittent Resources or Resources incapable of following Setpoint Instructions, the Economic Maximum Dispatch will equal the Actual Energy Injections.

***Economic Minimum Dispatch:*** The minimum MW level at which a Resource may be dispatched by the Transmission Provider in real-time for Energy under normal system conditions. For Intermittent Resources or Resources incapable of following Setpoint Instructions, the Economic Minimum Dispatch will equal the Actual Energy Injections.

***Effective Import Tie Capability (EITC):*** The maximum aggregate level of power in MW that can be reasonably expected to flow on the transmission tie lines into a specified Zone of the Transmission System, while maintaining reliable operation.

***Effective Export Tie Capability (EETC):*** The maximum aggregate level of power in MW that can be reasonably expected to flow outward on the transmission tie lines of a specified Zone of the Transmission System, while maintaining reliable operation.

***Electric Distribution Company (EDC):*** A company that distributes electricity to retail customers through distribution substations and/or lines owned by the company.

***Electric Facility:*** Equipment used for the generation, transmission, storage, or control of the transmission of electricity and that is connected to or part of the Transmission System operated by the Transmission Provider.

***Electric Generation and Transmission Cooperative (Coop):*** An electric Generation and Transmission cooperative is a not for profit rural electric system whose primary function is to provide electric power on a wholesale basis to its owners.

***Electric Reliability Organization (ERO):*** The organization certified by the Commission to establish and enforce reliability standards for the bulk-power system, subject to Commission review.

***Electric Storage Resource (ESR):*** A Resource capable of receiving Energy from the Transmission System and storing it for later injection of Energy back to the Transmission System. This definition includes all technologies and/or storage mediums, including but not limited to, batteries, flywheels, compressed air, and pumped-hydro. The location of an ESR may be at any point of grid interconnection, on either the Transmission System or a local distribution system, but must not be outside the Transmission Provider Region. An ESR must: (1) be capable of injecting and withdrawing a minimum of 0.1 MW; (2) be capable of complying with the Transmission Provider's Setpoint Instructions; (3) have the appropriate metering equipment installed; and (4) be physically located within the MISO Balancing Authority Area. The State of Charge shall be managed by the Market Participant operating the ESR. An ESR shall also be deemed a Generator based on, and in contexts relevant to, its capability to inject Energy back into the Transmission System.

***Electric Storage Resource Efficiency Factor:*** An operating characteristic of an Electric Storage

Resource that is the amount of increase in Energy Storage Level for each 1 MWh of Charge Energy withdrawn by that Resource.

***Electric Storage Resource Offer:*** An Offer submitted by a Market Participant within the MISO Balancing Authority Area for the output of a specified Electric Storage Resource to supply Energy, Capacity, Online Short-Term Reserve, Up Ramp Capability, Down Ramp Capability, Spinning Reserve, Supplemental Reserve and/or Regulating Reserve to the Energy and Operating Reserve Markets.

***Electric Storage Resource Owner:*** An entity that owns, leases with rights equivalent to ownership in, and controls the output of or operates Electric Storage Resources.

***Electric Storage Resource Transaction:*** Market Activities associated with the charging and discharging process of an Electric Storage Resource that consist of the withdrawal of Energy from the Transmission System, including any associated Energy purchases, and future injection of Energy, including any associated Energy sales, to the Transmission System under this Tariff.

***Elemental Pricing Node (EPNode):*** A single Bus where LMP is calculated.

***Eligible Confirmed Transmission Service Reservation:*** Any reservation for Transmission Service that has been confirmed and has a start date later than the date a Default first occurs. Any reservation for Transmission Service that has been confirmed remains a conditionally approved request at all times prior to such reservation's start date and may be cancelled if a Default occurs prior to such start date.

***Eligible Customer:*** (i) Any electric utility (including the Transmission Owner(s), ITC Participants(s), and any power marketer), Market Participant, Federal Power Marketing

Agency, or any person generating electric Energy for sale or for resale is an Eligible Customer under this 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 § 212(h) of the Federal Power Act, such entity is eligible only if the service is provided pursuant to a state requirement that a Transmission Owner or ITC Participant offer the unbundled transmission service, or pursuant to a voluntary offer of such service by a Transmission Owner or ITC Participant; or (ii) Any retail customer taking unbundled transmission service pursuant to a state requirement that a Transmission Owner or ITC Participant offer the transmission service, or pursuant to a voluntary offer of such service by a Transmission Owner or ITC Participant, that is an Eligible Customer under this Tariff. Unbundled retail customers that seek to take local distribution service cannot be Eligible Customers under this Tariff with respect to that service.

***Eligible Projects:*** Shall mean any Market Efficiency Projects (“MEP”) and Multi-Value Projects (“MVP”) approved by the Transmission Provider’s Board after December 1, 2015 regardless of whether such project is subject to the Transmission Provider’s Competitive Developer Selection Process.

***Emergency:*** (i) An abnormal system condition requiring manual or automatic action to maintain system frequency, or to prevent loss of firm Load, equipment damage, or tripping of system elements that could adversely affect the reliability of any electric system or the safety of persons or property; (ii) a fuel shortage requiring departure from normal operating procedures in order to minimize the use of such scarce fuel; or (iii) a condition

that requires implementation of Emergency procedures as defined in this Tariff.

***Emergency Demand Response (EDR):*** A resource that is either on-site end-use customer generation designed for Load reduction or controllable Load, that can respond to an EDR Dispatch Instruction, in accordance with Schedule 30.

***EDR Dispatch Instruction:*** Directives issued by the Transmission Provider to EDR Participants indicating MW quantities to be reduced during Emergencies.

***EDR Initiative:*** Procedures for EDR Participants to respond to an Emergency through a defined reduction in Load or increase in output from on-site end-use customer generation, as described in Schedule 30 of this Tariff.

***EDR Offer:*** An offer made by an EDR Participant to reduce demand in response to an Emergency event which will not be considered in the clearing of the Day-Ahead Energy and Operating Reserve Market or Real-Time Energy and Operating Reserve Markets.

***EDR Participant:*** A Market Participant capable of reducing demand in response to directives received from the Transmission Provider during an Emergency event.

***Emergency Energy:*** Purchases of Energy coordinated by the Transmission Provider following the issuance of an Energy Emergency Alert in accordance with the procedure set forth in Section 40.2.22 of this Tariff.

***Emergency Maximum Energy Storage Level:*** State of Charge value that should not be exceeded when an Electric Storage Resource is being Charged while providing Energy or Operating Reserves under Emergency conditions.

***Emergency Minimum Energy Storage Level:*** State of Charge value that should not be exceeded when an Electric Storage Resource is being Discharged while providing Energy or

Operating Reserves under Emergency conditions.

***Emergency Operating Procedures:*** Procedures coordinated by the Transmission Provider prior to and during Energy Emergencies.

***Emergency Operations Resource:*** An online Generation Resource that is not an online Fast Start Resource and is started, synchronized and injects Energy, or a Demand Response Resource that reduces its Energy consumption, within two hundred forty (240) minutes of being notified and that has a minimum run time of less than four hours and that will participate in setting price as described in the process in Schedule 29A of this Tariff.

***Emergency Operations Resource All-In Energy Offer:*** The sum of an online Emergency Operations Resource's Energy Offer, its amortized No Load Offer and, during its Minimum Run Time, its amortized Start up Offer; provided, that, in the case of a Demand Response Resource – Type I, it shall be the sum of the Energy Offer, its amortized Hourly Curtailment Offer and its amortized Shut-Down Offer over its minimum interruption duration.

***Emergency Operations Resource All-In Reference Level:*** The sum of an online Emergency Operations Resource's Energy Reference Level, its amortized No Load Reference Level and, during its Minimum Run Time, its amortized Start up Reference Level; provided, that, in the case of a Demand Response Resource – Type I, it shall be the sum of the Energy Reference Level, its amortized Hourly Curtailment Offer Reference Level and its amortized Shut-Down Offer Reference Level over its minimum interruption duration.

***Emergency System Conditions:*** Are (i) situations in which a systemic equipment malfunction, including telecommunications, hardware, or software failures, prevents the Transmission

Provider from operating the Energy and Operating Reserve Markets in accordance with the Market Rules; or (ii) widespread electric transmission or generation equipment outages that prevent the Transmission Provider from dispatching the system in accordance with the Market Rules.

***Emergency Tier I Offer Floor:*** The minimum Proxy Offer established by the Transmission Provider, as specified in Schedule 29A, following the declaration of maximum generation emergency warning as specified in the Transmission Provider's Emergency Operating Procedures. The maximum value of the Emergency Tier I Offer Floor will be the Energy Offer Hard Price Cap.

***Emergency Tier II Offer Floor:*** The minimum Proxy Offer established by the Transmission Provider, as specified in Schedule 29A, following the declaration of maximum generation emergency event, step 2 as specified in the Transmission Provider's Emergency Operating Procedures. The maximum value of the Emergency Tier II Offer Floor will be the Energy Offer Hard Price Cap.

***Energy:*** An amount of electricity that is Bid or Offered, produced, purchased, consumed, sold, injected, withdrawn, or transmitted over a period of time and measured or calculated in megawatt hours (MWh).

***Energy and Operating Reserve Market(s):*** The Day Ahead and/or Real Time Energy and Operating Reserve Markets operated by the Transmission Provider.

***Energy Consumer:*** Any end-use customer, including but not limited to commercial retail consumers of electricity, located within the Transmission Provider Region.

***Energy Deficient Region:*** An area in which one or more LSEs within the MISO Balancing Authority Area are experiencing or are expected to experience an Emergency under the procedures specified under Section 40.2.20 of this Tariff.

***Energy Emergency:*** A condition when a balancing authority can no longer meet the energy requirements of the firm end-use load within its balancing authority area and has initiated its Energy Emergency procedures.

***Energy Emergency Alert:*** An alert declared by the Transmission Provider in accordance with the NERC Operating Manual associated with the Transmission Provider's inability to provide for the Energy and Operating Reserve requirements of the MISO Balancing Authority Area.

***Energy Emergency Area:*** The area within a balancing authority area that is experiencing an Energy Emergency.

***Energy Emergency Alert – Level 2 (EEA-Level 2):*** Energy Emergency Alert Level 2 as defined by NERC.

***Energy Emergency Alert – Level 3 (EEA-Level 3):*** Energy Emergency Alert Level 3 as defined by NERC, indicating that firm load interruption is imminent or in progress.

***Energy Management System (EMS):*** The software system used by the Transmission Provider and Transmission Operators for acquisition and processing of operational data.

***Energy Market Counterparty:*** The Transmission Provider as the contracting counterparty to Market Participants for all Market Activities contemplated by this Tariff, solely in the Transmission Provider's capacity as a principal and not as an agent for any other party, consistent with the provisions of Section 6A.

***Energy Offer:*** The price at which a Market Participant has agreed to sell the next increment of Energy from a Generation Resource, Demand Response Resource – Type I, Demand Response Resource-Type II, or the price at which a Market Participant has agreed to sell Energy via a Dispatchable Interchange Schedule Import Schedule; or the price at which a Market Participant has agreed either to import or export the next increment of Energy from an External Asynchronous Resource; or the price at which a Market Participant has agreed to either buy (Charge) or sell (Discharge) the next increment of Energy from an Electric Storage Resource.

***Energy Offer Hard Price Cap:*** The maximum price permitted for a Verified Energy Offer, a Verified Fast Start Resource All-In Energy Offer, or a Verified Emergency Operations Resource All-In Energy Offer, to set price in the Energy and Operating Reserve Markets. The Energy Offer Hard Price Cap is \$2,000/MWh.

***Energy Offer Soft Price Cap:*** The maximum price permitted for an incremental Energy Offer, a Fast Start Resource All-In Energy Offer, or an Emergency Operations Resource All-In Energy Offer, to set price in the Energy and Operating Reserve Markets without prior cost verification by the Independent Market Monitor, subject to mitigation under Module D when the Energy Offer, the Fast Start Resource All-In Energy Offer, or the Emergency Operations Resource All-In Energy Offer, cost exceeds the applicable Reference Level. The Energy Offer Soft Price Cap is \$1,000/MWh. The Transmission Provider shall also verify Fast Start Resource All-In Energy Offers and Emergency Operations Resource All-In Energy Offers pursuant to section 64.1.4.a.iii.d of Module D.

***Energy Offer Price Floor:*** The minimum price permitted for an Energy Offer in the Energy and Operating Reserve Markets.

***Energy Resource Interconnection Service:*** The interconnection of a Generation Resource to the Transmission System or distribution system, as applicable, to be eligible to deliver the Generation Resource's electric output using the existing firm or non-firm capacity of the Transmission System on an as available basis.

***Energy Storage Level:*** The stored Energy available to the Transmission Provider's markets for Energy or Operating Reserves from a Resource.

***EPT:*** Eastern Prevailing Time.

***Equity:*** For credit scoring purposes, the ownership interest in a firm, including the residual dollar value of a futures trading account, assuming its liquidation is at the going trade price of Applicant or Market Participant.

***Equivalent Forced Outage Rate Demand (EFORD):*** The Equivalent Forced Outage Rate Demand, as defined by NERC.

***EST:*** Eastern Standard Time.

***Ex Ante MCP:*** The Regulating Reserve MCP, Regulating Mileage MCP, Spinning Reserve MCP, Supplemental Reserve MCP, Up Ramp Capability MCP, Down Ramp Capability MCP, and Short-Term Reserve MCP calculated at the beginning of the Dispatch Interval, used for informational purposes in the Real-Time Energy and Operating Reserve Market.

***Ex Post MCP:*** The Regulating Reserve MCP, Regulating Mileage MCP, Spinning Reserve MCP, Supplemental Reserve MCP, Up Ramp Capability MCP, Down Ramp Capability MCP, and Short-Term Reserve MCP calculated for each Dispatch Interval.

***Excess Congestion Charge Fund:*** A fund established by the Transmission Provider representing, in aggregate, the difference between the total of all Transmission Congestion Payments for a given Hour and the hourly transmission congestion charges.

***Excessive/Deficient Charge Rate:*** The rate used to determine a Resource's Excessive/Deficient Energy Deployment Charge as calculated pursuant to Section 40.3.4.b.

***Excessive/Deficient Energy Deployment Charge:*** A charge assessed to any Resource, excluding a Dispatchable Intermittent Resource, in an Hour with Excessive Energy, Deficient Energy, Excessive Withdrawal, Deficient Withdrawal or any combination thereof in four (4) or more consecutive Dispatch Intervals within the Hour. For a Dispatchable Intermittent Resource, a charge assessed in an Hour with Excessive Energy or Deficient Energy in any one (1) Dispatch Interval within the Hour.

***Excessive Energy:*** The amount of a Generation Resource's, Electric Storage Resource's, or External Asynchronous Resource's Actual Energy Injection at a Commercial Pricing Node in the Real-Time Energy and Operating Reserve Market in a Dispatch Interval that is greater than that Resource's Excessive Energy Threshold or, the amount of a Demand Response Resource's Type I Calculated DRR Type I Output, as adjusted for Actual Energy Injection or Demand Response Resource's Type II Calculated DRR Type II Output, at a Commercial Pricing Node in the Real Time Energy and Operating Reserve Market in a Dispatch Interval that is greater than that Resource's Excessive Energy Threshold.

***Excessive Energy Threshold:*** The maximum value of a Resource's Tolerance Band.

***Excessive Energy Tolerance:*** The MW difference between (1) the Excessive Energy Threshold

and (2) the average of the Dispatch Targets for Energy for the current Dispatch Interval and the previous Dispatch Interval plus the average Regulating Reserve Deployment instruction for that Dispatch Interval.

***Excessive Withdrawal:*** The amount of an Electric Storage Resource's Actual Energy Injection at a Commercial Pricing Node in the Real-Time Energy and Operating Reserve Market in a Dispatch Interval that is less than the minimum of the Deficient Energy Threshold or zero (0).

***Expected Unserved Energy (EUE):*** In the probabilistic study, an estimate of the energy that would otherwise have been used by end use customers but for a supply interruption.

***Export Schedule:*** An Interchange Schedule in which the Interchange Schedule Receipt Point lies within the MISO Balancing Authority Area and the Interchange Schedule Delivery Point lies outside the MISO Balancing Authority Area.

***Exporting Entity:*** A Market Participant that is not a Load Serving Entity with a cleared Export Schedule in the Day-Ahead Energy and Operating Reserve Market or an Export Schedule in the Real-Time Energy and Operating Reserve Market.

***Extended Locational Marginal Price (ELMP):*** The Transmission Provider shall implement, ELMP, an enhanced pricing mechanism expanding upon LMP and MCP in which additional resources, including resources that are scheduled to operate at limits, certain off-line resources, and the start-up or shut-down and no-load or curtailment costs of resources may be included in the calculation of prices at the Commercial Pricing nodes located throughout the Transmission Provider region. Such prices shall be calculated per the process set forth in Schedule 29A.

***Extended Transmission Outage:*** A Planned Transmission Outage that exceeds the original outage schedule previously provided by the Transmission Owner to the Transmission Provider.

***External Asynchronous Resource:*** A Resource representing an asynchronous DC tie between the synchronous Eastern Interconnection grid and an asynchronous grid that is supported within the Transmission Provider Region through Dynamic Interchange Schedules in the Day-Ahead Energy and Operating Reserve Market and/or Real-Time Energy and Operating Reserve Market. External Asynchronous Resources are located where the asynchronous tie terminates in the synchronous Eastern Interconnection grid.

***External Resource:*** A generator located outside of the metered boundaries of the MISO Balancing Authority Area.

***External Resource Zone (ERZ):*** A grouping of one or more External Resources in the same external balancing authority for purposes of the Planning Resource Auction.

***Extreme Event:*** An event which includes, but is not limited to, extreme weather events, or other emergency events that have a severe short-term impact on market pricing. Such an event may be declared by the Transmission Provider in its sole discretion and shall affect the applicable Credit Policy calculations as set forth in within Attachment L.

***Facility:*** An electric generating unit or an electric generating station composed of one or more contiguous electric generating units aggregated at a single geographical site.

***Facilities Study:*** An engineering study conducted by the Transmission Provider or ITC in collaboration with the affected Transmission Owner(s) and ITC Participant(s) to determine the required modifications to the Transmission System, including the cost and scheduled completion date for such modifications, that will be required to provide the requested Transmission Service. The Transmission Provider shall have the final determination and ultimate responsibility for any such studies. Facilities Studies for any transmission facilities not under the operational control of the Transmission Provider shall be performed by the Transmission Owner, or ITC, or any entity it designates to perform the studies.

***Fast Ramping Resource:*** A Generation Resource that: (1) meets the qualification criteria of having a: (i) ramp rate greater than eighty (80) MW per minute; (ii) Fast Ramping Resource Performance Score that meets or exceeds the Fast Ramping Resource Performance Threshold when responding to regulation signals in Fast Ramping Resource Performance Tests; and (iii) duration greater than 20 minutes or more for Use Limited Resources; and (2) as such, will receive a fast changing regulation signal for a market interval for which it has been offered.

***Fast Ramping Resource Historical Performance Score:*** A performance score calculated on a Regulation Qualified Resource as the ratio of its Fast Ramping Resource Passed Intervals to its Fast Ramping Resource Valid Intervals in the Dispatch Intervals in all previous Hours when it was offered as a Fast Ramping Resource.

***Fast Ramping Resource Passed Interval:*** An AGC signal interval, within a Fast Ramping Resource Performance Test, that is considered passed by a Resource offered as a Fast Ramping Resource for a particular Hour, during Regulating Reserve Deployment for the AGC signal interval if the MW response of the Resource for the Setpoint Instruction, adjusted for the communication delay, is within the tolerance range (*i.e.*, +/- 0.25 MW if the delta change is 0.8 MW or less, and +/- 30 percent if the delta change is greater than 0.8 MW).

***Fast Ramping Resource Performance Score:*** A score calculated during a Fast Ramping Resource Performance Test.

***Fast Ramping Resource Performance Test:*** A test performed in real time to evaluate the capability of a Regulation Qualified Resource that is offered as a Fast Ramping Resource to perform reliably as a Fast Ramping Resource while deploying Regulating Reserve. The test will be performed on such a Regulation Qualified Resource that is receiving either fast or regular regulation signals. At the start of each hourly interval, the Resource will be assigned an initial score that is the higher of the Fast Ramping Resource Historical Performance Score or the Fast Ramping Resource Performance Threshold. Within each hourly interval, at the end of each Dispatch Interval, a new adjustment to the initial score will be calculated as the ratio of Fast Ramping Resource Passed Intervals to Fast Ramping Resource Valid Intervals in the current and all previous Dispatch Intervals in the particular hourly interval.

***Fast Ramping Resource Performance Threshold:*** A minimum Fast Ramping Resource Performance Score of seventy percent (70%) that a Resource is required to meet to be

qualified as a Fast Ramping Resource.

***Fast Ramping Resource Valid Interval:*** An AGC signal interval is considered valid for a Resource undergoing a Fast Ramping Resource Performance Test, during its Regulating Reserve Deployment for an AGC signal interval, during which a new Setpoint Instruction is calculated that changes by a threshold MW of at least 0.1 MW from the previous Setpoint Instruction.

***Fast Start Resource:*** An online Generation Resource that is started, synchronized and injects Energy, or a Demand Response Resource that reduces its Energy consumption, within sixty (60) minutes of being notified and that has a minimum run time of one hour or less and that will participate in setting price as described in the process in Schedule 29A of this Tariff. A Fast Start Resource does not include fuel-limited resources such as pumped storage, Electric Storage Resources, run-of-river hydro, and wind resources. Offline Generation Resources will not participate in setting price as described in the process in Schedule 29A of this Tariff.

***Fast Start Resource All-In Energy Offer:*** The sum of an online Fast Start Resource's Energy Offer, its amortized No Load Offer and, during its Minimum Run Time, its amortized Start up Offer; provided, that, in the case of a Demand Response Resource – Type I, it shall be the sum of the Energy Offer, its amortized Hourly Curtailment Offer and its amortized Shut-Down Offer over its minimum interruption duration.

***Fast Start Resource All-In Reference Level:*** The sum of an online Fast Start Resource's Energy Reference Level, its amortized No Load Reference Level and, during its Minimum Run Time, its amortized Start up Reference Level; provided, that, in the case

of a Demand Response Resource – Type I, it shall be the sum of the Energy Reference Level, its amortized Hourly Curtailment Offer Reference Level and its amortized Shut-Down Offer Reference Level over its minimum interruption duration.

***Feasibility Upgrade Process:*** The procedure that enables additional ARRs to be allocated based upon Network Upgrades as part of the MTEP process.

***Federal Energy Regulatory Commission (FERC) Uniform System of Accounts:*** The Commission’s Uniform System of Accounts in the Code of Federal Regulations, Title 18, Conservation of Power and Water Resources, Parts 1-399, pursuant to which electric public utilities, licensees and other companies within FERC jurisdiction are required to maintain their books and records.

***Federal Power Marketing Agency:*** Any agency or instrumentality of the United States (other than the Tennessee Valley Authority), which sells electric Energy.

***FERC Market Rules:*** The market behavior rules and the prohibition against electricity Energy market manipulation codified by the Commission in its Rules and Regulations at 18 CFR § 1c.2 and 35.37, respectively; and any related proscriptions or any successor rules that the Commission from time to time may issue, approve or otherwise establish.

***File Transfer Protocol (FTP):*** The standardized File Transfer Protocol for data transfer.

***Final Planning Reserve Margin Requirement (Final PRMR):*** For LSEs not selecting the Reliability Based Demand Curve Opt Out, the PRMR established as a result of the PRA clearing using RBDCs. For LSEs selecting the RBDC Opt Out, Final PRMR is based on the sum of the applicable PRM plus the applicable RBDC Opt Out Adder. LSEs under state jurisdiction where the state has overridden the PRM established by the Transmission

Provider will have a Final PRMR based on the planning reserve margin established by the state.

***Financial Schedule:*** A financial arrangement between two Market Participants designating a Source Point, Sink Point and Delivery Point establishing the obligations of the buyer and seller for the payment of Cost of Congestion and Cost of Losses. The Transmission Provider is not the Energy Market Counterparty to the sale of Energy under a Financial Schedule transaction and collects and disburses the Transmission Usage Charge as agent for the parties to the Financial Schedule.

***Financial Security:*** A Cash Deposit or Irrevocable Letter of Credit in an amount and form determined by and acceptable to Transmission Provider, provided by an Applicant and/or Tariff Customer to Transmission Provider as security.

***Financial Transmission Right (FTR):*** A financial instrument that entitles the holder to receive compensation for or requires the holder to pay certain congestion related transmission charges that arise when the Transmission System is congested and differences in Marginal Congestion Components of Day-Ahead Ex Post LMPs result.

***Firm Flow:*** The estimated impacts of firm transactions under network and point-to-point Transmission Service on a particular Coordinated Flowgate.

***Firm Point-To-Point Transmission Service:*** Transmission Service under this Tariff that is reserved and/or scheduled between specified Points of Receipt and Points of Delivery pursuant to Module B of this Tariff.

***Firm Service Level:*** The MW portion of the total demand of a Demand Resource that is not subject to curtailment as a Demand Resource.

***First Planning Area:*** The Transmission System of the Transmission Provider Region as it existed immediately before the effective date of the Second Planning Area. The First Planning Area may be modified from time to time by: (1) the addition of any transmission facilities in the Midwest portion of the United States (i.e., Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Montana, North Dakota, Ohio, South Dakota, and Wisconsin) where transmission facilities not under the functional control of the Transmission Provider are subsequently conveyed to the functional control of the Transmission Provider to be used to provide Transmission Service under Module B of the Tariff; or (2) the withdrawal from the Transmission Provider Region of a Member located in the First Planning Area.

***Fixed Carrying Charge:*** An annual charge calculated by taking the cost of service carrying charge elements expressed as a percent multiplied by the Transmission Owner or ITC's rate base. The carrying charge elements include: operations and maintenance, depreciation expense, other taxes, return, and income taxes.

***Fixed Demand Bid:*** A request to purchase a specified MWh quantity of Energy, at specified locations in the Transmission Provider Region, during specific Hours of the next Operating Day submitted to the Day-Ahead Energy and Operating Reserve Market. Demand Bids may only be submitted by a Market Participant that is itself a Load Serving Entity (LSE) or is purchasing Energy to serve an LSE.

***Fixed Interchange Schedule:*** An Interchange Schedule consisting of a fixed, non-Dispatchable amount, used in the Energy and Operating Reserve Markets.

***Fixed Resource Adequacy Plan (FRAP):*** A plan submitted by an LSE through the MECT to

the Transmission Provider that is approved by the Transmission Provider which demonstrates that the LSE has sufficient ZRCs to meet all or part of its Initial PRMR for one or more LRZs in a Season.

***Flowgate:*** A representative modeling of a facility or group of facilities that may act as a constraint to power transfer on the Bulk Electric System.

***Flowgate Rating:*** The Total Transfer Capability of a Flowgate.

***Forced Outage or Generator Forced Outage:*** An immediate reduction in output, Capacity or removal from service, in whole or in part, of a Generation Resource by reason of an Emergency or threatened Emergency, unanticipated failure, inability to return on schedule from a Planned Transmission Outage, or other cause beyond the control of the owner or operator of the facility, as specified in the relevant portions of the BPM for Outage Operations. A reduction in output or removal from service of a Generation Resource in response to changes in Energy Market conditions does not constitute a Generator Forced Outage.

***Forecast LSE Requirement:*** The forecasted Demand including the effect of all losses for an LSE at a CPNode for a Month less the Full Responsibility Purchases plus the Full Responsibility Sales and minus the Demand Resources that were registered to net for a given Month all at the same CPNode.

***Forecast Maximum Limit:*** The maximum MW level at which a Dispatchable Intermittent Resource is forecasted to operate.

***Foreign Guarantor:*** A Guarantor that is organized under the laws of a jurisdiction outside of the United States or Canada.

***Foreign Guaranty:*** A Corporate Guaranty accepted from a Guarantor that is organized under the laws of a jurisdiction outside of the United States or Canada.

***Forward Reliability Assessment Commitment (FRAC):*** A RAC process conducted up to seven (7) days prior to, and before the closing of, the Day-Ahead Energy and Operating Reserve Market.

***FTR and ARR Transactions Cleared But Not Yet Settled:*** This service category is a component of the FTR Potential Exposure. The FTR and ARR Transactions Cleared But Not Yet Settled are calculated on a monthly basis. If the net monthly value is positive, it is included in the FTR Potential Exposure calculation. If the net monthly value is negative, the value is not included in the FTR Potential Exposure calculation.

***FTR Auction:*** An auction conducted periodically through which the Transmission Provider, subject to the Simultaneous Feasibility Test: (i) awards FTRs of various durations and (ii) facilitates the selling of existing FTRs between Market Participants.

***FTR Auction Credit Allocation:*** The amount of the Applicant's and/or Tariff Customer's Total Credit Limit allocated to FTR Auctions.

***FTR Auction Credit Exposure:*** Exposure to non-payment associated with the amount of the Applicant's and/or Tariff Customer's FTR Bids and Offers submitted in the auction.

***FTR Auction Participant:*** A Market Participant that participates in an FTR Auction administered by the Transmission Provider.

***FTR Auction Settled Transactions Exposure:*** The potential exposure to non-payment associated with FTR Auction transactions that have been cleared and settled.

***FTR Bid:*** A bid to purchase an FTR through an FTR Auction.

***FTR Bidder:*** A Market Participant submitting an FTR Bid.

***FTR Delivery Point:*** The transaction Delivery Point specified in a receipt point to delivery point FTR.

***FTR Holder:*** A Market Participant that owns one (1) or more FTRs.

***FTR MCP:*** The price at which a set of Comparable FTRs are sold through an FTR Auction.

***FTR Obligation:*** A receipt point to delivery point FTR that imposes a financial obligation on the FTR Holder if congestion exists in the direction from the FTR Delivery Point to the FTR Receipt Point.

***FTR Offer:*** An offer to sell an FTR through an FTR Auction.

***FTR Offeror:*** A Market Participant submitting an FTR Offer.

***FTR Option:*** A receipt point to delivery point FTR that imposes no financial obligations on the FTR Holder under any conditions.

***FTR Period:*** The period(s) of time on a given Day during which an FTR is in effect (On Peak, Off Peak, or full Day time period(s)).

***FTR Potential Exposure:*** The sum of exposure values as defined in Section V.B of Attachment L to this Tariff. Included are all FTR related charge types.

***FTR Potential Exposure Violation:*** A condition that exists whenever a Tariff Customer's FTR Potential Exposure plus the larger of the FTR Auction Credit Allocation or FTR Auction Credit Exposure exceeds its Financial Security less its alternative capitalization requirement as further defined in Section V.C of Attachment L to this Tariff.

***FTR Quantity:*** The quantity in MW specified in an FTR.

***FTR Receipt Point:*** The transaction receipt point specified in an FTR.

***FTR Transactions Cleared But Not Yet Settled:*** The value of the FTRs based on the clearing price(s) established as a result of an FTR Auction which has been cleared, but has not yet been settled.

***Fuel Cost Uncertainty Adder:*** An amount determined by the Independent Market Monitor, not to exceed \$100 per MWh, that is included in the Reference Level determination to account for fuel cost uncertainty when the resulting Reference Level exceeds \$1,000 per MWh.

***Full Responsibility Purchases:*** The total of all purchases coincident with the expected Demand of the LSE under which the seller is contractually obligated to deliver Energy plus reserves to the purchaser, expressed in MWs for the hour. Reserve provision by the seller as a percent must meet or exceed the PRM obligation for the purchasing LSE. Up Ramp Capability and Down Ramp Capability by the seller as a percent must meet or exceed the PRM obligation for the purchasing LSE. Short-Term Reserve provision by the seller as a percent must meet or exceed the PRM obligation for the purchasing LSE. Each purchaser and seller must agree on which of their transactions are to be reported under this heading.

***Full Responsibility Sales:*** The total of all sales coincident with the expected Demand of the LSE under which the seller is contractually obligated to deliver Energy plus reserves to the purchaser, expressed in MWs for the hour. Reserve provision by the seller as a percent must meet or exceed the PRM obligation for the purchasing LSE. Up Ramp Capability and Down Ramp Capability by the seller as a percent must meet or exceed the PRM obligation for the purchasing LSE. Short-Term Reserve provision by the seller as a

percent must meet or exceed the PRM obligation for the purchasing LSE. Each purchaser and seller must agree on which of their transactions are to be reported.

**GAAP:** Generally Accepted Accounting Principles.

**Generation Interconnection Projects:** New Transmission Access Projects associated with the interconnection of or increase in generating Capacity of Generation Resources pursuant to Attachment R and Attachment X of this Tariff.

**Generation Offer:** An Energy Offer, Start-Up Offer, No-Load Offer, Regulating Capacity Offer and Regulating Mileage Offer (if a Regulation Qualified Resource), Spinning Reserve Offer (if a Spin Qualified Resource), On Line Supplemental Reserve Offer (if not a Spin Qualified Resource), Off Line Supplemental Reserve Offer (if a Quick Start Resource), Off-Line Short-Term Reserve Offer (if an Off-Line Short-Term Reserve Qualified Resource), Up and Down Ramp Capability dispatch status, On-Line Short-Term Reserve Dispatch Status, and Off-Line Short-Term Reserve Dispatch Status submitted by a Market Participant within the MISO Balancing Authority Area for the output of a specified Generation Resource to supply Energy, Operating Reserve, Up Ramp Capability, Down Ramp Capability, and/or Short-Term Reserve to the Energy and Operating Reserve Market.

**Generation Owner:** An entity that owns, leases with rights equivalent to ownership in, and controls the output of or operates Generation Resources.

**Generation Outage:** A forced or planned outage of Generation Resources.

**Generation Resource:** A Generation Resource is a Generator within the MISO Balancing Authority Area or an External Resource that is Pseudo-tied into the MISO Balancing Authority Area and that (i) is registered to participate in the Energy and Operating Reserve Markets, (ii) is capable of supplying Energy, Capacity, Operating Reserve, Up

Ramp Capability, Down Ramp Capability, and/or Short-Term Reserve, (iii) is capable of complying with the Transmission Provider's Setpoint Instructions and (iv) has the appropriate metering equipment installed.

**Generation Shift Factors:** Ratios equal to the incremental increase or decrease in flow on a flowgate divided by an incremental increase or decrease in a Generation Resource's output.

**Generation Verification Test Capacity (GVTC):** The maximum output (MW) that a Generation Resource, External Resource or BTMG can sustain over the specified period of time, if there are no equipment, operating, or regulatory restrictions, minus any Capacity utilized for On-Site Self-Supply, as detailed in the Business Practices Manual for Resource Adequacy.

**Generator:** Any generating or generation facility, including a storage Resource, subject to the Transmission Provider's direction hereunder pursuant to either the Operating Protocol for Existing Generators, an IOA or an LGIA.

**Generator Forced Outage:** An immediate reduction in output, Capacity or removal from service, in whole or in part, of a Generation Resource by reason of an Emergency or threatened Emergency, unanticipated failure, inability to return on schedule from a Planned Transmission Outage, or other cause beyond the control of the owner or operator of the facility, as specified in the relevant portions of the Business Practices Manuals. A reduction in output or removal from service of a Generation Resource in response to changes in market conditions shall not constitute a Generator Forced Outage.

**Generator Interconnection Agreement (GIA):** The form of interconnection agreement provided

in Appendix 6 of Attachment X to the Tariff.

**Generator Planned Outage:** The scheduled removal from service, in whole or in part, of a Generation Resource for inspection, maintenance or repair with the approval of the Transmission Provider in accordance with the Business Practices Manuals.

**Generator Self Supply:** For any given period of time, the total Energy taken out of the Transmission System by the Loads designated as Self-Supply by a Market Participant which is a Generation Owner up to an amount equal to the total Energy placed into the Transmission System by the Generators designated as Self-Supply by the same Market Participant and owned by it.

**GFA Schedule Delivery Point:** The location where a GFA Schedule sinks.

**GFA Schedule Receipt Point:** The location where a GFA Schedule sources.

**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 is 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, intended to include acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215(a)(4).

**Governmental Authority:** Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental

subdivision, legislature, rulemaking board, tribunal or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Transmission Provider.

***Grandfathered Agreement(s) (GFA):*** An agreement or agreements executed or committed to prior to September 16, 1998 or ITC Grandfathered Agreements that are not subject to the specific terms and conditions of this Tariff consistent with the Commission's policies. These agreements are set forth in Attachment P to this Tariff.

***Grandfathered Agreement (GFA) Responsible Entity:*** An entity financially responsible for all costs incurred by transactions pursuant to Grandfathered Agreement(s) under this Tariff.

***Grandfathered Agreement (GFA) Schedule:*** A Schedule associated with a Grandfathered Agreement.

***Grandfathered Agreement (GFA) Scheduling Entity:*** An entity responsible for scheduling Transmission Service or Energy transactions related to Grandfathered Agreements under this Tariff.

***Guarantor:*** A guarantor under a Corporate Guaranty.

**Headroom:** For all Resources committed by the Transmission Provider in any real-time RAC processes or the LAC process conducted for the Operating Day, the difference between (i) the real-time Economic Maximum Dispatch and (ii) the sum of the Real-Time (a) Dispatch Target for Energy, (b) Dispatch Target for Regulating Reserve, (c) Dispatch Target for Spinning Reserve, (d) Dispatch Target for Supplemental Reserve, and (e) Dispatch Target for Short-Term Reserve.

**High Utilization Factor Unit (HUFU) Reserved Source Point (RSP):** An RSP that does not qualify for inclusion in the BRSS per section 43.2.4.a.i.(b) but has a RSP Utilization Factor of seventy percent (70%) or greater.

**Historic Unit Consideration:** A right to receive excess Planning Resource Auction revenue based on qualification described in Section 69A.7.7(a).

**Hour:** A sixty (60) minute clock hour interval commencing the first second of each clock hour.

**Hot-to-Cold Time:** The number of hours that must elapse between the time a Generation Resource, Demand Response Resource – Type II, or Electric Storage Resource is desynchronized and the time at which a cold Start-Up Offer would apply.

**Hot-to-Intermediate Time:** The number of hours that must elapse between the time a Generation Resource, Demand Response Resource – Type II, or Electric Storage Resource is desynchronized and the time at which an intermediate Start-Up Offer would apply.

**Hourly Bi-Directional Ramp Rate:** The MW/minute rate at which a Generation Resource, an External Asynchronous Resource, or Demand Response Resource - Type II can respond to either increasing or decreasing Setpoint Instructions that may be submitted to override

the default value submitted during the asset registration process.

***Hourly Charge Ramp Rate:*** The MW/minute response rate for an Electric Storage Resource moving from zero output to its Hourly Economic Minimum Charge Limit and/or from the Hourly Economic Minimum Charge Limit to zero output that is utilized in the clearing of the Day-Ahead Energy and Operating Reserve Market and all Reliability Assessment Commitment processes, and in responding to either increasing or decreasing Setpoint Instructions between zero and the Hourly Economic Minimum Charge Limit that may be submitted to override the default value submitted during the asset registration process.

***Hourly Curtailment Offer:*** The compensation request, in dollars per Hour, in a Demand Response Resource-Type I Offer by a Market Participant representing the fees required for operating a Demand Response Resource Type I in an interrupted state.

***Hourly Discharge Ramp Rate:*** The MW/minute response rate for an Electric Storage Resource moving from zero output to its Hourly Economic Maximum Discharge Limit and/or from the Hourly Economic Maximum Discharge Limit to zero output that is utilized in the clearing of the Day-Ahead Energy and Operating Reserve Market and all Reliability Assessment Commitment processes, and in responding to either increasing or decreasing Setpoint Instructions between zero and the Hourly Economic Maximum Discharge Limit that may be submitted to override the default value submitted during the asset registration process.

***Hourly Economic Maximum Limit:*** The maximum MW level at which a Generation Resource, Demand Response Resource Type II, or External Asynchronous Resource may operate under normal system conditions that may be submitted to override the default value

submitted during the asset registration process.

***Hourly Economic Maximum Charge Limit:*** The maximum withdrawal MW level at which an Electric Storage Resource may operate under normal system conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Economic Maximum Discharge Limit:*** The maximum injection MW level at which an Electric Storage Resource may operate under normal system conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Economic Minimum Limit:*** The minimum MW level at which a Generation Resource, Demand Response Resource Type II, or External Asynchronous Resource may operate under normal system conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Economic Minimum Charge Limit:*** The minimum withdrawal MW level at which an Electric Storage Resource may operate under normal system conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Economic Minimum Discharge Limit:*** The minimum injection MW level at which an Electric Storage Resource may operate under normal system conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Electric Storage Resource Efficiency Factor:*** An operating characteristic of an Electric Storage Resource that is the amount of increase in Energy Storage Level for each 1 MWh of Charge Energy withdrawn by that Resource and may be submitted to override the default value submitted during the asset registration process.

***Hourly Emergency Maximum Limit:*** The maximum MW level at which a Generation

Resource, an External Asynchronous Resource, or Demand Response Resource Type II may operate under Emergency conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Emergency Maximum Charge Limit:*** The maximum withdrawal MW level at which an Electric Storage Resource may operate under Emergency system conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Emergency Maximum Discharge Limit:*** The maximum injection MW level at which an Electric Storage Resource may operate under Emergency system conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Emergency Minimum Limit:*** The minimum MW level at which a Generation Resource, an External Asynchronous Resource, or Demand Response Resource Type II may operate under Emergency conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Emergency Minimum Charge Limit:*** The minimum withdrawal MW level at which an Electric Storage Resource may operate under Emergency system conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Emergency Minimum Discharge Limit:*** The minimum injection MW level at which an Electric Storage Resource may operate under Emergency system conditions that may be submitted to override the default value submitted during the asset registration process.

***Hourly Ex Post MCP:*** The average Regulating Reserve MCP, Regulating Mileage MCP, Spinning Reserve MCP, Supplemental Reserve MCP, Up Ramp Capability MCP, Down Ramp Capability MCP, and Short-Term Reserve MCP applicable to a specific Resource

derived through time and quantity weighting of the applicable Ex Post MCPs over the Hour, and used for purposes of Settlement of Operating Reserves, Regulating Mileage, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve in the Real-Time Energy and Operating Reserve Market.

***Hourly Fast Ramping Resource:*** An hourly Offer parameter flag (“Yes/No”) representing whether a Resource is offered into the Real-Time Energy and Operating Reserve Market as a Fast Ramping Resource.

***Hourly Integrated Forecast Maximum Limit:*** The hourly integration of the Forecast Maximum Limits of a Dispatchable Intermittent Resource as used by the SCED algorithm in the Real-Time Energy and Operating Reserve Market for a given Hour.

***Hourly Maximum Energy Storage Level:*** The maximum amount of Energy that may be stored by an Electric Storage Resource on a sustained basis, expressed in MWh, that may be submitted to override the default value submitted during the asset registration process. This is equivalent to the hourly maximum State of Charge.

***Hourly Minimum Energy Storage Level:*** The minimum amount of Energy that may be stored by an Electric Storage Resource on a sustained basis, expressed in MWh, that may be submitted to override the default value submitted during the asset registration process. This is equivalent to the hourly minimum State of Charge.

***Hourly Neutral Zone Lower Limit:*** A MWh lower limit representing a percentage of the Capacity of a Fast Ramping Resource up to which it is being offered, which will be used in the Automatic Generation Control fast ramping regulation signal logic.

***Hourly Neutral Zone Upper Limit:*** A MWh upper limit representing a percentage of the Capacity of a Fast Ramping Resource up to which it is being offered, which will be used in the Automatic Generation Control fast ramping regulation signal logic.

***Hourly Ramp Rate:*** The MW/minute response rate for a Generation Resource, External Asynchronous Resource, or Demand Response Resource Type-II that is utilized in the clearing of the Day-Ahead Energy and Operating Reserve Market and all Reliability Assessment Commitment processes that may be submitted to override the default value submitted during the asset registration process.

***Hourly Real-Time Ex Post LMP:*** The LMP derived through mathematical integration of the Dispatch Interval Real-Time Ex Post LMPs over the Hour, and used for purposes of Settlement of Energy transactions in the Real-Time Energy and Operating Reserve Market.

***Hourly Real-Time Ex Post MCP:*** The average MCPs for Regulating Reserve, Spinning Reserve, Supplemental Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve applicable to a specific Resource derived through time and quantity weighting of the applicable Real-Time Ex Post MCPs over the Hour, and used for purposes of Settlement of Operating Reserves, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve in the Real-Time Energy and Operating Reserve Market.

***Hourly Regulation Maximum Charge Limit:*** The maximum withdrawal MW level at which an Electric Storage Resource can respond to automatic control signals, that may be submitted to override the default value submitted during the asset registration process.

***Hourly Regulation Maximum Discharge Limit:*** The maximum injection MW level at which an Electric Storage Resource can respond to automatic control signals, that may be submitted to override the default value submitted during the asset registration process.

***Hourly Regulation Maximum Limit:*** The maximum MW output at which a Generation Resource, Demand Response Resource – Type II, or External Asynchronous Resource can respond to automatic control signals that may be submitted to override the default value submitted during the asset registration process.

***Hourly Regulation Minimum Charge Limit:*** The minimum withdrawal MW level at which an Electric Storage Resource can respond to automatic control signals, that may be submitted to override the default value submitted during the asset registration process.

***Hourly Regulation Minimum Discharge Limit:*** The minimum injection MW level at which an Electric Storage Resource can respond to automatic control signals, that may be submitted to override the default value submitted during the asset registration process.

***Hourly Regulation Minimum Limit:*** The minimum MW output at which a Generation Resource, Demand Response Resource–Type II, or External Asynchronous Resource can respond to automatic control signals that may be submitted to override the default value submitted during the asset registration process.

***Hourly Single-Directional-Down Ramp Rate:*** The MW/minute rate at which a Generation Resource, an External Asynchronous Resource, or Demand Response Resource-Type II can respond to the Setpoint Instructions in the downward direction only that may be submitted to override the default value submitted during the asset registration process.

***Hourly Single-Directional-Up Ramp Rate:*** The MW/minute rate at which a Generation

Resource, an External Asynchronous Resource, or Demand Response Resource-Type II can respond to the Setpoint Instructions in the upward direction only that may be submitted to override the default value submitted during the asset registration process.

***Hourly Transmission Congestion Charges Collection:*** The aggregate amount of Transmission Usage Charge collected in a given Hour.

***Hub:*** A Commercial Pricing Node developed for financial and trading purposes.

***HUFU ARR:*** An ARR allocated during the LTTR Restoration and Termination Stage of an Annual ARR Allocation from a HUFU ARR Entitlement.

***HUFU ARR Entitlement:*** An ARR Entitlement defined from a HUFU RSP to the applicable ARR Zone. The MW amount of a HUFU ARR Entitlement is calculated, and corresponds to, the RSP MW at a fifty percent (50%) implied capacity factor. A HUFU ARR Entitlement is calculated as follows:

HUFU MW Level = (total net generation MWh in the test period) / (50% x Total Hours in the test period).

***Hub LMP:*** The weighted-averaged LMP for an invariant set of Elemental Pricing Nodes that comprise the Hub. The weights are static over time, except for those of Elemental Pricing Nodes constituting ARR Zones administered as Hub Commercial Pricing Nodes. The weights, or weighting factors, for determining ARR Zone LMPs are updated daily based on State Estimator information.

***High-Voltage Direct Current Facilities:*** The high voltage direct current transmission facilities, including associated alternating current facilities, if any, that are subject to Section 27A of this Tariff and that are specifically identified in: (i) any Agency Agreement pertaining

to such facilities between the Transmission Provider and the Transmission Owner that owns or operates such facilities, or (ii) in any other contractual arrangement that permits the Transmission Provider to provide HVDC Service over such facilities, as set forth in Section 27A of this Tariff.

***High-Voltage Direct Current Facility Upgrades:*** All or portion of the modifications or additions to any HVDC Facilities for the general benefit of all Users of such HVDC Facilities.

***High-Voltage Direct Current Service:*** Firm and Non-Firm Point-to-Point Transmission Service provided by the Transmission Provider on HVDC Facilities pursuant to Section 27A of this Tariff.

***High-Voltage Direct Current Service Agreement:*** Any executed or unexecuted agreement for HVDC Service, as reflected in Attachment A-3, A-4, and B-1 of this Tariff.

***High-Voltage Direct Current Service Charge(s):*** The charge(s) for HVDC Service, as stated in the relevant HVDC Service Agreement.

***Hybrid Resource:*** A Generator that combines more than one type of Electric Facility for the production and/or storage for later injection of electricity that participates as a single Generation Resource in the Energy and Operating Reserve Market.

***ICAP Deferral Non-Compliance Charges:*** A charge that is assessed to a Market Participant that fails to submit GVTC results, demonstrate deliverability, demonstrate commercial operation, and/or replace ZRCs by the last Business Day prior to the start of any Season for which a Market Participant has an ICAP deferral associated with Planning Resources that participate in the Resource Adequacy Requirements provisions, including the Planning Resource Auction and the Fixed Resource Adequacy Plan, per Section 69A.7.9.

***ICAP Deferral Notice:*** Notice provided by a Market Participant that elects to defer submission of ICAP results in accordance with Section 69A.7.9.

***ICCP/ISN:*** Common communication protocols adopted to standardize information transfer.

***Import Schedule:*** An Interchange Schedule in which the Interchange Schedule Delivery Point lies within the MISO Balancing Authority Area and the Interchange Schedule Receipt Point lies outside of the MISO Balancing Authority Area.

***Inadvertent Energy:*** The mathematical time integral deviation of a Balancing Authority's Net Scheduled Interchange subtracted from its Net Actual Interchange where a negative value denotes a condition of undergeneration and a positive value denotes overgeneration.

***Inadvertent Energy Value:*** For the MISO Balancing Authority Area within the Transmission System, the calculated monetary value for each Hour of the Inadvertent Energy expressed in MWh multiplied by the MISO Balancing Authority Area's average generation Hourly Real-Time Ex Post LMP for the Hour.

***Incremental Energy Cost:*** The area under a Generation Resource's, Demand Response Resource's-Type II, Electric Storage Resource's, or External Asynchronous Resource's offered incremental Energy cost curve, consisting of (MW, dollars per MW) pairs,

between an upper and lower bound.

***Independent Market Monitor (IMM):*** The person or person(s), or consulting firm or other entity, retained by the Transmission Provider to carry out the Plan described in Module D.

***Information Request:*** A written request, in accordance with the terms of the Tariff, for disclosure of Confidential Information pursuant to Section 38.9.4 of the Tariff.

***Inframarginal Rents:*** Estimated revenues from the Transmission Provider's Energy and Operating Reserves Markets in excess of production costs for a Generation Resource.

***Initial Energy Storage Level:*** The stored Energy available from an Electric Storage Resource for Energy or Operating Reserves at the start of the Day-Ahead Energy and Operating Reserve Market.

***Initial Planning Reserve Margin Requirement (Initial PRMR):*** The PRMR based on the Planning Reserve Margin established in the Loss of Load Expectation (LOLE) study.

***Inoperable Capacity:*** The amount of Generation Resources expected to be totally or partially unavailable due to: (i) scheduled outage during the reporting hours, including maintenance and planned outages, (ii) legal or regulatory restrictions, including environmental restrictions, (iii) extensive modifications or repairs, reduction in output due to hydro conditions, or (iv) a mothballed state.

***Installed Capacity (ICAP):*** The amount of Capacity assigned to a Capacity Resource which is the lesser of the Capacity Resource's annual, seasonal, or monthly net demonstrated capability and the net output identified in the Capacity Resource's Interconnection and Operating Agreement.

***Instructed Energy Mileage:*** The movement, in MW, that a Resource is asked to provide during a Dispatch Interval in response to Energy Dispatch Targets and Contingency Reserve Deployment Instructions using a resource's applicable ramp rate.

***Instructed Regulating Mileage:*** The movement during a Dispatch Interval, in MW, that a resource is asked to provide in response to Regulation Deployment Instructions.

***Instructed Total Mileage:*** The movement, MW, that a resource is asked to provide during a Dispatch Interval in response to Setpoint Instructions using the resource's applicable ramp rate.

***Integrated Control Center System (ICCS):*** Integrated Control Center Systems for the Transmission Provider.

***Integrated Transmission Agreement (ITAs):*** Agreements regarding cost sharing and operational responsibilities between two or more parties involving joint construction and integrated ownership and operation of transmission facilities in a Balancing Authority Area, where there are several entities owning transmission facilities and only one entity has executed the ISO Agreement and transferred operational control of their facilities to the Transmission Provider. All ITAs shall be treated as GFAs under this Tariff.

***Intellectual Property:*** The (i) ideas, designs, concepts, techniques, inventions, discoveries, or improvements, regardless of patentability, but including without limitation patents, patent applications, mask works, trade secrets, and know-how; (ii) works of authorship, regardless of copyright ability, including without limitation copyrights and any moral rights recognized by law; and (iii) any other similar rights.

***Interchange:*** Energy transfers that cross Balancing Authority Area boundaries.

***Interchange Distribution Calculator (IDC):*** A tool used by Reliability Coordinators in the Eastern Interconnection which calculates the distribution of energy flows over specific Flowgates and is used for assigned relief obligations and curtailments.

***Interchange Schedule:*** An Import Schedule, Export Schedule, or Through Schedule.

***Interchange Schedule Delivery Point:*** The location where an Interchange Schedule sinks. An Interchange Schedule Delivery Point can be a Point of Delivery, a Commercial Pricing Node, or an FTR Delivery Point.

***Interchange Schedule Receipt Point:*** The location where an Interchange Schedule sources. An Interchange Schedule Receipt Point can be a Commercial Pricing Node, a Point of Receipt, or an FTR Receipt Point.

***Interconnected Operations and Congestion Management Service:*** The service that the Transmission Provider shall provide under Part II of Module F of this Tariff.

***Interconnection Reliability Operating Limit (IROL):*** A System Operating Limit which, if exceeded, could lead to instability, uncontrolled separation, or cascading outages that adversely impact the reliability of the Bulk Electric System.

***Interconnection and Operating Agreement (IOA):*** The form of interconnection agreement provided in Attachment R-4 to the Tariff.

***Interconnection Service Limit:*** The maximum amount of interconnection service approved by the Transmission Provider associated with interconnecting a Generator or Generators to the Transmission System enabling the Transmission Provider to receive electric energy and capacity from a Generator or Generators at the point of interconnection, pursuant to the terms of an interconnection agreement or as otherwise agreed to by the Transmission

Provider and the Generator or Generators and, if applicable, the Tariff.

***Interconnection Service Limit Constraint:*** A constraint in the Security Constrained Unit Commitment, Security Constrained Economic Dispatch, and Security Constrained Economic Dispatch Pricing algorithms that collectively limits commitment and dispatch of all associated Co-located Resources sharing an Interconnection Service Limit at a single point of interconnection.

***Inter-Control Center Protocol (ICCP):*** Common communication protocols adopted to standardize information transfers.

***Interested Government Agencies:*** The Commission and the state regulatory commissions.

***Interface:*** An external Commercial Pricing Node where an LMP will be calculated to settle Market Activities associated with Import Schedules, Export Schedules, or Through Schedules. Interfaces are specified in the Business Practices Manuals.

***Intermittent Generation:*** A Resource or an External Resource that cannot be committed, de-committed, scheduled, or controlled to produce anticipated Energy or Ancillary Services.

***Intermittent Resource:*** A Resource that is not capable of being committed or decommitted by, or following Setpoint Instructions of, the Transmission Provider in the Real-Time Energy and Operating Reserve Market.

***Internal Commercially Pseudo-Tied Load:*** Load within the MISO Balancing Authority Area that a Market Participant defines in the Commercial Model as located in a Local Balancing Authority Area other than the Local Balancing Authority Area where the Load is physically located.

***Internal Delivery Point:*** The Commercial Pricing Node used to determine the Transmission

Usage Charge obligation of both the buyer and the seller under Financial Schedules. An Internal Delivery Point can be at any Commercial Pricing Node within the MISO Balancing Authority Area and can be the same as the Source Point or the Sink Point specified on the Financial Schedule.

***Internal FTRs:*** FTRs nominated from Network Resources that are internal to either the Local Balancing Authority Area or the state where the nominating entity is located, or both.

***Interregional Coordination Process:*** The coordination process set forth in the Joint Operating Agreement between the Transmission Provider and PJM Interconnection, L.L.C.

***Interregional Security Network (ISN):*** Common communication protocols adopted to standardize information transfers.

***Interruptible Demand:*** The magnitude of customer demand that, in accordance with contractual arrangements can be interrupted by direct control of the Local Balancing Authority or by action of the customer at the direct request of the Local Balancing Authority. This demand reduction may be effected by the direct action of the Local Balancing Authority after notice to the customer in accordance with contractual provisions. Where an RE's agreements do not restrict its reserve-sharing pool to only the Local Balancing Authority, utilities acting as a Market Participant may become a member of the reserve-sharing pool. These utilities have the right to participate in the reserve-sharing pool, the right to call on operating reserves, and are obligated to supply reserves when called upon by other entities. A utility meeting the above conditions, and which has interruptible contracts with its retail customers, may control its interruptible demand without direction from the Local Balancing Authority.

***Interruptible Load:*** The magnitude of customer load that, in accordance with contractual arrangements, can be interrupted by direct control of the Local Balancing Authority or by action of the of the customer at the direct request of the Local Balancing Authority. Where an RE's agreements do not restrict its reserve-sharing pool to only the Local Balancing Authority, utilities acting as Market Participants may become members of the reserve-sharing pool. These utilities have the right to participate in the reserve-sharing pool, the right to call on operating reserves, and are obligated to supply reserves when called upon by other entities. A utility meeting the above conditions, and which has interruptible contracts with its retail customers, may control its Interruptible Load without direction from the Local Balancing Authority.

***Interruption:*** A reduction in Non-Firm Point-To-Point Transmission Service due to economic reasons pursuant to Module B, Section 14.7, or Section 27A of this Tariff.

***Irrevocable Letter of Credit:*** A Letter of Credit naming Transmission Provider as beneficiary taking the form found in Exhibit II of Attachment L of this Tariff.

***IRS:*** The Internal Revenue Service.

***ISO:*** The Midcontinent Independent System Operator, Inc., also referred to herein as "MISO" or the "Transmission Provider."

***ISO Agreement:*** The Agreement of Transmission Facilities Owners To Organize the Midcontinent Independent System Operator, Inc., on file with the Commission detailing the rights and obligations of the Transmission Provider.

***Issuer Rating:*** Rating provided by a Rating Agency, representing the Rating Agency's opinion of an obligor's capacity to meet its financial obligations.

***ITC:*** An independent transmission company that has executed an Appendix I Agreement with the Transmission Provider and the Transmission Owners.

***ITC Grandfathered Agreements(s):*** An agreement(s) under which an ITC will perform pursuant to its terms and conditions, consistent with the Commission's policies, rather than under the terms of this Tariff or the ITC Rate Schedule. Such agreements are set forth in Attachment P. For an ITC Participant that is not a public utility under the Federal Power Act, the ITC Grandfathered Agreement(s) shall be as defined in an agreement with the ITC. ITC Grandfathered Agreement(s) shall include a service agreement under an ITC Participant's tariff that is superseded by this Tariff only if the service agreement was entered into as part of a Commission-approved settlement for a jurisdictional ITC Participant or in accordance with an agreement between an ITC and a non jurisdictional ITC Participant.

***ITC Participant:*** An entity that is participating in an ITC.

***ITC Participant Transfer Agreement:*** The agreement between an ITC Participant and the ITC pursuant to which the ITC Participant has transferred ownership or functional responsibility of its transmission facilities to the ITC.

***ITC Rate Schedule:*** All schedules of rates, terms and conditions for ITC Service under this Tariff.

***ITC Service:*** Services provided by an ITC under this Tariff.

***ITC System:*** The portion of the Transmission System owned, controlled, or operated by an ITC and that is part of the Transmission Provider Transmission System as defined herein.

***Joint Action Agency:*** An independent entity that represents several municipalities and/or distribution cooperatives which may act as an agent to purchase power on behalf of such municipalities and/or distribution cooperatives.

***Joint-Developer Proposal:*** A Proposal submitted jointly by two or more RFP Respondents that would each be designated as Selected Developers for the Competitive Transmission Project, should the Joint-Developer Proposal be designated as the Selected Proposal by the Transmission Provider.

***Joint Operating Agreement:*** The Joint Operating Agreement between the Transmission Provider and PJM Interconnection, L.L.C.

***Jointly Owned Generation Resources:*** A Generation Resource owned by more than one (1) entity.

***Joint Registration Organization:*** A generation or transmission cooperative, a joint-action agency or another organization that registers jointly pursuant to Section 501, Subsection 1.2.7 of the Rules of Procedure for NERC.



***Legitimate Risks:*** Business operation risks, incurred by a Market Participant, that increase as a result of providing any of the products described in the Tariff. These risks include, but are not limited to, the risk of repair expenses; business interruption due to outages resulting from either a failure to start, or unplanned outages that occur when the facility is in service; regulatory restrictions; and disruptions from labor relations problems. These risks are in the nature of marginal costs included in Reference Levels. In contrast, the risk associated with fuel purchase price is not a component of Reference Levels, but rather a basis for the Fuel Cost Uncertainty Adder and some of the conduct thresholds under Module D.

***Letter of Credit:*** A Credit Support Document taking the form found in Exhibit II of Attachment L to this Tariff.

***Line Outage Distribution Factor (LODF):*** The percent of flow on line A, which is transferred to line B for the loss of line A.

***Load:*** A term that refers to either an end-user of Energy, net of system losses, or the amount of Energy (MWh) consumed by such end-user within the Transmission Provider Region.

***Load Forecast:*** An estimate of the amount of Energy (MWh) or Capacity (MW) to be consumed within the Transmission Provider's Region, prepared by the Transmission Provider based upon input from Local Balancing Authorities and Load Serving Entities, and used in the Transmission Provider's scheduling and dispatch decisions to ensure reliable operation of the MISO Balancing Authority.

***Load Modifying Resource:*** A Demand Resource or Behind the Meter Generation Resource.

***Load Modifying Resource Market Participant (LMR MP):*** A Market Participant that has the

rights to control the energy demand or the energy production from a Load Modifying Resource.

***Load Ratio Share:*** Ratio of a Transmission Customer's Network Load in a Zone to the total Load in that pricing Zone computed in accordance with Module B, Section 34.2 of this Tariff.

***Load Serving Entity (LSE):*** Any entity that has undertaken an obligation to serve Load for end-use customers by statute, franchise, regulatory requirement or contract for Load located within or attached to the Transmission System, including but not limited to purchase-selling entities and retail power marketers with the obligation to serve Load. Where a distribution cooperative or a municipal distribution system otherwise covered by the prior sentence is a wholesale customer of a generation and transmission cooperative or a municipal Joint Action Agency, the generation and transmission cooperative, a state or federal agency or municipal Joint Action Agency may act as the Load Serving Entity for such distribution cooperative or municipal distribution system. Where retail Load switching occurs in a state, the entity with the obligation to serve Load is the LSE

***Load Shedding:*** The systematic reduction of system demand by temporarily decreasing Load in response to a Transmission System Emergency, Local Transmission Emergency, or MISO Balancing Authority Area or Sub-Area Capacity shortages, system instability, or voltage control considerations under Module B and Module C, of this Tariff.

***Load Zone:*** A Zone determined by Market Participants representing an aggregate area of consumption for a single Load Serving Entity within the MISO Balancing Authority Area and used for the purposes of scheduling, reporting Actual Energy Withdrawal volumes,

and settling Energy transactions at aggregated Load levels, approved and maintained by the Transmission Provider to facilitate transactions.

***Local Balancing Authority (LBA):*** An operational entity or a Joint Registration Organization which is (i) responsible for compliance to NERC for the subset of NERC Balancing Authority Reliability Standards defined in the Balancing Authority Agreement for their local area within the MISO Balancing Authority Area, (ii) a Party to Balancing Authority Agreement, excluding MISO, and (iii) shown in Appendix A to the Balancing Authority Agreement.

***Local Balancing Authority Area:*** Shall have the meaning set forth in the Balancing Authority Agreement.

***Local Clearing Requirement (LCR):*** The minimum amount of Seasonal Accredited Capacity for an LRZ that is required to meet its LOLE for each Season while fully using the Zonal Import Ability for such LRZ and accounting for controllable exports.

***Local Clearing Requirement Charge:*** A charge that is assessed to Load Serving Entities whenever an LRZ's Auction Clearing Price for a Season is increased due to its LCR being greater than the sum of individual Final PRMR of the LSEs.

***Local Reliability Requirement (LRR):*** The minimum amount of Unforced Capacity for an LRZ to meet its LOLE for each Season, without considering transmission ties to systems outside of the LRZ.

***Local Resource Zone (LRZ):*** A geographic area within the Transmission Provider Region that is prescribed by the Transmission Provider, based upon the criteria in Section 68A.3, to address congestion that limits Planning Resource deliverability.

***Local Resource Zone Peak Demand:*** The Demand in MWs, for an LSE and/or EDC, in a Local Resource Zone that occurs coincident to the peak Demand for each Season in the Local Resource Zone, where all Demand has been augmented to include any known reductions in Demand related to LMRs.

***Local Short-Term Reserve:*** Short-Term Reserve available to the Transmission Provider to address transmission constraints in any Reserve Zone(s).

***Local Short-Term Reserve Requirements:*** The amount of Local Short-Term Reserve, as determined pursuant to Module C of the Tariff, that the Transmission Provider is required to procure in a Reserve Zone.

***Local Transmission Emergency:*** Transmission System conditions or events that have the potential to exceed or have exceeded operating limits that do not pose a risk of cascading to the interconnection but require emergency-level actions.

***Locational Marginal Price (LMP):*** A price for Energy at a given Commercial Pricing Node in the Transmission Provider Region which is the marginal cost of serving demand at the Commercial Pricing Node while meeting Zonal and Market-Wide Operating Reserve Requirements, Up Ramp Capability requirements, Down Ramp Capability requirements, and Short-Term Reserve Requirements. Such price may be either Ex Ante or Ex Post.

***Long-Term Firm Point-To-Point Transmission Service:*** Firm Point To Point Transmission Service under Module B of this Tariff with a term of one (1) year or more.

***Long Term Transmission Rights (LTTR):*** ARRs allocated in Stage 1A of the Annual ARR Allocation process. LTTRs carry annual rollover rights lasting ten (10) years or more.

***Look Ahead Commitment (LAC):*** A process performed during the Real-Time Energy and

Operating Reserve Market that develops Resource commitment and decommitment options that may be used by the Transmission Provider to ensure sufficient Resources will be available to meet Load Forecast, Operating Reserve, Up Ramp Capability, Down Ramp Capability, Short-Term Reserve and other demand requirements for the near term intra-hour intervals.

***Loss of Load Expectation (LOLE):*** An estimate of the average number of days with supply interruption to end use customers, whether for a single hour or multiple hours in a day.

***Loss of Load Probability Curve:*** The probability of shedding firm Load under varying levels of Contingency Reserve shortages, to be used in accordance with Schedule 28. This curve is further described in the Transmission Provider's Business Practices Manual for the Energy and Operating Reserves Markets (BPM-002).

***Loss Pools:*** A single Local Balancing Authority Area or an aggregation of Local Balancing Authority Areas, including those Local Balancing Authority Areas operated by Coordinating Owners consistent with the terms and provisions of the Coordinating Owners agreement, designated by the Transmission Provider for the purposes of calculating and distributing Day Ahead and Real Time Hourly Marginal Losses Revenue Surplus.

***Lost Opportunity Cost:*** The LMP revenues that were not realized relative to a theoretical future operating point.

***Maintenance Margin:*** Projected megawatts of additional generation that can be taken out of service for planned maintenance within MISO during a given time period without impacting adequacy of generation supply. The projection will be based on a forward looking Loss of Load Expectation (LOLE) analysis with known outages and partial outages. The LOLE analysis will include, but not limited to, considerations of the following: seasonal components, Generator Forced Outage rates of Capacity Resources, load forecast uncertainty, and unit derates.

***Manual Redispatch:*** The Transmission Provider's issuance of Dispatch Targets created other than through the automated SCED computer software.

***Marginal Congestion Component (MCC):*** A component of LMP which is the transmission or Sub-Regional Power Balance congestion charge reflecting the cost of dispatching Resources available to the Transmission Provider such that transmission or Sub-Regional Power Balance constraints are respected, as measured between the location and the Reference Bus.

***Marginal Losses:*** The Transmission System marginal system losses that arise from changes in demand at the Commercial Pricing Node, which are served by changes in generation at the Reference Bus.

***Marginal Losses Component (MLC):*** The component of the LMP at each Commercial Node accounting for the cost of Marginal Losses, as measured between the Commercial Pricing Node and the Reference Bus.

***Marginal Losses Surplus:*** The sum of the Day Ahead Hourly Marginal Losses Surplus and the Real Time Hourly Marginal Losses Surplus minus any Inadvertent Energy.

***Marginal Losses Surplus Share:*** The pro rata allocation of each Local Balancing Authority in the Marginal Losses Surplus, allocated per the cost of supplying losses to Load scheduled by Market Participants within the Local Balancing Authority Area, excluding any Load scheduled by GFA Responsible Entities.

***Marginal Price Differential (MPD):*** The greater of the highest differential between the Day-Ahead and Real-Time Locational Marginal Prices at the 50th percentile over the previous twelve (12) months, assessed during the month of April and implemented May 1 of that Year and annually thereafter, or the Minimum MPD Value.

***Marginal Reliability Impact Curves (MRI Curves):*** A smoothed curve representation of reliability changes as measured by EUE as incremental/decremental MW changes are made in the LOLE analysis from the minimum amount of capacity established in the determination of PRM as the starting point, for each Season.

***Market Activities:*** Transactions and actions taken by Market Participants in the Energy and Operating Reserve Markets, such as purchases and/or sale of Energy and Operating Reserve. Market Activities include holding, selling and/or purchasing FTRs, Bids, Offers, as well as Interchange Schedules. Additionally, Market Activities include services and goods furnished under RAR.

***Market Clearing Price (MCP):*** A price for Regulating Reserves, Spinning Reserves, Supplemental Reserves, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserves which is the marginal cost of meeting the particular product requirements while meeting locational Energy requirements. Such price may be either ex ante or ex post.

***Market Clearing Price Zonal Terms:*** The following subset of terms used in the Market

Clearing Price calculation under Module C. All such constraints noted herein are as set forth in Schedule 29 and Schedule 29A. For Operating Reserves: beginning November 1, 2011, additional marginal cost of managing transmission congestion, and beginning August 26, 2018, additional marginal cost of managing Sub-Regional Power Balance Constraints, in order to supply incremental regulating Reserve, Spinning Reserve, Supplemental Reserve, or Short-Term Reserve from the Reference Bus to the Reserve Zone. For Up Ramp Capability: the Shadow Price of the Ramp Procurement Minimum Reserve Zone Up Ramp Capability Requirement Constraint. For Down Ramp Capability: the Shadow Price of the Ramp Procurement Minimum Reserve Zone Down Ramp Capability Requirement Constraint.

***Market Efficiency Projects:*** Network Upgrades proposed by the Transmission Provider, Transmission Owner(s), ITC(s), Market Participant(s), or regulatory authorities as providing market efficiency benefits to one or more Market Participant(s), but not determined by the Transmission Provider to be Multi Value Projects and provide sufficient market efficiency benefits as determined by the Transmission Provider to justify inclusion into the MTEP.

***Market Hardware:*** The cost of hardware associated with supporting the market-based congestion management systems and processes of the Transmission Provider.

***Market Implementation Errors:*** Flaws in the design or implementation of software resulting in changes in Ex Post LMPs or other prices cleared through the Energy and Operating Reserve Market and the corresponding changes in Settlements not accurately reflecting the application of the Market Rules.

***Market Load Ratio Share:*** The factor calculated as the Actual Energy Withdrawals plus Export Schedules of a Market Participant at all Commercial Pricing Nodes, other than Coordinated Transaction Schedules and Export Schedules for External Asynchronous Resources, divided by the sum of all the Actual Energy Withdrawals plus Export Schedules at all Commercial Pricing Nodes, other than Coordinated Transaction Schedules and Export Schedules for External Asynchronous Resources, in the Transmission Provider Region.

***Market Monitoring Liaison Officer:*** The Transmission Provider officer responsible for coordinating with the IMM in carrying out the market monitoring functions.

***Market Participant:*** An entity that (i) has successfully completed the registration process with the Transmission Provider and is qualified by the Transmission Provider as a Market Participant, (ii) is financially responsible to the Transmission Provider for all of its Market Activities and obligations, and (iii) has demonstrated the capability to participate in its relevant Market Activities.

***Market Participant Agreement:*** The agreement executed by Market Participants confirming compliance with the requirements of Module C, as provided in the form of Attachment W of this Tariff.

***Market Participant Applicant:*** An entity that has submitted a Market Participant Application to the Transmission Provider.

***Market Participant Application:*** An application requesting qualification to engage in Market Activities as a Market Participant pursuant to the provisions of this Tariff.

***Market Participant Funded Project (MPFP):*** Network Upgrades fully funded by one or more Market Participants but owned and operated by incumbent Transmission Owners.

***Market Portal:*** The Internet based computer application or website used by Market Participants, the Transmission Provider and other interested entities, to post information related to the operation of the Day-Ahead Energy and Operating Reserve Market, Real-Time Energy and Operating Reserve Market and FTRs.

***Market Rules:*** The rules and procedures for operation of the Energy and Operating Reserve Market, including but not limited to calculation of LMPs and MCPs, in accordance with the Transmission Provider's Open Access Transmission, Energy and Operating Reserve Markets Tariff.

***Market Software:*** The software associated with supporting the market-based congestion management systems and processes of the Transmission Provider.

***Market-Wide Down Ramp Capability:*** Down Ramp Capability that is available on a Transmission Provider Region-wide basis.

***Market-Wide Down Ramp Capability Demand Curve:*** A series of quantity/price points as defined in Schedule 28 that is utilized to calculate the Shadow Price of the Down Ramp Capability requirement constraint when there is a shortage of Down Ramp Capability cleared on a Transmission Provider Region-wide basis.

***Market-Wide Down Ramp Capability Requirements:*** The amount of Down Ramp Capability the Transmission Provider is required to procure on a Transmission Provider Region-wide as defined in Module C.

***Market-Wide Contingency Reserve Requirement:*** The amount of Contingency Reserve the

Transmission Provider is required to procure on a Transmission Provider Region wide basis in accordance with Applicable Reliability Standards.

***Market-Wide Operating Reserve:*** Operating Reserve that is available on a Transmission Provider Region-wide basis.

***Market-Wide Non-Demand Response Resource-Type I Operating Reserve Constraint:*** A constraint that limits the amount of Operating Reserve supplied by Demand Response Resources – Type I to a level that does not violate Applicable Reliability Standards.

***Market-Wide Non-Demand Response Resource-Type I Regulating and Spinning Reserve Constraint:*** A constraint that limits the amount of Regulating plus Spinning Reserves supplied by Demand Response Resources – Type I to a level that does not violate Applicable Reliability Standards.

***Market-Wide Operating Reserve Demand Curve:*** A series of quantity/price points as defined in Schedule 28 that is used to calculate the Shadow Price of a particular Operating Reserve requirement constraint when there is a shortage of Operating Reserve cleared on a Transmission Provider Region-wide basis.

***Market-Wide Operating Reserve Requirement:*** The sum of the Market-Wide Contingency Reserve Requirement and Market-Wide Regulating Reserve Requirement.

***Market-Wide Regulating and Spinning Reserve Demand Curve:*** A series of quantity/price points as defined in Schedule 28 that is utilized to calculate the Market-Wide Regulating and Spinning Reserve constraint Shadow Price when there is a shortage of the Market-Wide Regulating and Spinning Reserve cleared on a Transmission Provider Region-wide basis.

***Market-Wide Regulating and Spinning Reserve Requirement:*** The amount of Market- Wide Regulating and Spinning Reserve the Transmission Provider is required to procure on a Transmission Provider Region-wide basis in accordance with Applicable Reliability Standards.

***Market-Wide Regulating Mileage Deployment Ratio:*** The ratio of the Regulating Mileage Target and the Regulating Reserve Dispatch Target. This ratio will be calculated and updated pursuant to Section 40.3.3.3.

***Market-Wide Regulating Reserve:*** Regulating Reserve that is available on a Transmission Provider Region-wide basis.

***Market-Wide Regulating Reserve Demand Curve:*** A series of quantity/price points as defined in Schedule 28 that is utilized to calculate the Shadow Price of the Regulating Reserve requirement constraint when there is a shortage of Regulating Reserve cleared on a Transmission Provider Region-wide basis.

***Market-Wide Regulating Reserve Requirements:*** The amount of Regulating Reserve the Transmission Provider is required to procure on a Transmission Provider Region-wide basis in accordance with Applicable Reliability Standards.

***Market-Wide Short-Term Reserve:*** Short-Term Reserve that is available on a Transmission Provider Region-wide basis.

***Market-Wide Short-Term Reserve Demand Curve:*** A series of quantity/price points as defined in Schedule 28 that is utilized to calculate the Shadow Price of the Market-Wide Short-Term Reserve Requirement constraint when there is a shortage of Short-Term Reserve cleared on a Transmission Provider Region-wide basis.

***Market-Wide Short-Term Reserve Requirements:*** The amount of Market-Wide Short-Term Reserve, as determined pursuant to Module C of the Tariff, that the Transmission Provider is required to procure on a Transmission Provider Region-wide.

***Market-Wide Spinning Reserve:*** Spinning Reserve that is available on a Transmission Provider Region-wide basis.

***Market-Wide Supplemental Reserve:*** Supplemental Reserve that is available on a Transmission Provider Region-wide basis.

***Market-Wide Up Ramp Capability:*** Up Ramp Capability that is available on a Transmission Provider Region-wide basis.

***Market-Wide Up Ramp Capability Demand Curve:*** A series of quantity/price points as defined in Schedule 28 that is utilized to calculate the Shadow Price of the Up Ramp Capability requirement constraint when there is a shortage of Up Ramp Capability cleared on a Transmission Provider Region-wide basis.

***Market-Wide Up Ramp Capability Requirements:*** The amount of Up Ramp Capability the Transmission Provider is required to procure on a Transmission Provider Region-wide as defined in Module C.

***Markets and Services:*** The markets that are operated, or the Tariff services provided by the Transmission Provider, including but not limited to, the Energy and Operating Reserve Markets, Market Activities, any market for the purchase or sale of transmission rights, Coordination Service and any other market administered, coordinated or facilitated by the Transmission Provider. This shall include any additional services that may be offered by the Transmission Provider that would have the effect of facilitating or improving

competitive conditions in the region.

**Material:** An amount that is the lesser of: (i) the materiality standard established by the accounting firm performing the respective entity's annual audit; (ii) an amount that equals or exceeds five percent (5%) of the entity's tangible net worth for the preceding financial year, calculated in accordance with generally acceptable accounting principles; and (iii) a change, event, proceeding, occurrence that results (or if adversely determined could result) in a change of five percent (5%) or more in the entity's tangible net worth compared to the tangible net worth of the entity for the preceding fiscal year, calculated in accordance with generally acceptable accounting principles.

**Material Change:** Any Material Change in the financial condition of the respective entity or any change, event or occurrence which, individually or in the aggregate could have a Material adverse effect on any current or future financial result or financial condition of the entity and includes, without limitation, the items listed in Section I.B.3, Material Changes of Attachment L of this Tariff.

**Maximum Charge Time:** The maximum duration that an Electric Storage Resource is able to Charge.

**Maximum Daily Energy:** Maximum amount of Energy, in MWh, that a Generation Resource, Demand Response Resource – Type II, Demand Response – Type I, or Electric Storage Resource may supply over a Day.

**Maximum Daily Regulation Down Deployment:** The maximum amount of net Regulating Reserve Deployment, expressed in MWh, that may be supplied in the down direction by a Demand Response Resource – Type II, or Electric Storage Resource during the Operating

Day in the Real-Time Energy and Operating Reserves Market.

***Maximum Daily Regulation Up Deployment:*** The maximum amount of net Regulating Reserve Deployment, expressed in MWh, that may be supplied in the up direction by a Demand Response Resource – Type II, or Electric Storage Resource during the Operating Day in the Real-Time Energy and Operating Reserves Market.

***Maximum Discharge Time:*** The maximum duration that an Electric Storage Resource is able to Discharge.

***Maximum Energy Storage Level:*** State of Charge value that should not be exceeded when an Electric Storage Resource is being Charged while providing Energy or Operating Reserves under normal operating conditions.

***Maximum Generation Emergency:*** An Emergency declared by the Transmission Provider in which the Transmission Provider anticipates requesting one (1) or more Generation Resources to operate at its maximum net or gross electrical output, subject to the equipment stress limits for such Generation Resource and any environmental restrictions, in order to manage, alleviate or end the Emergency.

***Maximum Interruption Duration:*** The maximum length of time a Demand Response Resource-Type I can be expected to reduce Load following an instruction from the Transmission Provider.

***Maximum Interruption Limit:*** The maximum number of times within a Day that a Demand Response Resource – Type I can reduce Load following an instruction from the Transmission Provider.

***Maximum Off-line Response Limit:*** The maximum amount of Supplemental Reserve that can

be provided by a Generation Resource from a cold, off-line state or that can be provided by a Demand Response Resource-Type II or Electric Storage Resource within the Contingency Reserve Deployment Period.

***Maximum Off-Line Short-Term Reserve Response Limit:*** The maximum amount of Short-Term Reserve, greater than or equal to the Economic Minimum Dispatch, that can be provided by a Generation Resource from a cold, off-line state or that can be provided by a Demand Response Resource – Type II within the Short-Term Reserve Deployment Period.

***Maximum Regulation Capability:*** A Resource’s Maximum Regulation Capability for the purposes of calculating the minimum Regulating Reserve requirement within a Reserve Zone, as specified under Section 39.2.1A.e.iii of this Tariff, is equal to that Resource’s Hourly Bi Directional Ramp Rate multiplied by the Regulation Response Time.

***Maximum Run Time:*** Maximum length of time that a Resource can be expected to operate under normal operating conditions.

***Maximum Shut Down Limit:*** Maximum number of times a Resource is able to shut down within a twenty four (24) hour period.

***Maximum Start Up Limit:*** The maximum number of times a Generation Resource, Demand Response Resource – Type II, or Electric Storage Resource can engage in a start up within a twenty four (24) hour period.

***Megavars (MVAR):*** A unit of measure of reactive power support.

***Measurement and Verification:*** Procedures for the estimation of load reductions through the use of Load Modifying Resources, EDR resources, Demand Response Resources –Type I

or Demand Response Resources –Type II. The Transmission Provider shall provide in the Tariff, including Attachment TT, the details of the approved measurement and verification methodologies that can be used for measuring the response of the Demand Response Resources, LMRs and EDR resources. Such methodologies may include and will be consistent, but not be limited to, the applicable North American Energy Standards Board Measurement and Verification standards and other applicable standards.

**Member:** A signatory member of the ISO Agreement, including an ITC consistent with the terms of the Appendix I Agreement entered into between the Transmission Provider and the ITC.

**Meter Data Management Agent (MDMA):** An entity designated by the Market Participant that provides meter data, representing the Actual Energy Injections or Actual Energy Withdrawals at each Commercial Pricing Node for which it is designated, to the Transmission Provider on a Market Participant’s behalf.

**Metered:** Refers to electrical quantities (MW or MWh) that represent the usage or production of Energy by Loads or Resources determined with facilities compliant with Transmission Provider metering guidelines.

**MISO Balancing Authority:** The Transmission Provider in its role as the operator of the MISO Balancing Authority Area.

**MISO Balancing Authority Area:** The electric power system bounded by interconnection metering and telemetering to which a common generation control scheme is applied in order to: (i) match the power output of the Generation Resources within the Transmission Provider Region and Energy delivered from or to entities outside the

Transmission Provider Region, with the demand (including losses) within the Transmission Provider Region, including demand that has been Pseudo-tied through a Local Balancing Authority and excluding demand that has been Pseudo-tied into an external Balancing Authority Area; (ii) maintain scheduled Interchange with other Balancing Authority Areas, consistent with Good Utility Practice; (iii) assist in the maintaining of the frequency of the Eastern Interconnection, consistent with Good Utility Practice and Applicable Reliability Standards.

***MISO Balancing Authority Load:*** The sum of all Actual Energy Withdrawals at all Commercial Pricing Nodes within the MISO Balancing Authority Area, including Actual Energy Withdrawals associated with Load Pseudo-tied into the MISO Balancing Authority Area through an LBA and excluding Actual Energy Withdrawals associated with Load Pseudo-tied out of the MISO Balancing Authority Area.

***MISO Midwest MVP Cost Allocation Subregion:*** The part of the Transmission Provider Region identified as such in Attachment XX.

***MISO Regional Expansion Criteria and Benefits (RECB):*** The Transmission Provider's framework for defining the criteria to be used to justify inclusion of transmission expansion proposals in the MISO Transmission Expansion Plan (MTEP), and for developing a mechanism to allocate the costs of these expansions.

***MISO South MVP Cost Allocation Subregion:*** The part of the Transmission Provider Region identified as such in Attachment XX.

***MISO Transmission Expansion Plan (MTEP):*** A long range plan used to identify expansions or enhancements to the Transmission System to: i) support efficiency in bulk power

markets; ii) facilitate compliance with documented federal and state energy laws, regulatory mandates, and regulatory obligations; and iii) maintain reliability. The MTEP is developed biennially or more frequently, and subject to review and approval by the Transmission Provider Board. The MTEP shall address Transmission Issues including, but not necessarily limited to: i) Transmission Issues identified from Facilities Studies; ii) Transmission Issues associated with Generator Interconnection Projects; iii) Transmission Issues identified by the Transmission Owners; iv) Transmission Issues identified by the Transmission Provider working in collaboration with Transmission Owners, their state and local regulatory commissions and other stakeholders; and v) the transmission planning obligations of a Transmission Owner and/or the Transmission Provider, imposed by federal or state law(s), regulations, or regulatory authorities. The MTEP shall also consider the planning needs and drivers of adjacent regional transmission organizations (“RTOs”) and other transmission planning regions to develop long-term inter-regional plans for the benefit of the combined regions, as and to the extent provided for in joint agreements between the Transmission Provider and other RTOs, and/or in their respective tariffs.

***Minimum Acceptance Ratio:*** The minimum acceptable ratio, as expressed by a Market Participant in a replacement request, of the megawatt quantity of replacement ARR Entitlements to the megawatt quantity of existing ARR Entitlements being replaced.

***Minimum Bid Price:*** A price per MW specified in Section IV.C of Attachment L used to compute FTR Auction Credit Exposure.

***Minimum Bid Requirement:*** A value that is calculated by multiplying the Minimum Bid Price

times the MW values specified in the formula in Attachment L Section IV.B.

***Minimum Charge Time:*** The minimum duration that an Electric Storage Resource is able to Charge.

***Minimum Discharge Time:*** The minimum duration that an Electric Storage Resource is able to Discharge.

***Minimum Down Time:*** The minimum length of time required for a Generation Resource or Demand Response Resource Type II to begin operations following shut down.

***Minimum Interruption Duration:*** The minimum length of time a Demand Response Resource-Type I must be interrupted, from the time the Resource reduces demand to the time the Demand Response Resource Type I can restore demand.

***Minimum MPD Value:*** The minimum price (per MWh) that may be used in calculating MPD. This value shall be determined by the Transmission Provider as set forth within Attachment L of the MISO Tariff.

***Minimum Non-Interruption Interval:*** The minimum length of time between two consecutive instructions to reduce demand during which a Demand Response Resource-Type I cannot be interrupted

***Minimum Run Time:*** The minimum length of time a Generation Resource or Demand Response Resource Type II must run, from the time the Resource is put online to the time the Resource is shut down.

***MISO Transmission Portfolio Solutions (MTPS):*** Multi-Value Projects included in a Portfolio and/or JTIQ Upgrade projects included in a JTIQ Portfolio.

***Mitigation Measures:*** Procedures designed to mitigate abuses of market power or manipulation

as defined in Module D of this Tariff.

***Module E Capacity Tracking Tool (MECT):*** The electronic tool used by the Transmission Provider and Market Participants to track and analyze compliance with RAR obligations, including, but not limited to: Forecast LSE Requirements; the transfer and designation of ZRCs; and other RAR attributes and information.

***Month:*** One (1) calendar month, except in the case of the calendar month containing the Operating Day on which the Transmission Provider begins to operate the Energy and Operating Reserve Markets, in which case a Month shall be the period of time from the first Day that the Transmission Provider operates the Energy and Operating Reserve Markets through the last Day of that following calendar month. If the Transmission Provider starts operation of the Energy and Operating Reserve Markets on the first day of a calendar month, Month is defined as one (1) calendar month.

***Monthly Bidding Period:*** A period of time during a calendar month when the Transmission Provider will accept Bids/Offers to buy/sell FTRs in the Transmission Provider's next monthly auction.

***Monthly Net Actual Energy Withdrawal:*** For a Commercial Pricing Node a calculated volume in MWh that flows out of the Transmission System during the Operating Month at a specified location that is equal to the net positive sum of (1) the hourly time-weighted average of the Metered volume of the Commercial Pricing Node and (2) the hourly time-weighted Actual Energy Injections for Demand Response Resources and EDR resources associated to a Load Zone. The Commercial Pricing Node Metered volume in MWh that flows out of the Transmission System during the Operating Month, used for the

calculation of the Monthly Net Actual Energy Withdrawal, is submitted to the Transmission Provider by a Market Participant or a Market Participant's Meter Data Management Agent for each Hour of the Operating Month that is used for Settlement purposes.

**Monthly Zonal Transmission Load:** The monthly zonal Transmission System peak in the pricing zone minus the coincident peak usage of all Firm Point To Point Transmission Service customers pursuant to Module B of this Tariff plus the Reserved Capacity of all Firm Point To Point Transmission Service customers in the pricing zone.

**MTPS ARR:** A form of ARR held and administered by the Transmission Provider under Section 47 of this Tariff, based on the incremental transmission capacity created by MTPS.

**MTPS ARR Entitlements:** Rights held by the Transmission Provider to nominate and receive MTPS ARRs on the basis of MTPS upgrades.

**Multi-Value Project (MVP):** One or more Network Upgrades that address a common set of Transmission Issues and satisfy the conditions listed in Sections II.C.1, II.C.2, and II.C.3 of Attachment FF.

**Must-Run Commitment:** A Market Participant - designated commitment of a Generation Resource or Demand Response Resource Type II, indicating that such Resource shall be committed regardless of costs.

**MW:** Megawatt or megawatts submitted or measured in tenths of a MW.

**MWh:** Megawatt hour or megawatt hours submitted or measured in tenths of a MWh.

***Narrow Constrained Area:*** An electrical area in the Transmission Provider Region identified by the IMM that is defined by one or more Binding Transmission Constraints, or binding Post Reserve Deployment Constraints (other than Sub-Regional Power Balance Constraints), or binding Sub-Regional Power Balance Constraint into the Second Planning Area, that are expected to be binding for at least five hundred (500) hours during a given year and within which one or more suppliers are pivotal.

***Native Load Customers:*** The wholesale and retail power customers of Load Serving Entities on whose behalf the Transmission Owner(s) and ITC Participant(s), by statute, franchise, regulatory requirement, or contract, has (have) undertaken an obligation to construct and operate the Transmission Owner(s') and ITC Participant(s') system(s) to meet the reliable electric needs of such customers.

***NERCNet:*** The NERC frame relay network.

***NERC Registered Balancing Authority:*** A Balancing Authority that has registered pursuant to the NERC Organization, Registration and Certification Procedures, as required under the Balancing Authority's delegation agreement with NERC.

***NERC Registered Transmission Operator:*** A Transmission Operator that has registered pursuant to the NERC Organization, Registration and Certification Procedures, as required under the Balancing Authority's delegation agreement with NERC.

***NERC Registered Transmission Provider:*** A transmission provider that has registered pursuant to the NERC Organization, Registration and Certification Procedures, as required under the Balancing Authority's delegation agreement with NERC.

***NERC Reliability Coordinator Standards of Conduct:*** The NERC agreement that requires

Reliability Coordinators to provide an explanation of how they are complying with the independence requirement and otherwise implementing the standards of conduct approved by the Board of Trustees.

***NERC System Data Exchange (SDX):*** A NERC support service provided for the benefit of Reliability Coordinators and other system operators that facilitates the exchange of data among Reliability Coordinators.

***Net Cost of New Entry (Net CONE):*** The capital, operating, financial and other costs of acquiring a new Generation Resource within the Transmission Provider Region for any designated LRZ, after netting out Inframarginal Rents.

***North American Electric Reliability Corporation (NERC):*** The Electric Reliability Organization, or its successor organization, responsible for the oversight of Regional Entities established to ensure the reliability and stability of the regions.

***North American Electric Standards Board (NAESB):*** The North American Electric Standards Board, or its successor.

***Net Actual Interchange:*** Algebraic sum of all metered Interchange over all metered interconnections between two physically adjacent Balancing Authority Areas.

***Net Benefits Price Threshold (NBPT):*** A value expressed in \$/MWh corresponding to the point along the Net Benefits Supply Curve where elasticity is less than or equal to one for all greater quantities beyond which the benefits from the reduced LMP resulting from dispatching of DRR exceeds the payments made to the Demand Response Resources.

***Net Benefits Supply Curve:*** A mathematical representation of the supply curve derived from prior year Real Time Offers of available Resources, excluding DRR, and other variables

that will be updated monthly by the Transmission Provider as new data becomes available.

**Net Output:** Net Output of a Facility during any Month means: i) with respect to the On-Site Self Supply of Station Power, the gross Energy output from the Facility less Station Power requirements for such Facility during that Month; or ii) with respect to the Remote Self Supply of Station Power, the aggregate of the gross Energy output from the Facility requiring Station Power service plus the Energy scheduled for Remote Self Supply to such Facility, less the Station Power requirements of such Facility during that Month. For the purposes of Schedule 20, any Energy that falls under the definition of Station Power must be netted against Energy produced during the Month.

**Net Scheduled Interchange (NSI):** The algebraic sum of all Interchange Schedules across a given path or between Balancing Authorities for a given period or instant in time.

**Network Customer:** An entity receiving Transmission Service pursuant to the terms of the Transmission Provider's Network Integration Transmission Service under Module B of this Tariff.

**Network Integration Transmission Service:** The Transmission Service provided under Module B of this Tariff.

**Network Load:** The Load that a Network Customer designates for Network Integration Transmission Service under Module B of this Tariff. The Network Customer's Network Load includes all Load served by the output of any Network Resources designated by the Network Customer. A Network Customer may elect to designate less than its total Load as Network Load but may not designate only part of the Load at a discrete Point of

Delivery. Where an Eligible Customer has elected not to designate a particular Load at discrete Points of Delivery as Network Load, the Eligible Customer is responsible for making separate arrangements under Module B of this Tariff for any Point To Point Transmission Service that may be necessary for such non-designated Load. Network Loads under Schedule 9 – Michigan of this Tariff for the Transmission System (Michigan) must be directly interconnected with the Transmission System (Michigan) or through the Distribution Facilities in the Transmission System (Michigan).

***Network Model:*** A representation of the Eastern Interconnection which contains generation, transmission, and Load elements.

***Network Operating Agreement:*** An executed agreement that contains the terms and conditions under which the Network Customer shall operate its facilities and the technical and operational matters associated with the implementation of Network Integration Transmission Service under Module B of this Tariff.

***Network Operating Committee:*** A group made up of representatives from the Network Customer(s), the Transmission Provider, and the affected Transmission Owner(s) established to coordinate operating criteria and other technical considerations required for implementation of Network Integration Transmission Service under Module B of this Tariff.

***Network Resource:*** Any designated Generation Resource, External Resource or portion thereof, that is owned or leased by a Network Customer, or whose output is under contract to a Network Customer, and that is designated under the Network Integration Transmission Service provisions of Module B in this Tariff. Network Resources do not include any

Resource, or any portion thereof, that is committed for sale to third parties or otherwise cannot be called upon to meet the Network Customer's Network Load on a non-interruptible basis, except for purposes of fulfilling obligations under a reserve sharing program.

***Network Resource Interconnection Service (NR Interconnection Service):*** shall mean an Interconnection Service that allows Interconnection Customer to integrate its Generating Facility with the Transmission System in the same manner as for any Generating Facility being designated as a Network Resource. Network Resource Interconnection Service does not convey transmission service. Network Resource Interconnection Service shall include any network resource interconnection service established under an agreement with, or the tariff of, a Transmission Owner prior to integration into MISO, that is determined to be deliverable through the integration deliverability study process.

***Network Upgrades:*** All or a portion of the modifications or additions to transmission related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all Users of such Transmission System.

***New LSE:*** A Load Serving Entity for new Load, within the Transmission Provider's Balancing Authority Area, that is served from Transmission Facilities under the functional control of the Transmission Provider as a result of a Transmission Owner transferring functional control of its transmission facilities to the Transmission Provider through execution of the Transmission Owners Agreement, irrespective of whether such LSE is a new or an existing Member. An LSE that serves Load not already subject to RAR, shall be referred to as a "New LSE."

***New Transmission Access Projects:*** Network Upgrades identified in Facilities Studies and agreements pursuant to requests for transmission delivery service or transmission interconnection service under this Tariff. This includes projects needed to maintain reliability while accommodating the incremental needs associated with requests for new transmission or interconnection service, as determined in Facilities Studies associated with such requests. These projects are either Generation Interconnection Projects or Transmission Delivery Service Projects.

***Next-Hour Transmission Service:*** Point To Point Transmission Service that (i) is reserved for one (1) Hour and (ii) is requested within sixty (60) minutes before the start of the schedule.

***Node:*** A physical location represented in the Network Model.

***No Load Offer:*** The compensation request in a Generation Offer or Demand Response Resource Type II Offer, in dollars, by a Market Participant representing the fees requested by the Market Participant for operating a Generation Resource or Demand Response Resource Type II at zero (0) MW.

***Non-Binding Settlement Zone:*** Any Reserve Zone with a Market Clearing Price for Regulating Reserve, Spinning Reserve, Supplemental Reserve, or Short-Term Reserve, as applicable, derived in the Day-Ahead Energy and Operating Reserve Market or in the Real-Time Energy and Operating Reserve Market that has any zero Market Clearing Price Zonal Terms for Operating Reserves or Short-Term Reserve, used for the purposes of allocating Operating Reserve and Short-Term Reserve costs in accordance with Schedules 3, 5, 6, and 51, respectively.

***Non-Disclosure Agreement:*** An agreement established between the Transmission Provider and affected parties governing the disclosure of Confidential Information; provided, however, that in the case of such an agreement between an Authorized Requestor and the Transmission Provider pursuant to Section 38.9.4 of the Tariff, the applicable form is appended to the Tariff as Attachment EE, wherein the Authorized Requestor is given access to otherwise restricted Confidential Information.

***Non-Emergency Behind the Meter Generation (Non-Emergency BTMG):*** Generation resources that are located behind a CPNode that are not included in the Transmission Provider's Setpoint Instructions or Scheduling Instructions that do not have an obligation to be made available during Emergencies.

***Non-Excessive Energy:*** Energy injected or withdrawn by a Resource at a Commercial Pricing Node in a Dispatch Interval in the Real-Time Energy and Operating Reserve Market that is less than or equal to that Resource's Excessive Energy Threshold.

***Non-Firm Point-To-Point Transmission Service:*** Point To Point Transmission Service under this Tariff that is reserved and scheduled on an as-available basis and is subject to Curtailment or Interruption as set forth in Section 14.7 of this Tariff. Non-Firm Point To Point Transmission Service is available on a stand alone basis for periods ranging from one (1) hour to one (1) month.

***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.

***Non-Foreign Guarantor:*** A Guarantor that is organized under the laws of a jurisdiction within the United States or Canada.

***Non-Foreign Guaranty:*** A Corporate Guaranty accepted from a Guarantor that is organized under the laws of a jurisdiction within the United States or Canada.

***Non-FTR Credit Limit:*** The amount of Unsecured Credit approved by Transmission Provider for Applicant and/or Tariff Customer, plus any Available Non-FTR Financial Security.

***Non-FTR Potential Exposure:*** The sum of exposure values as defined in Section V.A of Attachment L to this Tariff. Included are all non-FTR related charge types.

***Non-FTR Potential Exposure Violation:*** A condition that exists whenever a Tariff Customer's Non-FTR Potential Exposure equals or exceeds its Non-FTR Credit Limit as further defined in Section V.C of Attachment L to this Tariff.

***Non-owner Member:*** Non-owner Member as defined in the ISO Agreement.

***Non Public Power:*** For credit scoring purposes, any Applicant or Market Participant that does not meet the definition of a Public Power entity.

***Non Public Power Composite Score:*** For credit scoring purposes, the weighted average value of the Non-Public Power Qualitative Score and the Non-Public Power Quantitative Score. The relative weights are forty percent (40%) and sixty percent (60%), respectively.

***Non Public Power Qualitative Score:*** A component of a Non Public Power Composite Score which has, for credit scoring purposes, a value ranging from 1 to 6.99, with 1 being the best and 6.99 being the worst. The value is based on a review by the Transmission Provider of qualitative factors relative to an Applicant's business, including, but not limited to: i) regulatory; ii) legal; iii) demographic; and iv) energy supply/price factors as provided in Attachment L to this Tariff.

***Non Public Quantitative Score:*** A component of a Non Public Power Composite Score which has, for credit scoring purposes, a value ranging from 1 to 6.99, with 1 being the best and 6.99 being the worst. The value is based on a review by the Transmission Provider's credit scoring model in Attachment L to this Tariff.

***Notification Deadline:*** The cut-off time, four hours prior to the operating hour, by which schedule changes must be reported to the Transmission Provider to enable it to reflect such changes in the RAC process or the LAC process.

***Notification Deadline Dispatchable Intermittent Resource (DIR) Forecast:*** An optional notification, in MW, of a Forecast Maximum Limit for a DIR prior to the Notification Deadline. If a Notification Deadline DIR Forecast is not submitted, it will be deemed to be equal to the Day-Ahead Schedule.

***OASIS Request Evaluation:*** The evaluation of a request for Transmission Service received on the Transmission Provider OASIS by measuring the effects of the transfer on each constrained facility.

***Offer:*** An offer, that is duly submitted to the Transmission Provider consistent with this Tariff and the Business Practices Manuals, to (a) sell Energy and Operating Reserve in the Energy and Operating Reserve Markets at a specified price, location, quantity, and time period and shall include (i) Generation Offers, (ii) Demand Response Resource-Type I Offers, (iii) Demand Response Resource-Type II Offers and (iv) Dispatchable Interchange Schedule Import Schedules and (b) purchase Energy through Fixed Interchange Schedule Import Schedules and Dynamic Interchange Schedule Import Schedules at a specified location, quantity, and time period and (c) an Energy Offer in the Energy and Operating Reserve Markets from an External Asynchronous Resource at a specified price, location, quantity and time period.

***Offer Floor:*** The minimum price permitted for an Offer in the Energy Markets and which shall be negative \$500/MWh.

***Off-Line Short-Term Reserve Offer:*** The price, in dollars per MW per Hour, at which an Off-Line Short-Term Reserve Qualified Resource has agreed to sell Short-Term Reserve.

***Off-Line Short-Term Reserve Offer Price Cap:*** The maximum price permitted for an Off-Line Short-Term Reserve Offer in the Energy and Operating Reserve Markets.

***Off-Line Short-Term Reserve Offer Price Floor:*** The minimum price permitted for an Off-Line Short-Term Reserve Offer in the Energy and Operating Reserve Markets.

***Off-Line Short-Term Reserve Qualified Resource:*** A Generation Resource (that is not a Dispatchable Intermittent Resource, Intermittent Resource or Electric Storage Resource), Demand Response Resource – Type I, or Demand Response Resource – Type II that has met the requirements to be eligible to submit Off-Line Short-Term Reserve Offers into the Energy and Operating Reserve Markets.

***Off Line Supplemental Reserve Offer:*** The price at which an uncommitted Quick Start Resource has agreed to sell Supplemental Reserve in dollars per MW per Hour.

***Off-Peak:*** All periods of time not classified as On Peak.

***On Line Supplemental Reserve Offer:*** The price at which a synchronized Generation Resource, a synchronized Demand Response Resource Type II, an available External Asynchronous Resource, or an Electric Storage Resource with a Commitment Status of Continuous or Discharge that is a Supplemental Reserve Qualified but not a Spin Qualified Resource has agreed to sell Supplemental Reserve in dollars per MW per hour.

***OMS:*** The Organization of MISO States, Inc., or any successor organization.

***OMS Committee:*** OMS Committee shall be the committee that is composed of members of the Organization of MISO States, established as an autonomous and self-governing body pursuant to the bylaws of the Organization of MISO States, having the responsibilities and rights defined in Section I.B of Attachment FF of the Tariff and associated Business Practices Manual. The OMS Committee has the opportunity to provide input into the transmission planning, resource adequacy, and transmission cost allocation approach and processes, and may report periodically to the Transmission Provider Board. To enable it to exercise the authority described herein, the OMS Committee will be adequately

supported by the Transmission Provider through reasonable in-kind services and through the provision of reasonable funding, with the costs recovered from Transmission Customers under Schedule 10 of the Tariff.

***On Peak:*** Period of time between Hour-ending 0700 EST through and including Hour-ending 2200 Hours EST Monday through Friday excepting New Year's, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day or if the holiday occurs on a Sunday, the Monday immediately following the holiday.

***On-Site Self-Supply:*** The netting of the generation output of a Facility against the Facility's Station Power Load, which shall include all Energy received by the Facility to serve its Station Power Load, regardless of its voltage or the metering point of receipt.

***Open Access Same Time Information System (OASIS):*** A computerized information system, developed as an Internet application that allows the Transmission Provider to exchange: (i) Transmission Service and Ancillary Service information with Transmission Customers, and (ii) Energy and Operating Reserve Markets clearing information with Market Participants and Local Balancing Authorities. The OASIS requirements and standards of conduct contained were initially defined in the Commission's Order No. 889, as superseded by Order No. 2004.

***Operable Capacity:*** Generation Capacity of a Resource, including Electric Storage Resource, that is readily converted to Energy and is measured in MW. For External Asynchronous Resource (EAR), Operable Capacity is the Capacity range from the EAR's maximum import capacity to the EAR's maximum export capacity.

***Operating Authority:*** Transmission Owners, Local Balancing Authorities, or other entities

responsible for the reliability and security of the Transmission System.

***Operating Cash Flow:*** Earnings before depreciation minus taxes (calculated in accordance with GAAP). Measures the cash generated from operations, not counting capital spending or working capital requirements.

***Operating Cost Survey:*** The process and data content of the Independent Market Monitor's continuous survey of operating cost data requested by the Independent Market Monitor and submitted by Market Participants. The data is collected through a secure website, hosted and administered by the Independent Market Monitor, through which Market Participants provide and update data regarding operating costs and capabilities of Capacity Resources. The Independent Market Monitor uses Operating Cost Survey data as an input in determining Reference Levels. Reference Levels are used to implement Module D of the Tariff, including the verification of Offers that exceed the Energy Offer Soft Price Cap and/or the Energy Offer Hard Price Cap.

***Operating Day:*** The daily twenty four (24) hour period beginning at midnight EST for which transactions in the Energy and Operating Reserve Markets are scheduled.

***Operating Expense Allocation Factor:*** The allocation percentages for Schedule 10 operating costs to be recovered under Schedule 31.

***Operating Expenses:*** All costs shown on the Schedule 10 income statement of the Transmission Provider except the following: (a) FERC Fees, (b) depreciation, (c) amortization, and (d) other income/(expense).

***Operating Guide:*** A written set of operating practices that affect the Reliability Coordination Customer Transmission Facilities or the Combined Reliability Systems to be followed for

transmission and generation operation, including implementing procedures, actions, and sequences of actions to be taken to maintain operations within operating reliability criteria.

***Operating Protocol for Existing Generators:*** The rate schedule accepted by the Commission and made effective as the Transmission Provider's First Revised Rate Schedule No. 4.

***Operating Reserve:*** That capability above firm system demand maintained to provide for Regulation, Load forecasting error, equipment forced and scheduled outages, and local area protection. It consists of Regulating Reserve and Contingency Reserve.

***Operating Reserve Cost:*** The cost to supply Operating Reserve based on the Operating Reserve Offers only. The Operating Reserve Cost does not include the Opportunity Cost of providing Operating Reserves.

***Operations Planning Data:*** Information relevant to operational planning, including data regarding Flowgates, Transmission Service Reservations, Available Flowgate Capability Data (AFC), Load Forecast, Generator Data, Jointly-Owned Units, Intermittent Generation, Balancing Authority Area Net Interchange from Reservations and Tags, Dynamic Transfers, Controllable Devices and Generation and Transmission Outages.

***Operator-Initiated Commitment Report:*** A monthly report listing the commitment size, Local Resource Zone, commitment reason, and commitment start time of each operator-initiated commitment made after the Day-Ahead Market, including both manual and automated commitments.

***Opportunity Costs:*** The Energy margins that a Resource must forgo to utilize a portion of its Capacity to supply Operating Reserve, Up Ramp Capability, Down Ramp Capability,

and/or Short-Term Reserve in lieu of Energy.

***Optimal Achievable Output (OAO):*** The output level that an online Resource would have achieved given prevailing ex-ante prices had the: a) Resource been dispatchable and followed the Transmission Provider's Setpoint Instructions across the prior 12 Dispatch Intervals; and, b) Market Participant offered Economic Maximum Dispatch, Economic Minimum Dispatch, Hourly Regulation Maximum Limit, Hourly Regulation Minimum Limit (if regulation committed), and ramp rates that are within the conduct thresholds specified in Section 64.1.2.

***Other Ancillary Services:*** The Ancillary Services provided by the Transmission Provider other than the services provided for under Schedule 3, Schedule 5 and Schedule 6 of this Tariff.

***Outages:*** Planned or forced outages of generation or transmission resources.

***Partial-Year FTR Allocation:*** The procedure used by the Transmission Provider to allocate FTRs to Market Participants in the new ARR Zones added as a result of Transmission Provider Region expansion that becomes effective after the start of the Annual ARR Allocation period. The Partial-Year FTR Allocation will cover the partial year period when the new ARR Zone(s) become effective to the start of the next Annual ARR Allocation. For the partial year period, the Market Participants in the new ARR Zone(s) may request an allocation of FTRs, which will be in lieu of an allocation of ARRs.

***Party(ies):*** The Transmission Provider, ITC where appropriate, Market Participants, Transmission Customers, or any combination of the above.

***Past Due Amount:*** Any amount invoiced by the Transmission Provider that is not paid when due.

***Peak Reserved Source Set:*** Set of Resources including those constituting the Baseload Reserved Source Point that have met the Resource Qualification Requirements for inclusion as a Reserved Source Point for a given ARR Zone.

***Peak Usage:*** A Market Participant's Total Forecasted Peak Load in a given ARR Zone for the upcoming Annual ARR Allocation period calculated using the immediate prior three year actual peak Loads. The Total Forecast Peak Load is the sum of the forecast Network Integration Transmission Service peak Load for the upcoming allocation period plus peak Load served by Option A – Grandfathered Agreements plus peak Load served by Option B – Grandfathered Agreements.

***Penalty Level:*** A component of a mitigation measure described in Module D that represents the amount of Energy purchased by a Market Participant that is an LSE or represents an LSE

in the Real Time Energy Market in excess of the Allowance Level the entity is subject to.

***Physical Withholding Threshold Quantity:*** Threshold employed by the IMM to identify physical withholding by a supplier of Planning Resources for the Planning Resource Auction, expressed in MW.

***Plan:*** The Transmission Provider's Market Monitoring Plan set forth in Module D of this Tariff.

***Planned Transmission Outage:*** Any transmission outage scheduled for the performance of maintenance or repairs or the implementation of a system enhancement which is planned in advance for pre-determined duration and which meets the notification requirements for such outages as specified by the Transmission Provider.

***Planning Advisory Committee:*** A committee of stakeholders established under the ISO Agreement for the purpose of providing input to the planning staff on the development of the MTEP.

***Planning Area(s):*** A collective or alternative reference to the First Planning Area and/or the Second Planning Area.

***Planning Coordinator:*** The entity responsible for the longer term reliability of its planning coordinator area.

***Planning Reserve Margin (PRM):*** The percentage above forecasted Coincident Peak Demand of Planning Resources for the Transmission Provider Region in order to meet the LOLE. This percentage will include a quantity sufficient to cover transmission losses.

***Planning Reserve Margin Requirement (PRMR):*** The amount of ZRCs required of each LSE with Coincident Peak Demand in an LRZ to meet the LSE's Resource Adequacy Requirements in each Season.

***Planning Resource:*** A Capacity Resource or Load Modifying Resource that can be used to satisfy PRMR.

***Planning Resource Auction (PRA):*** Auctions conducted by the Transmission Provider to determine the ACP and the cleared ZRC Offers for each LRZ and ERZ for each Season in the applicable Planning Year.

***Planning Year:*** The period of time from June 1st of one year to May 31st of the following year that is used for developing Resource Plans. The first Planning Year shall commence on June 1, 2009.

***PMAX:*** The maximum Generator real power output reported in MWs on a seasonal basis.

***PMIN:*** The minimum Generator real power output reported in MWs on a seasonal basis.

***Point(s) of Delivery:*** Point(s) on the Transmission System where Capacity and Energy transmitted by the Transmission Provider will be made available to the Receiving Party under Module B and Module C of this Tariff. The Point(s) of Delivery shall be specified in the Service Agreement for Long Term Firm Point To Point Transmission Service or the HVDC Service Agreement.

***Point(s) of Receipt:*** Point(s) of interconnection on the Transmission System where Capacity and Energy will be made available to the Transmission Provider by the Delivering Party under Module B and Module C of this Tariff. The Point(s) of Receipt shall be specified in the Service Agreement for Long Term Firm Point To Point Transmission Service or the HVDC Service Agreement.

***Point-To-Point Transmission Service:*** The reservation of Capacity and of Energy on either a firm or non firm basis from the Point(s) of Receipt to the Point(s) of Delivery under

Module B of this Tariff.

**Portfolio:** For Multi-Value Project purposes, means two or more Multi-Value Projects proposed to be located in one or more Transmission Pricing Zones that, when evaluated together, are expected to result in system-wide benefits across the MISO footprint or benefits across the subregion. For purposes of the Portfolio, subregion refers to either the MISO Midwest MVP Cost Allocation Subregion or MISO South MVP Cost Allocation Subregion.

**Post Reserve Deployment Constraints:** The post zonal Operating Reserve and Short-Term Reserve deployment flows on the transmission constraints and Sub-Regional Power Balance Constraints, used to determine the Co-optimized Zonal Regulating Reserve Requirement, Co-optimized Zonal Contingency Reserve Requirement, Co-optimized Zonal Spinning Reserve Requirement, and Co-optimized Zonal Short-Term Reserve Requirement, for each Reserve Zone.

**Post Reserve Deployment Constraints Demand Curve:** Demand curves used to price Post Reserve Deployment Constraints.

**Power Purchaser:** The entity that is purchasing the Capacity and reserved Energy to be transmitted under this Tariff.

**PPA Schedule:** Schedule associated with a PPA that is executed after April 3, 2014.

**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.

**Price Sensitive Demand Bids:** Demand Bids in which the Market Participant specifies a maximum price (dollars per MWh) at which the Market Participant desires to purchase

the designated MWh of Energy.

**Price Taker:** A Market Participant with an Energy and/or Operating Reserve Offer not capable of setting LMPs or MCPs.

**Production Costs:** The Energy output cost of a Generation Resource or a Demand Response Resource-Type II based upon Start Up, No Load and Energy Offer cost components set forth in an Offer or the Energy reduction cost of a Demand Response Resource-Type I based upon Shut Down Offer, Hourly Curtailment Offer and Energy Offer cost components set forth in an Offer.

**Project Cost:** All costs for Network Upgrades, as determined by the Transmission Provider to be a single transmission expansion project, including those costs associated with seeking and obtaining all necessary approvals for the design, engineering, construction, and testing of the Network Upgrades. These Network Upgrades will include costs classified by the Transmission Owners and Independent Transmission Companies as transmission plant using the Uniform System of Accounts 350 through 359 or equivalent set of accounts for any Coordinating Owner.

**Project Financial Security:** The Cash Deposit or Irrevocable Letter of Credit described in Appendix 1 to Attachment FF of the Tariff that a Selected Developer is required to provide.

**Proposal:** A proposal to construct, implement, own, operate, maintain, repair, and restore all Competitive Transmission Facilities associated with a Competitive Transmission Project, in response to a Request for Proposal. Proposals may be submitted in one of two different forms: (i) a Single-Developer Proposal; or (ii) a Joint-Developer Proposal. The term

“Proposal” shall include “Single-Developer Proposal” and “Joint-Developer Proposal”.

***Proposal Cure Period:*** A period of time, as set forth within Attachment FF, Section VIII.D.10, allowed for an RFP Respondent to correct deficiencies identified by the Transmission Provider in its previously submitted Proposal. The Proposal Cure Period commences upon notification by the Transmission Provider to an RFP Respondent of deficiencies in its Proposal.

***Proposal Participant(s):*** Any entity or entities involved in a Proposal, excluding the RFP Respondent(s), that will co-own the Competitive Transmission Project and rely on the RFP Respondent(s) to be the Selected Developer(s) responsible for constructing and implementing the Competitive Transmission Facilities associated with the Competitive Transmission Project. Proposal Participants may be identified in a Proposal as responsible for one or more aspects of operations, maintenance, repair, or restoration, on terms comparable to those that would apply if the RFP Respondent(s) intended to rely on a third-party contractor.

***Proposal Submission Deadline:*** The date and time Proposals must be submitted to the Transmission Provider by in order to be considered and evaluated by the Transmission Provider. The Submission Deadline shall be no later than 5:00 PM EPT on the date specified in the RFP, which shall not exceed one hundred and sixty-five (165) Calendar Days from the date the RFP was issued by the Transmission Provider, unless such date falls on a Saturday, Sunday, or MISO observed holiday in which case the Proposal Submission Deadline shall be the next Business Day that is not a MISO observed holiday.

***Proposed Generator Planned Outage:*** The planned removal from service, in whole or in part, of a Generation Resource for inspection, maintenance or repair for which the Generation

Owner has sought or will seek approval from the Transmission Provider for such planned removal in accordance with the Business Practices Manuals.

***Protected Information:*** Privileged and non public information to be maintained by the Transmission Provider.

***Proxy Offers:*** The Offers created for resources that are deployed during Emergency operating procedures by the Transmission Provider as specified in Schedule 29A.

***Pseudo-tie:*** A telemetered reading or value that is updated in real time and used as a tie line flow in the Area Control Error equation but for which no physical tie or energy metering actually exists. The integrated value is used as a metered MWh value for interchange accounting purposes. Pseudo tied status of Resources and Loads may only be changed during Network Model updates and the timing of such updates shall be as defined in the Business Practices Manuals.

***Pseudo-tie Agreement:*** The Agreement between MISO and a Market Participant included as Attachment FFF-1 or Attachment FFF-2 to this Tariff, as applicable, outlining the terms and conditions of the real-time transfer of control of a generating unit or load to (or from) the MISO Balancing Authority Area from (or to) a specified external Balancing Authority Area.

***Public Power:*** For credit scoring purposes, an Applicant or Market Participant that is a not for profit municipality, cooperative, Joint Action Agency, or agent representing one or more Public Power entities and whose credit quality is directly derived from the credit quality of the Public Power entities represented through the agency relationship.

***Public Power Composite Score:*** For credit scoring purposes, the weighted average value of the

Public Power Qualitative Score and the Public Power Quantitative Score. The relative weights are sixty percent (60%) and forty percent (40%).

***Public Power Qualitative Score:*** A component of a Public Power Composite Score which has, for credit scoring purposes, a value ranging from 1 to 6.99, with 1 being the best and 6.99 being the worst. The value is based on a review by the Transmission Provider of qualitative factors relative to an Applicant's business, including but not limited to: i) regulatory; ii) legal; iii) demographic; and iv) energy supply/price factors as provided in Attachment L to this Tariff.

***Public Power Quantitative Score:*** A component of a Public Power Composite Score which has, for credit scoring purposes, a value ranging from 1 to 6.99, with 1 being the best and 6.99 being the worst. The value is based on a review by the Transmission Provider of various financial metrics as detailed in the Transmission Provider's credit scoring model in Attachment L.

***QMAX:*** The maximum Generator reactive power output reported in MVARs at full real power output of the unit.

***QMIN:*** The minimum Generator reactive power output reported in MVARs at full real power output of the unit.

***Qualified Generator:*** The generation resource(s) having the technical capability of providing reactive supply and voltage control as determined by the Transmission Provider in accordance with the provisions specified in Schedule 2 of this Tariff.

***Qualified Transmission Developer:*** A Transmission Owner, ITC, or Non-owner Member that submits a Transmission Developer Application and is subsequently found by the Transmission Provider to meet the minimum requirements for a Qualified Transmission Developer as outlined in Section VIII.B of Attachment FF of the Tariff.

***Quarterly Study Period:*** The stretch of time in which Attachment Y Notices are compiled and subsequently studied. There are four study periods in a year with the following start and end dates:

Quarter 1: The first Business Day of March through the last Business Day of May;

Quarter 2: The first Business Day of June through the last Business Day of August;

Quarter 3: The first Business Day of September through the last Business Day of November;

Quarter 4: The first Business Day of December through the last Business Day of February.

***Quick Start Resource:*** A Generation Resource, Demand Response Resource-Type II, or Distributed Energy Aggregated Resource that can be started, synchronized and inject

Energy within the Contingency Reserve Deployment Period.

***Ramp Capability Response Time:*** The duration of time beyond the Resource dispatch target time which is used to determine the market-wide requirements and Resource participation capabilities for the Up Ramp Capability and Down Ramp Capability products.

***RAR Potential Exposure:*** The sum total of exposure values as defined in Section V.A.6 of Attachment L to this Tariff.

***Rating Agency:*** A nationally recognized statistical rating organization, as such term is defined in the regulations promulgated by the SEC. These may include, but are not limited to, Standard and Poor's, Moody's and Fitch.

***Reactive Supply and Voltage Control:*** Reactive power support necessary to maintain transmission voltages within limits that are established by the Transmission Provider, which is measured in MVARs.

***Real-Time and Projected Operating Data:*** The categories of information that the Transmission Provider and the Congestion Management Customer (or the Congestion Management Customer's tariff administrator or Reliability Coordinator, as appropriate) shall transfer to each other as provided in Section 80.1.1 of the Tariff.

***Real-Time Energy Purchases:*** For a Market Participant, a value in MWh equal to the sum of the following, as applicable:

- (i) For Load Zones, the maximum of (a) the difference between (1) Actual Energy Withdrawals (net of Real-Time Financial Schedules) and (2) Day-Ahead Schedules for Energy or (b) zero (0);

- (ii) for Resources, the maximum of (a) the difference between (1) Day-Ahead Schedules for Energy or (2) Actual Energy Injections (net of Real-Time Financial Schedules) or (b) zero (0);
- (iii) for Virtual Transactions, the Day-Ahead Schedule resulting from a cleared Virtual Supply Offer;
- (iv) for Import Schedules, the maximum of (a) the difference between (1) the Day-Ahead Import Schedule and (2) the Real-Time Import Schedule and (b) zero (0);
- (v) for Export Schedules, other than Export Schedules for External Asynchronous Resources, the maximum of (a) the difference between (1) the Real-Time Export Schedule and (2) the Day-Ahead Export Schedule and (b) zero (0); and
- (vi) for Real-Time Financial Schedules, without any associated Actual Energy Injections or Actual Energy Withdrawals, the volume associated with the seller side of the Real-Time Financial Schedule.

***Real-Time Energy and Operating Reserve Market:*** The Market for purchases and sales of Energy, Operating Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve conducted by the Transmission Provider during the Operating Day.

***Real-Time Ex Ante LMP:*** The LMP, associated with a specific location, calculated at the beginning of the Dispatch Interval, using the process defined in Schedule 29 of this Tariff, that is used for informational purposes in the Real-Time Energy and Operating Reserve Market.

***Real-Time Ex Ante MCP:*** The MCP, associated with a specific location, for Regulating Reserve, Spinning Reserve, Supplemental Reserve, Up Ramp Capability, Down Ramp

Capability, and Short-Term Reserve calculated at the beginning of the Dispatch Interval, using the process defined in Schedule 29 of this Tariff, that is used for informational purposes in the Real-Time Energy and Operating Reserve Market.

***Real-Time Ex Post LMP:*** The LMP calculated for each Dispatch Interval using the process defined in Schedule 29A of this Tariff.

***Real-Time Ex Post MCP:*** The MCP for Regulating Reserve, Spinning Reserve, Supplemental Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve calculated for each Dispatch Interval using the process defined in Schedule 29A of this Tariff.

***Real-Time Financial Schedule:*** A Financial Schedule applicable only in the Real-Time Energy and Operating Reserve Market.

***Real-Time Intermittent Resource Forecast:*** The forecast for an Intermittent Resource. If a Market Participant chooses to submit this value, it must be submitted by the Market Participant prior to the Notification Deadline. If a Real-Time Intermittent Forecast is not submitted by then, it will be deemed to be equal to the Day-Ahead Schedule. A positive number represents injection and a negative number is not allowed.

***Real-Time Load Zone Demand Forecast:*** An optional demand forecast for a Load Zone. If a Market Participant chooses to submit this value, it must be submitted by the Market Participant prior to the Notification Deadline. If a Real-Time Load Zone Demand Forecast is not submitted, it will be deemed to be equal to the Day-Ahead Schedule.

***Real-Time Financial Schedule For Deviations:*** Real-Time Financial Schedules where the scheduled MW volumes are included in determining deviations for the Real-Time

Revenue Sufficiency Guarantee Constraint Management Charge and Real-Time Revenue Sufficiency Guarantee Day-Ahead Schedule Deviation Charge.

***Real-Time Offer Revenue Sufficiency Guarantee Payment (RTORSGP):*** The real-time make-whole payment provided under Section 40.3.5 of this Tariff to the Resources described therein, when the sum of revenue from Hourly Real-Time Ex Post LMPs and Hourly Real-Time Ex Post MCPs does not fully cover the incremental Energy Offer costs and Operating Reserve Costs of such Resources.

***Real Time Offers:*** Offers submitted for use in the Real Time Energy and Operating Reserve Market, the Reliability Assessment Commitment, or the LAC.

***Real Time Revenue Sufficiency Guarantee Charge:*** The sum of the Real Time Revenue Sufficiency Guarantee Credits in an Hour in the Day allocated to Market Participants in that Hour pursuant to the calculations specified in Sections 40.3.3.2 of this Tariff.

***Real-Time Revenue Sufficiency Guarantee Constraint Management Charge:*** The sum of the Real-Time Revenue Sufficiency Guarantee Credits in an Hour allocated to Market Participants for Resources committed in any RAC process or the LAC process for an Active Transmission Constraint and not otherwise attributable to Topology Adjustment and Transmission De-rates.

***Real-Time Revenue Sufficiency Guarantee Credit:*** A Resource credit guaranteed by the Transmission Provider ensuring the minimum recovery of the Production Cost and Operating Reserve Cost of a Resource that has been committed and scheduled by the Transmission Provider in the Real-Time Energy and Operating Reserve Market.

***Real-Time Revenue Sufficiency Guarantee Day-Ahead Schedule Deviation Charge:*** The sum

of the Real-Time Revenue Sufficiency Guarantee Credits in an Hour allocated to Market Participants for Resources committed in any RAC process or the LAC process and not otherwise: (1) collected via the Real-Time Revenue Sufficiency Guarantee Constraint Management Charge, or (2) collected via the Day-Ahead and Real-Time Revenue Sufficiency Guarantee Voltage and Local Reliability Charge, or (3) attributable to Headroom, Topology Adjustment and Transmission De-rates.

***Real-Time Revenue Sufficiency Guarantee Full Payment Criteria:*** A set of conditions a Resource must satisfy in order to be eligible for the full amount of Real-Time Revenue Sufficiency Guarantee Credit. In the event that a Resource fails the full payment criteria, it will be subject to a reduced Real-Time Revenue Sufficiency Guarantee Credit.

***Real-Time Revenue Sufficiency Guarantee Headroom Charge:*** Those Real-Time Revenue Sufficiency Guarantee Credits allocated to Market Participants in an Hour associated with Headroom.

***Reasonable Efforts:*** Any action required to be made, attempted, or taken by a Party under this Tariff in the exercise of “Reasonable Efforts,” such efforts as are timely and consistent with Good Utility Practices that would be undertaken for the protection of its own interests under the conditions affecting such action, including but not limited to the amount of notice of the need to take such action and the duration and type of such action.

***Receivable Security Interest:*** A continuing first-priority security interest to the Transmission Provider in all right, title and interest in any and all accounts receivable and other rights of payment of the Tariff Customer for goods and services provided under, or otherwise arising under, pursuant to or in connection with, the Tariff and/or any of the Agreements.

***Receiving Party:*** The entity receiving the Capacity and Energy transmitted by the Transmission Provider to Point(s) of Delivery.

***Reciprocal Coordinated Flowgate (RCF):*** A Coordinated Flowgate with respect to which a reciprocal agreement has been written and to which the reciprocal coordination procedures of the CMP apply. A RCF may be under the operational control of the Transmission Provider, a Coordination Customer, or a third party Reciprocal Entity.

***Reciprocal Entity:*** Shall be as defined in Section 7, Appendix A of the Congestion Management Process (Master) set forth in Attachment LL of the Tariff.

***Reference Bus:*** The location(s), on the Transmission Provider Region, relative to which mathematical quantities relating to physical operation will be calculated.

***Reference Levels:*** In the context of Module D, calculations intended to reflect a Resource's marginal costs, including Legitimate Risk and Opportunity Costs.

***Reference Year:*** The year that is used by the Transmission Provider for the determination of initial ARR Zones and ARR Entitlements.

***Regional Entity (RE):*** Midwest Reliability Organization (MRO), ReliabilityFirst Corporation (RFC), SERC Reliability Corporation (SERC), or any successor organizations to these entities or any other entity approved by the Commission as an RE.

***Regional Transmission Group (RTG):*** A voluntary organization of Transmission Owners, Users and other entities approved by the Commission to efficiently coordinate transmission planning (and expansion), operation and use on a regional (and interregional) basis.

***Regulating Capacity Offer:*** The price, in dollars per MW per Hour, at which a Regulation Qualified Resource has agreed to sell Regulating Reserve.

***Regulating Mileage:*** The absolute value of the up and down movement, in MW, of a Resource in response to Regulating Reserve Deployment instruction.

***Regulating Mileage Cost:*** The cost to supply Regulating Mileage based on the Regulating Mileage Offers.

***Regulating Mileage Market Clearing Price:*** The clearing price for Regulating Mileage in the Transmission Provider Region. It is used to pay for Additional Regulating Mileage in the Real-Time Energy and Operating Reserve Market.

***Regulating Mileage Offer:*** The price, in dollars per MW, at which a Regulation Qualified Resource has agreed to sell Regulating Mileage.

***Regulating Mileage Target:*** The Instructed Regulating Mileage of a Resource adjusted to reflect its actual output at the beginning of a Dispatch Interval.

***Regulating Reserve:*** Capacity held in reserve by a frequency responsive Generation Resource, External Asynchronous Resource, Electric Storage Resource, Demand Response Resource-Type II, or Distributed Energy Aggregated Resource for the purpose of providing Regulating Reserve Deployment in both the up and down direction.

***Regulating Reserve Deployment:*** The utilization of Regulating Reserve to automatically and continuously adjust Resource output to manage the MISO Balancing Authority Area in accordance with Applicable Reliability Standards.

***Regulating Reserve Market Clearing Price:*** The clearing price for Regulating Reserve, considering Resources' Regulating Total Cost, at a given Commercial Pricing Node in the

Transmission Provider Region, which shall be equivalent to the marginal cost of meeting the Zonal and Market-Wide Regulating Reserve Requirement and delivering Zonal Regulating Reserve to the Reference Bus, while meeting the Zonal and Market-Wide Contingency Reserve Requirement, the requirement that zonal Contingency Reserve be deliverable to the Reference Bus, and system demand requirements.

***Regulating Service:*** Regulating Service is the Regulating Reserve and Regulating Mileage that is used for Regulating Reserve Deployment.

***Regulating Total Cost:*** The total price, in dollars per MW per Hour, used to clear Regulating Reserve in the Day-Ahead and Real-Time Energy and Operating Reserve Markets. Regulating Total Cost includes the cost of providing a MW of Regulating Reserve capacity for an Hour and deploying the MW of Regulating Reserve capacity at the Market-wide Regulating Mileage Deployment Ratio during each Dispatch Interval in that Hour. A Resource's Regulating Total cost is calculated as its Regulating Mileage Offer multiplied by the Market-wide Regulating Mileage Deployment Ratio and the number of Dispatch Intervals in an Hour plus the Resource's Regulating Capacity Offer.

***Regulating Total Cost Price Cap:*** The maximum price permitted for Regulating Total Cost in the Energy and Operating Reserve Markets.

***Regulation Capability:*** The ability of a Resource or Resources to provide and deploy Regulating Reserve.

***Regulation Deployment Adjustment:*** The Settlement of Regulation Reserve Deployment as defined under Section 40.3.3.1.a.v.

***Regulation Deployment Instruction:*** The Setpoint Instruction associated with Regulating

Reserve Deployment.

***Regulation Qualified Resource:*** A Generation Resource, External Asynchronous Resource, Electric Storage Resource, Demand Response Resource-Type II, or Distributed Energy Aggregated Resource that has met the requirements to be eligible to provide Regulating Service by submitting Regulating Capacity Offers and Regulating Mileage Offers into the Energy and Operating Reserve Markets.

***Regulation Response Time:*** The maximum amount of time allowed for a Resource output to move from zero Regulating Reserve Deployment to the full amount of Regulating Reserve cleared in the up direction or to move from zero Regulating Reserve Deployment to the full amount of Regulating Reserve cleared in the down direction.

***Relevant Electric Retail Regulatory Authority (RERRA):*** An entity that has jurisdiction over and establishes prices and/or policies for providers of retail electric service to end-customers, such as the city council for a municipal utility, the governing board of a cooperative utility, the state public utility commission or any other such entity.

***Request for Proposals (RFP):*** An invitation, including associated requirements, for Qualified Transmission Developers to submit Proposals to construct, implement, own, operate, maintain, repair, and restore a Competitive Transmission Project.

***Reliability Based Demand Curve (RBDC):*** A smoothed curve representation of the value of reliability changes expressed in \$/MW-day as incremental/decremental MW changes are made to the quantity of capacity demanded, for each Season based on the MRI Curves.

***Reliability Based Demand Curve Opt Out (RBDC Opt Out):*** A plan submitted by an LSE to the Transmission Provider that is accepted by the Transmission Provider which demonstrates

that the LSE has sufficient ZRCs to meet all of its Final PRMR for one or more LRZs in all Seasons.

***Reliability Based Demand Curve Opt Out Adder (RBDC Opt Out Adder):*** A percent quantity that is equal to or greater than zero, in addition to the PRM that an LSE selecting the RBDC Opt Out must meet to fulfill its RAR for each Season.

***Reliability Based Demand Curve Opt Out Deficiency Charge (RBDC Opt Out Deficiency Charge):*** A charge that is assessed to an LSE that has elected to use the RBDC Opt Out and fails to meet its Final PRMR for each Season.

***Reliability Based Demand Curve Opt Out Lock-In Period (RBDC Opt Out Lock-In Period):*** The minimum period of time that an LSE must meet its Final PRMR through the RBDC Opt Out.

***Reliability Coordination Customer:*** Any entity taking Reliability Coordination Service under Part I of Module F of the Tariff.

***Reliability Coordination Customer Transmission Facilities:*** The transmission facilities of a Reliability Coordination Customer included in the Bulk Electric System.

***Reliability Coordination Invoiced Exposure (RCIE):*** All Schedule 31 charges associated with Reliability Coordination Service under Part I of Module F that have been invoiced but not yet paid.

***Reliability Coordination Measured Exposure (RCME):*** All Schedule 31 charges associated with Reliability Coordination Service under Part I of Module F that have been measured but not yet paid.

***Reliability Coordination Service:*** The services provided pursuant to Part I of Module F.

***Reliability Coordination Technical Committee:*** The technical committee established pursuant to Section 78 of the Tariff for the purpose of providing information and recommendations to the Transmission Provider regarding Reliability Coordination Service under Module F.

***Reliability Plan:*** A plan of the Transmission Provider, on file with the NERC, that explains how reliability coordination will be accomplished.

***Reliability Assessment Commitment (RAC):*** A process conducted prior to the Day-Ahead Energy and Operating Reserve Market, following the posting of results for the Day-Ahead Energy and Operating Reserve Market but prior to the Operating Day, and during the Real-Time Energy and Operating Reserve Market by which the Transmission Provider ensures that sufficient Resources will be available and on line to meet Load, Operating Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve, and other demand requirements in the Operating Day.

***Reliability Coordinator:*** Entities responsible for ensuring the real-time operating reliability of the interconnected bulk electric transmission system within the Reliability Coordinator Area.

***Reliability Coordinator Area:*** The Transmission Provider Region, which is also the portion of the interconnected bulk electric transmission system subject to reliability oversight by the Transmission Provider.

***Remote Self-Supply:*** The netting of positive net generation output from Generation Owner's remotely located Facility(ies) against Station Power Load at a Facility.

***Rescheduling Costs:*** Reasonable and explicit additional costs including costs, such as labor and equipment rental costs, as well as direct and verifiable replacement Energy costs of a

Generation Resource under Attachment BB, that have been incurred by the Generation Resource solely as a result of the Transmission Provider's rescheduling the Generator Planned Outage under Attachment BB or a Transmission Outage under Attachment JJ.

***Reserve Scarcity:*** A market-wide and/or zonal deficiency of one or more types of Operating Reserve.

***Reserve Sharing:*** An arrangement between two or more entities to share the provision of Operating Reserve in response to a loss of a Generation Resource.

***Reserve Sharing Group:*** An arrangement between two or more entities to share the provision of Operating Reserve in response to a loss of a Resource or other contingency event.

***Reserve Zone:*** A specific group of Resource, Load and Interface CPNodes where a minimum Operating Reserve requirement is established through Reserve Zone Configuration Studies as described in Section 39.2.1A.d of this Tariff.

***Reserve Zone Configuration Studies:*** Studies that establish the number of Reserve Zones and the assignment of Resources, Loads and/or Interface Elemental Pricing Nodes to specific Reserve Zones.

***Reserve Zone Hourly Ex Post LMP:*** The load-weighted Hourly Ex Post LMP for a Reserve Zone.

***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 Module B of this Tariff. Reserved Capacity shall be expressed in terms of whole MW on a sixty (60) minute interval (commencing on the clock hour) basis.

***Reserved Source Point(s) (RSP):*** Resources historically used by a Market Participant to serve Load in an ARR Zone.

***Residual Load:*** The result of a calculation used to determine the amount of over or under claimed Load in a Local Balancing Authority Area. The calculation determines the difference between: (i) the reported amount of Actual Energy Injections and Net Actual Interchange for the Local Balancing Authority; and (ii) the amount of State Estimator determined Losses and the reported amount of Actual Energy Withdrawals for the Local Balancing Authority Area. Residual Load is then used to reduce or increase the reported volume of the Residual Load Zone for that Local Balancing Authority Area.

***Residual Load Zone:*** The single Commercial Pricing Node identified by the Transmission Provider in a Local Balancing Authority Area where any calculated Residual Load is allocated for the purpose of Settlements.

***Resource:*** Either a Generation Resource, Demand Response Resource-Type I, Demand Response Resource-Type II, Dispatchable Intermittent Resource, Intermittent Resource, Electric Storage Resource, External Asynchronous Resource, or Distributed Energy Aggregated Resource.

***Resource Adequacy Requirements (RAR):*** The planning reserve procedures and requirements located in Sections 68 up to, but not including, Section 70 of this Tariff and the Business Practices Manual for Resource Adequacy that ensure there are adequate Planning Resources available to enable LSEs to reliably serve Load.

***Resource Outage Index:*** The ratio of the maximum quantity (MW) of resources available each day to the maximum quantity of resources available across all days during the year. The

Resource Outage Index is a set of daily values, between 0 and 1, where the value 1 is the ratio on the day(s) of maximum resource availability; smaller values represent lesser availabilities.

**Resource Plan:** The annual and monthly plan made by an LSE to meet its RAR obligations.

**Resource Plan Deadline:** The first day of the month prior to each Month for which there exists an RAR obligation.

**Resource Qualification Requirements:** The conditions that a Resource must meet to be eligible for inclusion as a Reserved Source Point in the BRSS or PRSS.

**Resource Offer Up and Down Ramp Capability Dispatch Status:** A specification submitted by a Market Participant in its Generation Offer for each hour to indicate whether the Transmission Provider is authorized to economically clear Up Ramp Capability and/or Down Ramp Capability on the Resource for the Hour.

**Resource-Specific Uplift Report:** A monthly report containing the Resource name, total amount of Day-Ahead Revenue Sufficiency Guarantee Credits, Real-Time Revenue Sufficiency Guarantee Credits, Day-Ahead Margin Assurance Payments, and Real-Time Offer Revenue Sufficiency Guarantee Payments paid in dollars, aggregated across the month, to each Resource that received uplift payments.

**Retire:** The permanent cessation of operation of a Generation Resource or SCU after a specified date that is provided to the Transmission Provider, consistent with the requirements in Section 38.2.7 and Attachment X.

**Revenue Bonds:** Bonds issued by a Joint Action Agency or municipality to finance a project, projects, or system, that are repaid using the revenues generated by the project, projects,

or system.

***Revenue Neutrality Uplift:*** The mechanism through which the Transmission Provider refunds excess revenues collected to Market Participants or collects revenue deficiencies from Market Participants.

***RFP Respondent(s):*** One or more Qualified Transmission Developer(s) involved in a Proposal submitted to the Transmission Provider in response to a Request for Proposals.

***RSP Utilization Factor:*** RSP Utilization Factor corresponds to the percentage of hours that an RSP was on-line for the following test period: (a) for parties joining the Second Planning Area in 2013 or 2014 only, during the period June 1, 2010 through May 31, 2012 (b) for all other parties, during the Reference Year and the two (2) years previous to the Reference Year.

***Sample Membership Agreement:*** The document that establishes the rights and obligations between the Electric Generation and Transmission Cooperative (Coop) and its members.

***Scarcity Price:*** The LMP and MCP price levels determined by Demand Curves when insufficient Operating Reserves or Short-Term Reserves are cleared to meet the Operating Reserve or Short-Term Reserve requirements, respectively.

***Schedule 16 Costs:*** The monthly charge of costs to be recovered under Schedule 16 of this Tariff shall include any deferred pre-operating costs, direct and indirect capital costs, direct and indirect operating expenses and all other costs associated with administering the Financial Transmission Rights Administrative Service under this Tariff.

***Schedule 17 Costs:*** The costs to be recovered under Schedule 17 of this Tariff shall include any deferred pre-operating costs, direct and indirect capital costs, direct and indirect operating expenses and all other costs associated with administering the Energy and Operating Reserve Market Support Administrative Service under this Tariff.

***Scheduled Injections:*** Energy scheduled in the Day Ahead Energy and Operating Reserve Market to be injected over an Hour of the Operating Day.

***Scheduled Withdrawals:*** Energy withdrawals scheduled in the Day Ahead Energy and Operating Reserve Market over a given Hour of the Operating Day.

***Scheduling Agent:*** An entity designated by a Market Participant that has the authority to conduct business in the Transmission Provider Region on behalf of the Market Participant.

***Scheduling Instructions:*** Directives issued by the Transmission Provider to Market Participants with Load Modifying Resources indicating MW quantities to be reduced.

***SCUC Instructed Hours of Operation:*** The period beginning when a Resource is synchronized to the Facilities within the MISO Balancing Authority Area in response to the Transmission Provider selecting the Resource in the unit commitment portion of the SCUC process and ends at the later of: (i) the time incorporating the sum of the time when the Resource is synchronized and the Resource's Minimum Run Time and (ii) the earlier of the time the Resource is forced out of service or the time when the Transmission Provider notifies the Market Participant that the Resource is no longer needed. The SCUC Instructed Hours of Operation cannot extend beyond the Operating Day.

***Seams Operating Agreement:*** An agreement between adjacent balancing authorities or transmission providers for the coordination of operations, including joint operating agreements.

***Season:*** The four (4) seasons are (i) Winter – December, January, February; (ii) Spring – March, April, May; (iii) Summer – June, July, August; and (iv) Fall – September, October, November.

***Seasonal Accredited Capacity (SAC):*** The amount of accredited Capacity, for a given Season, in MW, assigned to a Planning Resource that is convertible to Zonal Resource Credits.

***SEC:*** Securities and Exchange Commission.

***Second Planning Area:*** The area of the Transmission Provider Region where Entergy Corporation and its Operating Companies that own and/or operate transmission facilities (i.e., located in Arkansas, Louisiana, Mississippi, or Texas) that are conveyed to the functional control of the Transmission Provider to provide Transmission Service pursuant

to Module B of the Tariff. The Second Planning Area shall be formed when the first Entergy Operating Company conveys functional control of its transmission facilities to the Transmission Provider, and may be expanded if other Entergy Operating Companies or adjacent utilities in Arkansas, Louisiana, Mississippi or Texas, join MISO later in the Second Planning Area's Transition Period.

***Second Planning Area's Transition Period:*** The period: (i) commencing when the first Entergy Operating Company conveys functional control of its transmission facilities to the Transmission Provider to provide Transmission Service under Module B of this Tariff; (ii) consisting of at least five consecutive (5) years, plus the time needed to complete the MTEP approval cycle pending at the end of the fifth year; (iii) ending on the day after the conclusion of such MTEP approval cycle, which in no case shall be more than six years after the start of that period; and (iv) during which the Transmission Provider shall review and compare the current states of the transmission systems in the First Planning Area and the Second Planning Area and, if a lack of comparability is found, shall identify transmission projects necessary to achieve comparability. The processes for identifying transmission projects necessary to achieve comparability and allocating costs associated with the projects that are so identified during the Second Planning Area's Transition Period are set forth in Attachment FF-6.

***Security Constrained Economic Dispatch (SCED):*** An algorithm capable of clearing, dispatching, and pricing Energy, Operating Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve in a simultaneously co-optimized basis that minimizes Production Costs and Operating Reserve Costs while enforcing multiple

security constraints. The algorithm keeps the commitment of Resources fixed in the dispatch. The model is described in Schedule 29.

***Security Constrained Economic Dispatch Pricing (SCED-Pricing):*** An algorithm capable of clearing, dispatching, and pricing Energy, Operating Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve in a simultaneously co-optimized basis that minimizes Production Costs and Operating Reserve Costs while enforcing multiple security constraints. The model is described in Schedule 29A.

***Security Constrained Unit Commitment (SCUC):*** An algorithm capable of committing Resources to supply Energy, Operating Reserve, Up Ramp Capability, Down Ramp Capability, and Short-Term Reserve on simultaneously co-optimized basis that minimizes Capacity costs while enforcing multiple security constraints.

***Selected Developer(s):*** The RFP Respondent(s) identified in the Selected Proposal. Selected Developers shall not include Proposal Participants.

***Selected Developer Agreement (SDA):*** An agreement, in the form provided in Appendix 1 of Attachment FF of the Tariff, between a Selected Developer, including existing Transmission Owners, ITCs, and Non-owner Members, and the Transmission Provider establishing the terms and conditions under which the Selected Developer will construct and implement the Competitive Transmission Facilities specified in its Selected Proposal. Among other terms, the Selected Developer Agreement shall include any binding cost control measures, including cost caps, which the Selected Developer specified in its Selected Proposal.

***Selected Proposal:*** The Proposal selected for implementation by the Competitive Transmission

Executive Committee, pursuant to Attachment FF of the Tariff.

***Self Schedule:*** The designation by a Market Participant of a specific amount of Energy and/or Operating Reserve and/or capacity to be supplied from a specific Resource or Planning Resource as a Price Taker.

***Self-Scheduled Resource:*** A Resource that is scheduled by a Market Participant and controlled by the same Market Participant under the overall coordination of the Transmission Provider. A Self-Scheduled Resource is a Price Taker for the portion of the Resource that is Self Scheduled.

***Service Agreement:*** The initial agreement and any amendments or supplements thereto entered into by the Tariff Customer and the Transmission Provider for service under this Tariff, including, without limitation, any service agreement executed pursuant to Section 27A (an HVDC Service Agreement), Module F, and Attachment KK of the Tariff.

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

***Setpoint Instruction:*** The real-time desired MW output signal calculated for a specific Resource by the Transmission Provider's control system on a specified periodicity that is equal to the current Energy Dispatch Target plus the Regulating Reserve Deployment instruction (which may be positive or negative) plus an adjustment to the Energy Dispatch Target to account for Contingency Reserve Deployment Instructions. The Setpoint Instruction represents the desired output level of the Resource.

***Settlement:*** The process of determining charges to be paid to or by a Market Participant in the Energy and Operating Reserve Markets operated by the Transmission Provider under this Tariff.

***Settlement Statements:*** Reports provided by the Transmission Provider to Market Participants containing some aggregate and some detailed charge type information and determinant data regarding financial obligations for Energy and Operating Reserve Market activities and services, allowing for the verification by the Market Participant of Settlements invoiced amounts.

***Shadow Price:*** The marginal value of relieving a particular constraint.

***Shortfall Amount:*** The difference between a Resource's Contingency Reserve Deployment Instruction and the actual amount of Contingency Reserve deployed by that Resource at the end of the Contingency Reserve Deployment Period; or the difference between a Resource's Economic Minimum Dispatch and the Actual Energy Injection of the Resource at the end of the Short-Term Reserve Deployment Period.

***Short-Term Firm Point-To-Point Transmission Service:*** Firm Point To Point Transmission Service under Module B of this Tariff with a term of less than one (1) Year.

***Short-Term High-Voltage Direct Current Service:*** HVDC Service under Section 27A of this Tariff with a term of less than one (1) year.

***Short-Term Reserve:*** Rampable Capacity provided by eligible Resources available to the Transmission Provider to be converted to Energy within the Short-Term Reserve Deployment Period to address market-wide, sub-regional and/or local short-term needs for reserves as specified in Schedule 51 of this Tariff.

***Short-Term Reserve Deployment Failure Charge:*** A charge assessed to any Resource that fails to achieve the Economic Minimum Dispatch within a Short-Term Reserve Deployment Period. Resources that clear Off-Line Short-Term Reserve will be made available for Operator commitment as a part of the Transmission Provider's Look Ahead Commitment process.

***Short-Term Reserve Deployment Period:*** The thirty (30)-minute period of time within which the Resource must deploy Short-Term Reserve following the issuance of a Short-Term Reserve Deployment Instruction. The Short-Term Reserve Deployment Period is also the duration of time beyond the Resource Dispatch Target time that is used to determine on-line Resource participation capabilities for the Short-Term Reserve product.

***Short-Term Reserve Dispatch Status:*** A specification submitted by a Market Participant in its Generation Offer for each hour to indicate whether the Transmission Provider is authorized to economically clear Short-Term Reserve on the Resource for the Hour. Valid Short-Term Reserve Dispatch Status specifications include: Economic and Not Participating.

***Short-Term Reserve Qualified Resource:*** A Generation Resource that is not a Dispatchable Intermittent Resource, an Intermittent Resource, Demand Response Resource – Type II, or External Asynchronous Resource that has met the requirements to be eligible to provide Short-Term Reserve, and an Electric Storage Resource that has met the requirements to be eligible to provide online Short-Term Reserve, by submitting a Short-Term Reserve Dispatch Status other than "Not Participating" and/or is an Off-Line Short-Term Reserve Qualified Resource.

***Short-Term Reserve Requirements:*** The Market-Wide Short-Term Reserve Requirement, Sub-Regional Short-Term Reserve Requirements, and Local Short-Term Reserve Requirements.

***Shut-Down Offer:*** The compensation required by a Market Participant for reducing the consumption of a Demand Response Resource Type-I.

***Shut-Down Notification Time:*** The amount of notification time required by a Demand Response Resource-Type I prior to the initiation of demand reduction procedures.

***Shut-Down Time:*** The time required for a Demand Resource participating as a Demand Response Resource – Type I or Load Modifying Resource to reduce consumption equal to its Targeted Demand Reduction Level or Firm Service Level.

***Significant Trade Reference:*** Trade reference provided to Transmission Provider in the registration process which are of a significant nature, as determined by Transmission Provider in its sole discretion.

***Simultaneous Feasibility Test:*** A test for a state in which each set of injections and withdrawals associated with receipt point-to-delivery point FTRs and ARRs, and power transfers associated with FTRs and ARRs, would not exceed any thermal, voltage, or stability limits within the Transmission Provider Region under normal operating conditions or for monitored contingencies.

***Single-Developer Proposal:*** A Proposal submitted by a single RFP Respondent that would become the sole Selected Developer for the Competitive Transmission Project, should its Single-Developer Proposal be designated as the Selected Proposal by the Transmission Provider.

***Single-Directional-Down Ramp Rate Curve:*** The MW/minute ramp rate curve, that may include up to ten (10) linear segments at which a Generation Resource or Demand Response Resource-Type II can respond to the Setpoint Instructions in the downward direction only.

***Single-Directional-Up Ramp Rate Curve:*** The MW/minute ramp rate curve, that may include up to ten (10) linear segments, at which a Generation Resource or Demand Response Resource-Type II can respond to the Setpoint Instructions in the upward direction only.

***Sink Point:*** The Commercial Pricing Node at which a Financial Schedule terminates.

***Source Point:*** The Commercial Pricing Node at which a Financial Schedule originates.

***Spin Qualified Resource:*** A Generation Resource, an External Asynchronous Resource, a Demand Response Resource-Type I, a Demand Response Resource-Type II, or an Electric Storage Resource that has met the requirements to be eligible to submit Spinning Reserve Offers into the Energy and Operating Reserve Markets.

***Spinning Reserve:*** A specified percentage, based on Applicable Reliability Standards, of Contingency Reserve that must be synchronized to the Transmission System and that meets all Applicable Reliability Standards, and that can be converted to Energy within the Contingency Reserve Deployment Period following a deployment instruction.

***Spinning Reserve Offer:*** The price, in dollars per MW per Hour, at which a Spin Qualified Resource has agreed to sell Spinning Reserve. The price shall reflect the costs required for the Spin Qualified Resource to be made available to provide Spinning Reserve; and may also include a dollar component reflecting an expectation of any Incremental Energy Costs, or costs in Shut-Down Offers and/or Hourly Curtailment Offers with respect to

Demand Response Resource – Type I, that might exceed market revenues when the Spin Qualified Resource follows a Contingency Reserve Deployment Instruction.

***Start-Up Notification Time:*** The amount of notification time required by a Generation Resource prior to the initiation of start-up procedures or the amount of notification time required for a Demand Response Resource Type II, or Electric Storage Resource prior to the initiation of demand reduction procedures, from a hot state, intermediate state and cold state.

***Start Up Offer:*** The compensation required by a Market Participant for bringing an off line Generation Resource on line or for reducing consumption of a Demand Response Resource-Type II, or Electric Storage Resource.

***Start-Up Time:*** The number of Hours required to start a Generation Resource, Demand Response Resource-Type II, LMR, or Electric Storage Resource and synchronize with the Transmission Provider Region to Hourly Economic Minimum Limit consistent with the Applicable Reliability Standards from a hot state, intermediate state or cold state.

***State Estimator:*** A software program used by the Transmission Provider to create a real time assessment of the condition of the Transmission Provider Region.

***State Estimator MWs:*** The megawatts that are determined by the State Estimator to be generated at a given location for each Dispatch Interval.

***State of Charge:*** The Energy, Capacity, Spinning Reserve, Supplemental Reserve and/or Regulating Reserve available to the Transmission Provider's markets from an Electric Storage Resource.

***State Regulatory Authority:*** Any state entity, including the Council of the City of New Orleans,

having jurisdiction over either retail electricity sales or distribution rates of transmission-owning members or transmission-dependent utility members of any state in the Transmission Provider Region. The term “State Regulatory Authority” does not include Native American Tribes, self-regulated public power utilities, cooperatives, non-jurisdictional transmission providers, customer interest groups, state utility consumer advocates, non-traditional state agencies, and local regulatory bodies, except the Council of the City of New Orleans.

***Statement of Support:*** A document that the Transmission Provider provides to Transmission Developer Applicants for submission with a Transmission Developer Application, which: (1) is executed by an Affiliate of a Transmission Developer Applicant; (2) lists specific qualifications, capabilities, and/or competencies that the Affiliate possesses and intends to make available to the Transmission Developer Applicant in order to assist the Transmission Developer Applicant with meeting one or more of the prequalification requirements set forth in Sections VIII.B.4, VIII.B.4.1, VIII.B.4.2, VIII.B.4.3, and/or VIII.B.4.4 of Attachment FF to the Tariff; and (3) authorizes the Transmission Developer Applicant to represent during the annual prequalification and recertification processes set forth in Sections VIII.B.2 and VIII.B.3 of Attachment FF to the Tariff that such Transmission Developer Applicant will have access to the specified qualifications, capabilities, and/or competencies.

***Station Power:*** The Energy used for operating the electrical equipment on the site of a Generation Resource and/or for the lighting, heating, air-conditioning and office equipment needs of buildings located on the site of such a Generation Resource that are

used in the operation, maintenance, or repair of the facility. Station Power does not include Energy (i) used for pumping at a pumped storage facility; (ii) to power synchronous condensers; (iii) in association with power system restoration or blackstart service, or (iv) used for charging an Electric Storage Resource. Station Power may only be provided pursuant to Schedule 20 of this Tariff.

***Statistical Measurement and Verification:*** A measurement and verification methodology that uses either a direct load control baseline, statistical interval baseline, or custom baseline applying a type of statistical technique approved by the Transmission Provider, and as set forth in Attachment TT.

***Storage As Transmission Only Asset (SATO):*** An Electric Facility connected to or to be connected to the Transmission System and approved for inclusion in Appendix A of the MTEP, as a transmission facility that is part of the Transmission System, that is capable of receiving Energy from the Transmission System and storing Energy for injection to the Transmission System, and is operated only to support the Transmission System. The SATOA shall not participate in the Transmission Provider's markets except to the extent necessary to receive Energy from the Transmission System and to inject Energy into the Transmission System to provide the services for which the SATOA was included in the MTEP.

***Sub-Area:*** A portion of the MISO Balancing Authority Area identified by MISO as described in MISO's emergency operating procedures, consisting of the entirety of one or more Local Balancing Authority Areas, or multiple Local Balancing Authority Areas comprising a sub-region, that may require the implementation of emergency actions to address

Capacity shortage conditions.

***Sub-Region:*** One or more Reserve Zones, or any other portion of the MISO Balancing Authority Area limited by physical or contractual constraints, including Sub-Regional Power Balance Constraints, used to establish Short-Term Reserve Requirements.

***Sub-Regional Export Constraint (SREC):*** The amount of Planning Resources in megawatts modeled in the PRA for each Season within an applicable Sub-Regional Resource Zone (SRRZ) that can be cleared in excess of the total individual LRZ's PRMR comprising the SRRZ in accordance with applicable seams agreements, coordination agreements, or transmission service agreements.

***Sub-Regional Import Constraint (SRIC):*** The amount of Planning Resources in megawatts modeled in the PRA for each Season, not within an applicable Sub-Regional Resource Zone (SRRZ), that can be cleared to meet the total PRMR of the individual LRZs comprising the SRRZ in accordance with applicable seams agreements, coordination agreements, or transmission service agreements.

***Sub-Regional Power Balance Constraint:*** A net Energy injection and withdrawal constraint established to manage intra-regional flows in accordance with applicable seams agreements, coordination agreements, transmission service agreements, or operating procedures.

***Sub-Regional Power Balance Constraint Demand Curve:*** A demand curve used to price Sub-Regional Power Balance Constraints.

***Sub-Regional Resource Zone (SRRZ):*** A zone, comprised of a LRZ or combination of two or more LRZs, established by the Transmission Provider each Season for Resource

Adequacy Requirements under Module E-1 to administer constraints in accordance with applicable seams agreements, coordination agreements, or transmission service agreements.

***Sub-Regional Short-Term Reserve:*** Short-Term Reserve that is available to the Transmission Provider in a Sub-Region.

***Sub-Regional Short-Term Reserve Requirements:*** The amount of Sub-Regional Short-Term Reserve, as determined pursuant to Module C of the Tariff, that the Transmission Provider is required to procure in a Sub-Region.

***Supervisory Control and Data Acquisition (SCADA) Data:*** The electric system security data that is used to monitor the electrical state of facilities, as specified in NERC Policy 4.

***Supplemental Qualified Resource:*** A Spin Qualified Resource, or a Demand Response Resource-Type I or, a Generation Resource, Demand Response Resource Type-II, Electric Storage Resource, or External Asynchronous Resource that is not a Spin Qualified Resource that has met the requirements to be eligible to submit Supplemental Reserve Offers into the Energy and Operating Reserve Markets.

***Supplemental Reserve:*** Contingency Reserve that is not considered Spinning Reserve that can be converted to Energy within the Contingency Reserve Deployment Period and that meets all Applicable Reliability Standards.

***Supplemental Reserve Offer:*** The price, in dollars per MW per Hour, at which a Demand Response Resource Type I or an External Asynchronous Resource that is a Supplemental Reserve Qualified Resource has agreed to sell Supplemental Reserve.

***Suspend:*** The cessation of operation of a Generation Resource or an SCU for more than two (2)

months commencing on a specified date that is provided to the Transmission Provider, that includes the right to rescind or modify the Attachment Y Notice for a period ending no later than thirty-six (36) months after the start date specified in an original (i.e. initial, first) Attachment Y Notice, consistent with the requirements in Section 38.2.7 and Attachment X.

***Synchronous Condenser Unit (SCU):*** A facility that can be synchronized to the Transmission Provider's Transmission System without producing Energy.

***System Auction Clearing Price (System ACP):*** The marginal value ("shadow price") associated with the system-wide Demand constraint for a Season. This Demand constraint ensures that the amount cleared, in all LRZs, is at least equal to the Final PRMR in all LRZs. The marginal value of this constraint provides a quantitative result of the value of obtaining the marginal MW from the non-export-constrained LRZ(s).

***System Condition:*** A specified condition on the Transmission System or on a neighboring transmission system, such as a constrained transmission element or flowgate, that may trigger Curtailment of Long-Term Firm Point-To-Point Transmission Service or Long-Term Firm HVDC Service using the curtailment priority pursuant to Section 13.6 or 27A.1.5 of this Tariff, respectively. Such conditions must be identified in the Transmission Customer's Service Agreement or HVDC Service Agreement.

***System Impact Study:*** An assessment by the Transmission Provider and ITC, as applicable, of (i) the adequacy of the Transmission System to accommodate a request for either Firm Point-To-Point Transmission Service or Network Integration Transmission Service and (ii) whether any additional costs may be incurred in order to provide Transmission

Service. System Impact Studies for any transmission facilities not under the operational control of the Transmission Provider or ITC shall be performed by the Transmission Owner or applicable ITC Participant or any entity the Transmission Provider designates to perform the studies.

***System Losses:*** The transmission losses experienced on the Transmission System as determined by the Network Model.

***System Operating Limit (SOL):*** The value (such as MW) that satisfies the most limiting of the prescribed operating criteria for a specified system configuration to ensure operation within acceptable reliability criteria. Also referred to as Operating Security Limit.

***System Purchase Contracts:*** Agreements for the purchase of Energy that do not specify the Resource(s) that the seller shall select to supply such Energy at any particular time; provided, however, that such agreements may identify the group of Resources from which the seller may make its selection; provided, further that this term does not include agreements with Manitoba Hydro involving the supply of Energy from resources in Canada up to or at the U.S. border.

***System Restoration Plans:*** The plans developed by the individual Transmission Operators, and coordinated by the Transmission Provider acting in its capacity as the Reliability Coordinator, to enable a system restoration zone to re-energize the Transmission System following a system-wide blackout.

***System Support Resource (SSR):*** Generation Resources or Synchronous Condenser Units that have been identified in Attachment Y – Notification to this Tariff and are required by the Transmission Provider for reliability purposes, to be operated in accordance with the

procedures described in Section 38.2.7 of this Tariff.

***SSR Agreement:*** An agreement identified as Attachment Y 1 to this Tariff that the Transmission Provider, the owner or operator of an SSR Unit executes to provide the terms and conditions under which the SSR Unit will be operated and compensated.

***SSR Notification:*** The form in Attachment Y of this Tariff that the owner or operator of a Generation Resource or a Synchronous Condenser Unit must complete and send to the Transmission Provider prior to Retiring or Suspending any Generation Resource or Synchronous Condenser Unit located within the Transmission Provider Region, consistent with the requirements in Section 38.2.7.

***SSR Unit:*** A Generation Resource or a Synchronous Condenser Unit that is operated and compensated in accordance with an SSR Agreement.

***Tangible Net Worth:*** All assets (excluding any intangible assets such as goodwill) less all liabilities (calculated in accordance with GAAP). Any such calculation may be revised by Transmission Provider upon review of the available financial information.

***Target Allocation:*** A payment or charge to FTR Holders consistent with the Cost of Congestion in the Day-Ahead Energy and Operating Reserve Market.

***Targeted Appendix A Project:*** The preferred solution to one or more Transmission Issues consistent with Attachment FF, Section I.C.1.b.i.e and recommended by MISO staff for inclusion in Appendix A of the current year MTEP.

***Targeted Demand Reduction Level:*** The amount of demand reduction in MW that can be provided: (i) by a Demand Response Resource-Type I in response to a Contingency Reserve Deployment Instruction or Energy Commitment within the Contingency Reserve Deployment Period; or (ii) by a Load Modifying Resource backed by a Demand Resource in response to a Scheduling Instruction issued by the Transmission Provider.

***Targeted Monthly Recovery Amount (TMRA):*** The dollar target for recovery under the Schedule 10 ISO Cost Recovery Adder for each month based on the Transmission Provider's budgeted costs or forecasted costs to be recovered under Schedule 10 for that month exclusive of the costs to be recovered under Schedule 10-D and Schedule 10-G; and a true-up amount from the prior month, as provided in Schedule 10.

***Tariff:*** Shall mean the Open Access Transmission, Energy and Operating Reserve Markets Tariff, including all schedules or attachments thereto, of the Transmission Provider as amended from time to time. The term Tariff shall endure to include any successor tariff or rate schedule approved by the Commission.

***Tariff Customer:*** A Market Participant, Transmission Customer or Coordination Customer.

***Third-Party Sale:*** Any sale for resale, in interstate commerce, to a Power Purchaser that is not designated as part of Network Load under Network Integration Transmission Service.

***Third-Party Supply:*** The provision of Station Power for a Facility net of On-Site Self-Supply and Remote Self-Supply or instead of On-Site Self Supply and Remote Self-Supply, pursuant to an applicable retail rate or tariff.

***Through Schedule:*** An Interchange Schedule in which both the Point of Receipt and Point of Delivery are external to the Transmission Provider Region.

***Tolerance Band:*** The band within which there is no Excessive Energy or Deficient Energy calculated.

***Topology Adjustment:*** Any positive adjustment due to the combined effect of incremental loop flow and topology changes occurring during the Real-Time Energy and Operating Reserve Market.

***Total Credit Limit:*** The amount of any Unsecured Credit approved by Transmission Provider for Applicant and/or Tariff Customer, plus the amount of any Financial Security less any Financial Security restricted for alternative capitalization as defined in Section III of Attachment L to this Tariff approved by Transmission Provider and provided by the Applicant and/or Tariff Customer to Transmission Provider.

***Total Forecast Peak Load:*** The sum of the forecast Network Integration Transmission Service, peak Load for the upcoming allocation period plus peak Load served by Option A – Grandfathered Agreements plus peak Load served by Option B – Grandfathered Agreements.

***Total FTR Obligations:*** The sum of FTR Potential Exposure and FTR Auction Credit Allocation.

***Total Multi-Value Project Benefit-to-Cost Ratio:*** The benefit-to-cost ratio associated with a specific Multi Value Project proposed to generate economic value and defined as the ratio of the present value of the total financially quantifiable benefit of the Multi Value Project evaluated over the first twenty years of the Multi Value Project's life to the present value of the annual revenue requirements of the Multi Value Project evaluated over the first twenty years of the Multi Value Project's life.

***Total Potential Exposure:*** The sum of exposure values as defined in Section V of Attachment L to this Tariff.

***Total Transfer Capability (TTC):*** The amount of electric power that can be moved or transferred reliably from one area to another area of the interconnected transmission systems by way of all transmission lines (or paths) between those areas under specified system conditions.

***Transition Period:*** The six (6) year period beginning February 1, 2002, the first day the Transmission Provider began providing Transmission Service, and ending January 31, 2008, the last day of the sixth year after the Transmission Provider began providing Transmission Service.

***Transitional Auction Clearing Price (Transitional ACP):*** The auction clearing price resulting from a Transitional Planning Resource Auction pursuant to Section 69A.11.9.b.

***Transmission Charges:*** The revenue collected by the Transmission Provider under this Tariff related to Transmission Service, including the revenue collected for amounts billed under

Module B, Schedule 26-A, Schedule 31, and Part I of Module F. Transmission Charges include, but are not limited to, Transmission Trust Revenues.

***Transmission Charges Collection Agent:*** The Transmission Provider in its capacity as custodial agent for the collection of Transmission Charges, consistent with the provisions of Section 6A.

***Transmission Congestion Credit:*** The allocated share of total transmission congestion charges credited to each FTR Holder.

***Transmission Congestion Credit Target Allocation:*** A quantity in dollars equal to the Marginal Congestion Component at an FTR source and sink, times the FTR MW quantity for the settlement interval.

***Transmission Congestion Payment:*** A payment to FTR Holders equal to the Transmission Congestion Credit Target Allocation for that Hour.

***Transmission Constraint Demand Curve (TCDC):*** A curve used to price a transmission constraint during a dispatch interval in which the transmission constraint cannot be managed within its binding limit using the Security Constrained Economic Dispatch (SCED) engine.

***Transmission Customer:*** Any Eligible Customer (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the Commission, a proposed unexecuted Service Agreement to receive Transmission Service under Module B of this Tariff. This term is used in the Module A, Common Tariff Provisions to include customers receiving Transmission Service under Module B of this Tariff, including any customer receiving HVDC Service.

***Transmission Delivery Service Projects:*** New Transmission Access Projects needed to provide new Point To Point Transmission Service under Module B of the Tariff. The costs of Transmission Delivery Service projects shall be assigned and recovered in accordance with Attachment N to the Tariff.

***Transmission De-rate:*** A reduction in the transfer capability on a constraint limit in the Real-Time Energy and Operating Reserve Market relative to the limit enforced in the Day-Ahead Energy and Operating Reserve Market.

***Transmission Developer Applicant:*** An entity that submits a Transmission Developer Application.

***Transmission Developer Application:*** The application submitted to the Transmission Provider by a Transmission Developer Applicant to become certified as a Qualified Transmission Developer by the Transmission Provider.

***Transmission Issue:*** A reason to improve, expand or modify the Transmission System. These reasons may be compliance-based, economic-based, or reflect other local needs. Compliance-based reasons reflect the need to comply with all requirements imposed on the Transmission System performance by entities with jurisdiction or authority over all or part of the Transmission System including, but not necessarily limited to, i) compliance with Applicable Reliability Standards including NERC standards and applicable Regional Entity standards, ii) compliance with local reliability standards and requirements when applicable, iii) compliance with Transmission Owner standards if applicable, iv) compliance with applicable state and federal laws, v) compliance with duly enacted laws and regulations passed by a local governmental entity, and vi) compliance with

applicable regulatory mandates and obligations, including regulatory obligations related to serving load, interconnecting generation and providing transmission service.

Economic-based reasons reflect the opportunity or obligation to provide added economic value to Transmission Customers through specific expansions of the Transmission System, where added economic value is the difference between the financially quantifiable benefits associated with specific expansions to the Transmission System and the financially quantifiable costs of those expansions. Economic value may be incremental to the value achieved from meeting a compliance requirement, or may stand on its own.

***Transmission Loading Relief Procedures (TLR):*** A procedure used in the Eastern Interconnection to relieve potential or actual loading on a constrained facility or Flowgate.

***Transmission Operator:*** Ensures reliability within the Transmission Provider Region by operating or directing the operation of transmission facilities.

***Transmission Outage:*** The temporary removal from operations of elements of the Transmission System to perform routine or scheduled maintenance. Transmission Outages shall be coordinated by the Transmission Provider with the Transmission Owners and the rescheduling of these Transmission Outages may entitle the affected Transmission Owner to recover the costs associated with rescheduling the Transmission Outages.

***Transmission Owner(s):*** Each member of the ISO whose transmission facilities (in whole or in part) make up the Transmission Provider Transmission System. An ITC is not a Transmission Owner as defined herein. Those Transmission Owners or ITC Participants

that are not public utilities under the Federal Power Act shall not become subject to Commission regulation by virtue of their status as Transmission Owners or ITC Participants under this Tariff; provided, however, that by transferring functional responsibility of their facilities classified as transmission and covered by this Tariff, those Transmission Owners or ITC Participants that are not public utilities under the Federal Power Act have agreed to participate in an ITC and/or the ISO in accordance with the terms of the ITC Participant Transfer Agreement. An ITC Participant is not, by virtue of participation in an ITC, a Transmission Owner as defined herein.

***Transmission Pricing Zone:*** The pricing zones that the Transmission Provider uses to allocate revenues for services, such as Reactive Supply and Voltage Control.

***Transmission Provider:*** MISO or any successor organization.

***Transmission Provider Board:*** The Board of Directors of MISO.

***Transmission Provider Committed Resources:*** A Resource that has been committed by the Transmission Provider in the Day-Ahead Energy and Operating Reserve Market, any RAC process, or the LAC process.

***Transmission Provider's Forecast of Maximum Energy Transfer for Reliability Coordination***

***Service:*** For purposes of Schedule 31, the monthly billing determinants derived by multiplying by the number of hours in the month, the Reliability Coordination Customer's peak demand for the month associated with its bundled retail customers and wholesale customers subject to Grandfathered Agreements.

***Transmission Provider Region:*** The Transmission System and Region that: (i) function as a centrally coordinated system and (ii) operate, subject to the single set of Dispatch Targets

and Setpoint Instructions determined and issued by the Transmission Provider.

***Transmission Provider's Monthly Transmission System Peak:*** The maximum firm usage of the Transmission Provider's Transmission System in a Month.

***Transmission Service:*** Point-To-Point Transmission Service provided under Module B of this Tariff on a firm and non-firm basis, including HVDC Service, and the Network Integration Transmission Service under Module B of this Tariff.

***Transmission System:*** The transmission facilities owned or controlled by Transmission Owners that have conveyed functional control to the Transmission Provider, and are used to provide Transmission Service under Module B of this Tariff. The Transmission System includes transmission facilities owned or controlled by Transmission Owners, the functional control of which has been transferred to the Transmission Provider subject to Commission approval under Section 203 of the Federal Power Act. In addition, the Transmission System includes other transmission facilities owned or controlled by the Transmission Owner that are booked to transmission accounts and are not controlled or operated by the Transmission Provider but are facilities that the Transmission Owners, by way of the Agency Agreement, have allowed the Transmission Provider to use in providing service under this Tariff. While not part of the Transmission System, service over Distribution Facilities is available through the execution of a Service Agreement pursuant to Schedule 11 of this Tariff. The term Transmission System shall include the Transmission System (Michigan).

***Transmission System (Michigan):*** The area directly served by those transmission facilities located within the Lower Peninsula of Michigan, which are owned or controlled by

entities that have conveyed operational control of these facilities to the Transmission Provider. Transmission System (Michigan) shall not include facilities located in the Upper Peninsula of Michigan or the facilities of any investor-owned utility which are located within the Lower Peninsula of Michigan if such investor-owned utility was not a party to the Joint Open Access Transmission Tariff, Michigan Electric Transmission Company and International Transmission Company, FERC Electric Tariff, Original Volume No. 1, between January 1, 1997 and May 1, 2002.

***Transmission System Emergency:*** Transmission System conditions or events that have the potential to exceed or have exceeded an Interconnection Reliability Operating Limit (IROL) and require mitigation in a timely fashion.

***Transmission System Region:*** The Transmission System, Load and Generation Resources interconnected to the Transmission System.

***Transmission Trust Revenues:*** The revenue collected by, received by, payable to, or to become payable to the Transmission Provider from Transmission Customers and Tariff Customers under this Tariff associated with or related to Transmission Service furnished under Module B, and Schedule 26-A that are required to be distributed solely to Transmission Owners or former Transmission Owners, including the revenue collected for amounts billed under Schedules 7, 8, 9, 21, 26, 26-A, 36, 37, 38, 39, and 45 and other schedules that may be added to this Tariff.

***Transmission Usage Charge (TUC):*** A charge attributable to the increased cost of Energy delivered at a given Commercial Node when the Transmission System is operating under constrained conditions or due to losses on the system. The TUC is the per unit charge to

support a Through Schedule or Financial Schedule or Generator Self-Supply and is equal to the difference in the LMP at the sink and the LMP at source (in dollars per /MWh), which includes the Cost of Congestion and the Cost of Losses.

***Uncleared Zonal Resource Credits (Uncleared ZRCs):*** Zonal Resource Credits that did not clear the Planning Resource Auction, were not used in a Fixed Resource Adequacy Plan, were not used in a Reliability Based Demand Curve Opt Out, and are not currently being used as replacement Zonal Resource Credits.

***Uncollectible Obligation:*** Any Past Due Amount that the Transmission Provider has concluded, pursuant to Section 7.10, is not reasonably expected to be paid in full within an acceptable period of time.

***Undeployed Regulating Mileage:*** Any un-utilized Regulating Mileage that was considered for a Dispatch Interval during the market clearing.

***Undeployed Regulating Mileage Revenue Sufficiency Guarantee:*** A Resource credit guaranteed by the Transmission Provider ensuring the recovery of any lost profit from charging back at Regulating Mileage MCP to resources for Undeployed Regulating Mileage.

***Under-Forecast:*** The negative difference between the forecasted Demand and actual measured Demand, after adjustment for actual weather conditions, retail Load changes and actual LMPs. LSEs with Load whose withdrawals vary based on LMP and who provide verifiable statistical analysis to support the associated price elasticity can normalize actual measured Demand to reflect differences between forecasted and actual LMPs.

***Unforced Capacity (UCAP):*** The amount of Capacity in MW assigned to a Planning Resource after accounting for either its availability in the LOLE analysis or historic availability, as applicable.

***Uninstructed Deviation Enhancement Flag (UDE Flag):*** A flag (“True/False”) issued by the

Transmission Provider to all Generation Resources, except Electric Storage Resources, to signal that following dispatch is critical to support reliability. A “True” flag will be accompanied by an Uninstructed Deviation Enhancement Reason Code.

***Uninstructed Deviation Enhancement Reason Code (UDE Reason Code):*** A code of 1 through 6, as defined in the Business Practices Manual 002 – Energy and Operating Reserve Markets, issued by the Transmission Provider with a “True” Uninstructed Deviation Enhancement Flag to provide the specific reason for the flag.

***Unloaded Capacity Requirement:*** The amount of online, available generation Capacity above the generation Capacity needed to meet instantaneous total Load obligations that must be maintained to ensure online Resources are able to meet ramping requirements of all products cleared in the co-optimized market solutions. It is determined by the Transmission Provider’s real-time operations personnel after reviewing historical periods and setting specific levels of generation Capacity needed for maintaining reliable and efficient operations.

***Unsecured Credit:*** Any credit granted by Transmission Provider to an Applicant and/or Tariff Customer that is not secured by a form of Financial Security.

***Unsecured Credit Allowance:*** Unsecured Credit extended by Transmission Provider in an amount determined by Transmission Provider’s evaluation of the creditworthiness of the Applicant and/or Tariff Customer.

***Unsecured Credit Floor:*** For credit scoring purposes, the minimum amount of Unsecured Credit to be extended to a creditworthy Public Power entity.

***Up and Down Ramp Capability Qualified Resource:*** A Generation Resource that is not a

Dispatchable Intermittent Resource, External Asynchronous Resource, Demand Response Resource-Type II, or Electric Storage Resource that has met the requirements to be eligible to provide Up and Down Ramp Capability by submitting Up and Down Ramp Capability dispatch status other than "Not Participating" into the Energy and Operating Reserve Markets.

***Up Ramp Capability (URC):*** The product representing the ability of dispatchable resources to respond to future upward changes in demand within the Ramp Capability Response Time after a given dispatch. The Real-Time Market-Wide Up Ramp Capability Requirement is defined by expected market-wide upward variation in dispatchable generation to account for forecasted changes in load and Scheduled Interchange while considering the contribution of non-dispatchable generation (negative for a downward variation) plus the upward short-term uncertainty associated with the Load Forecast, non-dispatchable generation forecast, and units not responding to their Setpoint, all evaluated over the Ramp Capability Response Time. If the resulting requirement is negative, the requirement is set to 0 so that the requirement is always non-negative.

***Up to TUC Interchange Schedule:*** Interchange Schedules that specify a willingness to pay the Transmission Usage Charge (dollars per MWh) represented by a maximum amount beyond which the Market Participant agrees to be curtailed.

***Use Limited Resource:*** Generation Resources, Electric Storage Resources or External Resource(s), that due to design considerations, environmental restrictions on operations, cyclical requirements, such as the need to recharge or refill, or for other non economic reasons, are unable to operate continuously on a daily basis, but must be able to operate

for a minimum set of consecutive operating Hours.

***Users:*** Transmission Customers or other entities that are parties to transactions under this Tariff.

***Value of Lost Load – Pricing (Pricing VOLL):*** The value that represents the price consumers are willing to pay to avoid an interruption of electrical service during a EEA-Level 3, which is based on consumers with the lowest willingness to pay. The Pricing VOLL shall default to \$10,000/MWh, and shall be reduced when necessary, as set forth in section 40.2.20.b.iv of this Tariff..

***Value of Lost Load – System (System VOLL):*** The value that represents the price consumers are willing to pay to avoid an interruption of electrical service. The System VOLL shall be equal to \$35,000/MWh, and shall be used to scale the Loss of Load Probability Curve when calculating the Operating Reserve Demand Curve specified in Schedule 28.

***Variance Analysis:*** Additional analysis performed by the Transmission Provider in accordance with Section IX of Attachment FF to the Tariff.

***Verified Energy Offer:*** A Resource’s cost-based incremental Energy Offer above the Energy Offer Soft Price Cap, verified by the Independent Market Monitor after the close of the Day-Ahead Energy and Operating Reserve Market or the Real-Time Energy and Operating Reserve Market and before market clearing.

***Verified Fast Start Resource All-In Energy Offer:*** A Fast Start Resource All-In Energy Offer that exceeds the Energy Offer Soft Price Cap, and was verified by the Transmission Provider pursuant to section 64.1.4.a.iii.d of Module D before market clearing.

***Virtual Bid:*** A bid to purchase Energy that is not backed by physical Load that is submitted in the Transmission Provider’s Day Ahead Energy and Operating Reserve Market in accordance with the procedures and requirements of this Tariff.

***Virtual Energy:*** Energy purchased and/or sold in the Day Ahead Energy and Operating Reserve

Market that is not backed by real assets such as Load or Generation Resources.

***Virtual Megawatt Hour Limit (Virtual MWh Limit):*** The limit on MWh of Virtual Bids and Virtual Supply Offers that may be submitted by a Tariff Customer on a given Operating Day, as established and modified pursuant to Section IV.A of Attachment L of this Tariff.

***Virtual Supply Offer:*** An Offer to sell Energy that is not backed by a physical Resource that is submitted in the Transmission Provider's Day Ahead Energy and Operating Reserve Market in accordance with the procedures and requirements of this Tariff.

***Virtual Transactions:*** Transactions related to Virtual Bids and/or Virtual Supply Offers.

***Voltage and Local Reliability Commitment:*** A Transmission Provider issued Resource commitment in addition to, in lieu of or resulting from the Security Constrained Unit Commitment in the Day-Ahead Energy and Operating Reserve Market or any Reliability Assessment Commitment, in order to mitigate issues with Transmission System voltage or other local reliability concerns. These Resource commitment requirements are established prior to or during an Operating Day and are based on projected local reliability requirements, operational considerations, and generation and transmission outages. VLR Commitments will be based on Operating Guides for recurring voltage and local reliability requirements, but an Operating Guide is not required prior to a Resource commitment being designated as a VLR Commitment. Resource commitments to relieve a potential or actual IROL violation will not be designated in this category.

***Voltage and Local Reliability Commitment Allocation Ratio:*** The ratio of RSG costs associated with Voltage and Local Reliability Commitments allocated to Local Balancing Authority Areas. The ratio is determined by the Transmission Provider as described in Schedule 44

of this Tariff.

***Voltage and Local Reliability Local Balancing Authority Area Share:*** The pro rata allocation to each Local Balancing Authority Area of Revenue Sufficiency Guarantee Charges associated with Voltage and Local Reliability Commitments. The Voltage and Local Reliability Local Balancing Authority Area Share will be determined by the Transmission Provider as described in Schedule 44 of this Tariff.

***Voltage and Reactive Power Coordination Procedures:*** The procedures that the Transmission Provider and the Congestion Management Customer shall establish to ensure the reactive power support necessary to maintain transmission voltages within limits that are established by the Transmission Provider, which are measured in MVAR.

***Wholesale Distribution Service:*** The transmission of electric energy in interstate commerce over Distribution Facilities owned, controlled or operated by the Transmission Provider, or a Transmission Owner on behalf of a wholesale purchaser pursuant to a Commission accepted Open Access Transmission Tariff. To the extent such service is required, it shall be specified in the Service Agreement for the associated service being provided under the Tariff. Retail customers are not eligible for Wholesale Distribution Services.

***Winning FTR Bid:*** An FTR Bid resulting in the purchase of an FTR in an FTR Auction.

***Winning FTR Offer:*** An FTR Offer resulting in the sale of an FTR in an FTR Auction.

***Withdrawing Entity:*** An owner of transmission facilities that withdraws its transmission facilities from the operational control of the Transmission Provider.

***Working Capital:*** Current assets minus current liabilities (calculated in accordance with generally accepted accounting principles). Any such calculation may be revised by Transmission Provider upon review of the available financial information.

***XEFORd***: The Equivalent Forced Outage Rate Demand (EFORd) excluding outside management control events, as defined in the BPM for Resource Adequacy.

**Year:** A sequential twelve (12) Month period ending on December 31, except in the case of the calendar year containing the Day on which the Transmission Provider begins to operate Energy and Operating Reserve Markets, in which case a Year shall begin on the first Day of the calendar month following the Day that the Transmission Provider operates Energy and Operating Reserve Markets and ending on the December 31 at least twelve (12) months but no more than twenty-four (24) months thereafter. If the Transmission Provider starts operation of the Energy and Operating Reserve Markets on the first day of a calendar month, a Year shall begin on the first Day of that calendar month that the Transmission Provider operates Energy and Operating Reserve Markets and ending on the December 31 at least twelve (12) months but no more than twenty-four (24) months thereafter.

***Zonal Deliverability Charge (ZDC):*** A positive charge per ZRC associated with ZRCs in a FRAP that may be assessed to an LSE based upon the congestion contribution to the constraints between LRZs or ERZs of any ZRCs that are located outside of the LRZ where the LSE has Load.

***ZDC Hedge:*** The mechanism that permits an LSE to avoid Zonal Deliverability Charge assessments through the investment in new or upgraded Transmission System facilities which are a result of approved firm transmission service requests where the LSE's Planning Resource and the LSE's Demand are in separate LRZs or the Planning Resource is located in an ERZ.

***Zonal Export Ability:*** The ability of an LRZ to export capacity to areas outside of that LRZ. Equal to an LRZ's base interchange plus the LRZ's incremental ability to export generation.

***Zonal Import Ability:*** The ability of an LRZ to import capacity from areas outside of that LRZ. Equal to an LRZ's base interchange plus the LRZ's incremental ability to import generation.

***Zonal Operating Reserve:*** Operating Reserve that is available on a Reserve Zone basis.

***Zonal Regulating Reserve:*** Regulating Reserve that is available on a Reserve Zone basis.

***Zonal Resource Credit (ZRC):*** A MW unit of a Planning Resource that has been converted from a MW of Seasonal Accredited Capacity to a credit in the MECT, which is eligible to be offered by a Market Participant into the PRA, to be sold bilaterally, eligible to be used for replacement capacity, and/or to be submitted through a Fixed Resource Adequacy Plan.

***Zonal Uplift Report:*** A monthly report of Day-Ahead Revenue Sufficiency Guarantee Credits, Real-Time Revenue Sufficiency Guarantee Credits, Day-Ahead Margin Assurance Payments, and Real-Time Offer Revenue Sufficiency Guarantee Payments, paid in dollars, and categorized by Local Resource Zone, Interface, day, and uplift category.

***ZRC Near-Shortage Conditions:*** Any Season in a Planning Resource Auction in which there is sufficient volume of ZRC Offers in the LRZ to meet LCR, but the Season's ACP is greater than the daily CONE value (i.e. 1/365 times CONE).

***ZRC Offer:*** An offer into the PRA of ZRCs by a Market Participant.

***ZRC Offer Revenue Sufficiency Charge:*** A charge that is assessed to an LSE that has cleared under ZRC Shortage Conditions and/or ZRC Near-Shortage Conditions for one or more Season's in the Planning Resource Auction.

***ZRC Offer Revenue Sufficiency Credit:*** A Resource credit guaranteed by the Transmission Provider ensuring the minimum recovery of a Planning Resource's Allowable ZRC Costs that have been cleared for one or more Seasons in the Planning Resource Auction.

***ZRC Shortage Conditions:*** Any Season in a Planning Resource Auction in which there is an insufficient volume of ZRC Offers in the LRZ to cover LCR.

***Zone:*** A set of Buses in a geographic area as determined by the Transmission Provider.



For purposes of determining whether existing capability on the Transmission System is adequate to accommodate a request for firm service under this Tariff, the existing transmission reservation queues of the Transmission Owners and ITC Participants will be consolidated into a single Transmission Provider transmission reservation queue, commencing thirty (30) days before the ITC becomes operational, recognizing the priorities existing with respect to the Transmission Owner's or ITC Participants' system.

Existing firm service customers (wholesale requirements and transmission-only with a contract term of five-years or more, and retail customers, irrespective of term) of the Transmission Owner(s), ITC Participant(s), or Transmission Provider have the right to continue to take transmission service from the Transmission Provider when the contract expires, rolls over or is renewed. For purposes of this Section 2.2, a request for Transmission Service made by an existing firm service customer in the exercise of the above right shall be known as a “Rollover Request.”

This transmission reservation priority is independent of whether the existing customer continues to purchase Capacity and Energy from the Transmission Owner(s) or ITC Participant(s) or elects to purchase Capacity and Energy from another supplier. If a new request(s) for Transmission Service or Rollover Request(s) for the total amount of Capacity for a given Interface have been submitted on the OASIS (“Competing Queue”), and the Transmission System cannot accommodate all of the requests for Transmission Service, the existing firm service customer must agree to accept a contract term at least equal to a competing request by any new Eligible Customer and to pay the current just and reasonable rate, as approved by the Commission, for such service; provided that, the firm service customer shall have a right of first refusal at the end of such service only if the new contract is for five years or more.

The existing firm service customer must provide notice to the Transmission Provider whether it will exercise its right of first refusal no less than one year prior to the expiration date of its transmission service agreement. Once the Competition Queue is established and if a Transmission Customer has submitted two Rollover Requests covering successive time periods, and the service period of the first in time Rollover Request is extended due to a competing

request, the second in time Rollover Request shall be annulled and the Transmission Customer shall lose its place in the transmission queue for the second in time Rollover Request. The Transmission Customer shall be required to submit a new Rollover Request and take a new place in the transmission queue to exercise its rollover rights in the time period subsequent to the expiration date of its first in time Rollover Request.

This transmission reservation priority for Rollover Request customers is an ongoing right that may be exercised at the end of all firm contract terms of five years or longer. Service agreements subject to a right of first refusal entered into prior to the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890 or associated with a transmission service request received prior to July 13, 2007, unless terminated, will become subject to the five year/one year requirement on the first rollover date after the date of the Transmission Provider's filing adopting the reformed rollover language herein in compliance with Order No. 890; provided that, the one-year notice requirement shall apply to such service agreements with five years or more left in their terms as of the date of the Transmission Providers filing adopting the reformed rollover language herein in compliance with Order No. 890. This reservation priority only applies to the facilities of the Transmission Owner(s) or ITC Participant(s) where such facility costs have been included as part of the firm service rates that the firm service customer has been paying. If competing Rollover Request customers apply for service that cannot be fully provided, the priority rights will be ranked in accordance with first come, first served principles. If Rollover Request customers tie, then the capacity for which they receive priority rights under this Tariff shall be apportioned on a *pro rata* basis.

A Rollover Request customer shall be required to match the term of any new service request that:

(a) was queued prior to the Rollover Request; (b) has been conditionally accepted by the Transmission Provider and subsequently confirmed by the new service requestor; (c) has the same start date as the Rollover Request and extends beyond the end date of the Rollover Request; and (d) has not already been awarded Capacity due to later queued Rollover Request(s) declining to match on term. The Rollover Request customer shall have three (3) business days to confirm a matching request. If the Rollover Request customer does not agree to match on term, the Rollover Request customer's Capacity shall be awarded to the new service request customer.

Ancillary Services are needed with Transmission Service to maintain reliability within the MISO Balancing Authority and within and among the Local Balancing Authority Areas affected by the Transmission Service. The Transmission Provider is required to offer the following Operating Reserve – Ancillary Service (i) Regulation Reserve service, (ii) Spinning Reserve service, and (iii) Supplemental Reserve service. The Transmission Provider shall procure Operating Reserve Ancillary Services through operation of the Energy and Operating Reserve Markets described in Module C at least cost and in accordance with Schedules 3, 5 and 6 of this Tariff.

The Transmission Provider is required to provide (or offer to arrange with the Local Balancing Authority, Transmission Owner or ITC as discussed below), and the Transmission Customer is required to purchase, the following Other Ancillary Services: (i) Scheduling, System Control and Dispatch, and (ii) Reactive Supply and Voltage Control from Generation Resources. The Transmission Provider shall procure Other Ancillary Services at least cost.

The Transmission Provider can fulfill its obligation to provide Other Ancillary Services by acting as the Transmission Customer's agent to secure these Other Ancillary Services from the Local Balancing Authority. The Transmission Customer may elect to: (i) have the Transmission Provider act as its agent or (ii) secure the Other Ancillary Services directly from the appropriate Local Balancing Authority. Each Transmission Owner, ITC, and ITC Participant (and User, where applicable), with the ability to provide any or all of these Other Ancillary Services shall offer to provide such services (with respect to loads within its Local Balancing Authority Area) under cost-based schedules unless market-based rates have been accepted for filing at the Commission. These schedules including all related terms and conditions shall be

posted on the Transmission Provider's OASIS. If the party providing such service(s) is a public utility, all applicable rates and charges shall be on file with the Commission.

In the event of an unauthorized use of Other Ancillary Services by the Transmission Customer, the Transmission Customer shall pay the following penalty: two hundred percent (200%) of the relevant Local Balancing Authority's applicable Other Ancillary Service charge for the entire length of the reserved period but not exceeding one (1) month. The Transmission Provider shall compensate any affected Local Balancing Authority Areas or Generators for their actual costs. Any revenues in excess of actual costs shall be used to reduce the Transmission Provider costs (for other than the penalized Transmission Customer) in Schedule 10, except in the case of Other Ancillary Services provided by an ITC, use of such revenues will be governed by the terms of the ITC's Control Area Services and Operations Tariff.

Any offer of a discount made by the Transmission Provider in conjunction with its provision of Transmission Service must be announced to all Eligible Customers solely by posting on the OASIS.

The specific Transmission Provider Ancillary Services, prices and/or compensation methods are described on the schedules that are attached to and made a part of this Tariff.

Sections 3.1 through 3.6 below list the six Ancillary Services.

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

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

Where applicable, the rates and/or methodology are described in Schedule 3 and in Sections 39 and 40 of Module C.

Where applicable, to Transmission Customers of generators located within the Michigan Electric Transmission Company, the rates and/or methodology are described in Schedule 4C - METC.<sup>1</sup>

<sup>1</sup> The Transmission Provider is required to offer to provide Delivery Scheduling and Balancing Service as an additional Ancillary Service available only to a customer receiving energy from generators located within the Michigan Electric Transmission Company's Service Area. The Transmission Customer receiving energy from generators located within the Michigan Electric Transmission Company's Service Area is required to acquire this Ancillary Service, whether from the Transmission Provider, from a third party or by self-supply. The Transmission Customer may not decline the Transmission Provider's offer of Delivery Scheduling and Balancing Service unless it is demonstrated that it has been acquired from another source. The Transmission Customer must list in its Application whether it will acquire Delivery Scheduling and Balancing Service from the Transmission Provider.

Where applicable the rates and/or methodology are described in Schedule 5 and in Sections 39 and 40 of Module C.

Where applicable the rates and/or methodology are described in Schedule 6 and in Sections 39 and 40 of Module C.

Terms and conditions regarding Open Access Same-Time Information System and standards of conduct are set forth in 18 C.F.R. § 37 of the Commission's regulations (Open Access Same Time Information System and Standards of Conduct for Public Utilities) and 18 C.F.R. § 38 of the Commission's regulations (Business Practice Standards and Communication Protocols for Public Utilities). In the event Available Transfer Capability, as posted on the OASIS, is insufficient to accommodate a request for firm Transmission Service, additional studies may be required as provided by this Tariff pursuant to Sections 19 and 32.

The Transmission Provider shall post on OASIS and its public website an electronic link to all rules, standards and practices that (i) relate to the terms and conditions of Transmission Service, (ii) are not subject to a North American Energy Standards Board (NAESB) copyright restriction, and (iii) are not otherwise included in this Tariff. The Transmission Provider shall post on OASIS and on its public website an electronic link to the NAESB website where any rules, standards and practices that are protected by copyright may be obtained. The Transmission Provider shall also post on OASIS and its public website an electronic link to a statement of the process by which the Transmission Provider shall add, delete or otherwise modify the rules, standards and practices that are not included in this Tariff. Such process shall set forth the means by which the Transmission Provider shall provide reasonable advance notice to Transmission Customers, Market Participants, Coordination Customers and Eligible Customers of any such additions, deletions or modifications, the associated effective date, and any additional implementation procedures that the Transmission Provider deems appropriate.



MISO  
FERC Electric Tariff  
MODULES

5  
Local Furnishing Bonds  
30.0.0

This provision is applicable only to Transmission Owners and ITC Participants that have financed facilities for the local furnishing of electric Energy with tax-exempt bonds, as described in § 142(f) of the Internal Revenue Code (“local furnishing bonds”) or that are tax-exempt entities, as described in § 501(c)(12) of the Internal Revenue Code. Notwithstanding any other provision of this Tariff, the Transmission Owner or ITC Participant 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 entity or of the local furnishing bond(s) used to finance the Transmission Owner’s or ITC Participant’s facilities that would be used in providing such Transmission Service.

(i) If the Transmission Provider determines that the provision of Transmission Service requested by an Eligible Customer would jeopardize the tax-exempt status of any entity or of any local furnishing bond(s) used to finance any Transmission Owner's or ITC Participant's facilities that would be used in providing such Transmission Service, it shall advise the Eligible Customer within thirty (30) days of receipt of the Completed Application.

(ii) If the Eligible Customer thereafter renews its request for the same Transmission Service referred to in (i) by tendering an application under § 211 of the Federal Power Act, the Transmission Provider and the relevant Transmission Owner or ITC Participant, within ten (10) days of receiving a copy of the § 211 application, will waive any rights to a request for service under § 213(a) of the Federal Power Act and to the issuance of a proposed order under § 212(c) of the Federal Power Act. The Commission, upon receipt of the Transmission Provider's and/or Transmission Owner's or ITC Participant's waiver of rights to a request for service under § 213(a) of the Federal Power Act and to the issuance of a proposed order under § 212(c) of the Federal Power Act, shall issue an order under § 211 of the Federal Power Act. Upon issuance of the order under § 211 of the Federal Power Act, the Transmission Provider shall be required to provide the requested Transmission Service over the affected Transmission Owner's or ITC Participant's facilities in accordance with the terms and conditions of this Tariff.

A Transmission Customer receiving Transmission Service under this Tariff agrees to provide comparable transmission service that it is capable of providing to the Transmission Owners, ITC, and ITC Participants on similar terms and conditions over facilities used for the transmission of electric Energy owned, controlled or operated by the Transmission Customer and over facilities used for the transmission of electric Energy 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 this Tariff, but also to all parties to a transaction that involves the use of Transmission Service under this 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 avoid the requirements of this provision.

The Transmission Provider in its capacity as the Energy Market Counterparty (and not in any other capacity) administers this Tariff for all Market Activities, is the contracting party with Market Participants for Market Activities, and collects and distributes all charges for Market Activities. The Transmission Provider in its capacity as the Transmission Charges Collection Agent (and not in any other capacity) administers this Tariff for all Transmission Service, is the contracting party with Transmission Customers for Transmission Service, and collects and distributes all Transmission Charges. The Transmission Provider, in its capacity as Transmission Charges Collection Agent, shall hold all collected Transmission Trust Revenues in trust for the benefit of the Transmission Owners and former Transmission Owners who have a right to receive Transmission Trust Revenues in accordance with this Tariff, subject to the Transmission Provider's right pursuant to Section 7.4(a) of the Tariff to deduct from such funds certain authorized fees and expenses that are payable directly to the Transmission Provider from time to time for its administration of the Transmission System in accordance with the Tariff and the Transmission Owners Agreement. Transmission Provider shall hold such collected Transmission Trust Revenues in a separate operating account together with similar amounts for transmission revenues the Transmission Provider collects and holds in trust for Manitoba Hydro pursuant to the Manitoba Hydro Open Access Transmission Tariff and Coordination Agreement by and between the Transmission Provider and Manitoba Hydro. The funds described in the preceding sentence held in this separate operating account shall be held separate from any other funds. Transmission Provider also shall hold disputed payments collected as Transmission Trust Revenues in trust for the benefit of Owners or former Owners who have a right to such Transmission Trust Revenues in a separate account. References in the Tariff to the Transmission

Provider in connection with charges for Market Activities shall be deemed to refer to the Transmission Provider in its capacity as the Energy Market Counterparty. References in the Tariff to the Transmission Provider in connection with Transmission Service or Transmission Charges shall be deemed to refer to the Transmission Provider in its capacity as the Transmission Charges Collection Agent.

For purposes of clarity, the Transmission Provider is not the Energy Market Counterparty to the sale of Energy under a Financial Schedule transaction or for a Generator Self-Supply transaction. The Transmission Provider is acting in its capacity as the Energy Market Counterparty with regard to the Transmission Usage Charges for a Generator Self-Supply transaction. The Transmission Provider collects and disburses the Transmission Usage Charge as agent for the parties to the Financial Schedule and is not the Energy Market Counterparty to the transaction. Generator Self-Supply transactions do not have a counterparty for the sale of the Energy since the Market Participant is supplying itself and there is no sale. The fact that charges in addition to the Transmission Usage Charge may appear on the Transmission Provider's settlement statements for Generator Self-Supply transactions is an accounting convenience and shall not change the nature of the Generator Self-Supply transactions or make the Transmission Provider the Energy Market Counterparty to the sale of Energy thereto. In addition, to the extent that other types of activities or transactions as described or reflected in accounting or settlement statements may appear to be inconsistent with the terms of the Tariff in relation to the participation, non-participation or capacity of the Transmission Provider as Energy Market Counterparty or as Transmission Charges Collection Agent, the terms of the Tariff shall control.

Sections 7.1, 7.2, 7.4 and 7.5 below shall apply to all Transmission Customers and to all Tariff Customers incurring charges under Schedule 26-A and/or Schedule 26-J. Sections 7.6 through 7.13 below shall apply to all Market Participants, Section 7.22 shall apply to Reliability Coordination Customers, Section 7.6 and 7.23 shall apply to Congestion Management Customers, and Section 7.3, Section 7.14 through Section 7.21 and Section 7.24 shall apply to all Tariff Customers.

## **Billing Procedures for Transmission Customers and Schedule 26-A and Schedule 26-J**

### **Charges:**

Within a reasonable time after the first day of each month, the Transmission Provider shall submit one or more invoices to the Tariff Customers incurring charges under Schedule 26-A and/or Schedule 26-J during the preceding month and prior period adjustments, and to Transmission Customers for the charges for all services furnished under Module B of this Tariff during the preceding month and prior period adjustments, except for ITC Service provided under ITC Rate Schedules as set forth below. One or more invoices relate to all services for which the Transmission Provider will settle, bill, collect and distribute revenues to the Transmission Owners for services furnished under Module B and Schedule 26-A and to non-MISO transmission owners for services furnished under Schedule 26-J.

For services under an ITC Rate Schedule, an ITC may, at its election, perform billing, credit and accounting responsibilities under this Tariff. When agreed to by the Transmission Provider, an ITC will bill the Transmission Customers for both Transmission Service and ITC Service to avoid multiple bills being sent to the Transmission Customers.

One invoice relates to the Transmission Provider Cost Adder or the service charge for recovering costs associated with operating the ISO that are not covered under Schedule 1, Schedule 16 or Schedule 17. These costs are captured within a separate invoice line item, Schedule 10 and include: 1) costs associated with the Transmission Provider control center, including capital costs and operating expenses and 2) costs for administering this Tariff. Transmission Customers listed in Attachment I will pay costs associated with the Transmission Provider's operating expenses as specified under Schedule 10 A. For customers taking HVDC

Service under Section 27A of the Tariff, a separate invoice for the costs recovered under Schedule 35 of the Tariff may be issued by the Transmission Provider.

The invoices shall be paid by the Transmission Customer and Tariff Customer incurring charges under Schedule 26-A and/or Schedule 26-J within seven (7) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider or ITC, as applicable.

All billing procedures involving invoices under this Section 7.1 or with respect to Module B of this Tariff, including any ITC Rate Schedules, shall be governed by the Accounting and Billing Manual or, if applicable, an ITC's Accounting and Billing Manual. Those manuals are available for inspection by the Transmission Customers, Tariff Customers incurring charges under Schedule 26-A and/or Schedule 26-J, Transmission Owners, non-MISO transmission owners receiving distributions under Schedule 26-J, ITCs, ITC Participants, and regulatory authorities with jurisdiction over the Transmission Customers, Tariff Customers incurring charges under Schedule 26-A, Transmission Owners, non-MISO transmission owners receiving distributions under Schedule 26-J, ITCs, ITC Participants, and the public, and are posted on the Transmission Provider website.

Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to the Transmission Owners listed in Attachment I for their respective share of Transmission Provider's monthly capital costs and the portion of its operating costs described under Schedule 10 B. The invoices shall be paid by the Transmission Owner within ten (10) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider.

Interest on any unpaid amounts (not including amounts placed in a cash collateral account as Financial Security) shall be calculated in accordance with the methodology set aside 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 mailed, the bill shall be considered having been paid on the date of receipt by the Transmission Provider.

**Transmission Customer Default and Past Due Amounts and Schedule 26-A Default and Past Due Amounts:**

The rights and remedies set forth in this Section 7.4 are in addition to, and not in limitation of, any and all other remedies available under this Tariff, any other agreement or under applicable law. Upon the occurrence of a Default, the Transmission Provider shall initiate a filing with the Commission to terminate the Transmission Customer's Service Agreement, unless the Transmission Customer is in bankruptcy as set forth within Section 7.16.1(e) and such a filing would legally conflict with that bankruptcy petition or proceeding. The Transmission Provider shall not terminate the Service Agreement until the Commission so approves any such request. In addition, the Transmission Provider, or ITC where applicable, shall provide notice to the Transmission Customer if it intends to initiate a filing with the Commission to terminate the Service Agreement, in accordance with Commission policy. If the billing services are provided by an ITC, and the ITC notifies the Transmission Provider of a Transmission Customer Default, then, upon the request of the ITC, the Transmission Provider shall provide notice to the Transmission Customer of its intention to initiate a filing with the Commission to terminate the Transmission Customer's Service Agreement, in accordance with Commission policy. If any amounts invoiced by the Transmission Provider pursuant to Section 7.1 or Section 7.2 are not paid when due (the "Past Due Amount"), then the following procedures apply:

(a) ISO Charges Paid First. The Transmission Provider shall use monies received by it from Transmission Customers or Tariff Customers incurring charges under Schedule 26-A and/or Schedule 26-J to pay all amounts due to the Transmission Provider under this Tariff and the ISO Agreement before making any payments to any Transmission Customers, Transmission Owners, non-MISO transmission owners receiving distributions under Schedule 26-J, or ITC. If the ITC

bills both Transmission Provider service and ITC Service pursuant to Section 7.1 of this Tariff, the ITC shall use monies received by it from Transmission Customers or Tariff Customers incurring charges under Schedule 26-A and/or Schedule 26-J to pay all amounts due to the Transmission Provider under this Tariff and the ISO Agreement before making any payments to any Transmission Customers, Transmission Owners, ITC Participants or the ITC.

(b) Reduction of Payments and Increases in Charges: If the procedures described in subsection (d) below do not yield sufficient funds to pay all invoiced amounts in full (after payment of amounts due to the Transmission Provider in accordance with subsection (a) above) on the date such payments are due, the Transmission Provider shall reduce payments to those Transmission Owners, non-MISO transmission owners receiving distributions under Schedule 26-J, and/or ITC owed monies that billing period (the “Past Due Period”), pro rata based on amounts owed to such Transmission Owners and/or ITCs, to the extent necessary to clear its accounts by the close of banking business on the date such payments are due. As funds attributable to a Past Due Amount are received by the Transmission Provider (including amounts received through actions or proceedings commenced against the defaulting Transmission Customer or Tariff Customer incurring charges under Schedule 26-A and/or Schedule 26-J) prior to the next billing period’s statements being distributed, such funds, together with any interest and late charges collected on the applicable Past Due Amount, shall be distributed pro rata to the Transmission Owners, non-MISO transmission owners receiving distributions under Schedule 26-J, and/or ITC that did not receive the full amount of their payments as a result of such Past Due Amount not being paid.

(c) Order of Settlement. As payments are received by the Transmission Provider to satisfy outstanding Past Due Amounts, the oldest outstanding Past Due Amount will be settled first in the order of the creation of such debts.

(d) Enforcing Security. The Transmission Provider shall use funds attained under the Credit Support Documents provided by the Transmission Customer or Tariff Customer incurring charges under Schedule 26-A and/or Schedule 26-J to the extent necessary to pay the Past Due Amount and any applicable interest and late charges. Any use of Credit Support Documents shall be undertaken in compliance with Module A of this Tariff, the Credit Policy and/or the Credit Support Documents.

If a Transmission Customer or Tariff Customer incurring charges under Schedule 26-A and/or Schedule 26-J disputes the amount invoiced by the Transmission Provider or the ITC pursuant to Section 7.1 or Section 7.2, the Transmission Customer or Tariff Customer incurring charges under Schedule 26-A and/or Schedule 26-J must pay all invoiced amounts regardless of any dispute, but such payment shall not be deemed a waiver with respect to any disputed amount. If the Transmission Customer or Tariff Customer incurring charges under Schedule 26-A and/or Schedule 26-J notifies the Transmission Provider or the ITC as applicable, of the portion of the invoice in dispute at or prior to the time of payment, the Transmission Provider or ITC as applicable, will cause the disputed amount to be deposited in an account separate from its general operating account, pending resolution of the dispute. All such disputes shall be governed by the dispute resolution procedures set forth in Section 12 of this Tariff.

Billing Procedures for Module C, Part II of Module F, and RAR: On a weekly basis, the Transmission Provider shall submit two (2) or more invoices to the Market Participant for the charges for all services and goods furnished under Module C, Part II of Module F, and charges under RAR of this Tariff based on the schedule posted in the market settlements timeline as posted on the Transmission Provider website.

One weekly invoice relates to all services and goods for which the Transmission Provider will settle, bill, collect and distribute revenues to the Market Participants for Market Activities including services provided under Part II of Module F, charges under RAR. The Market Participant shall have no right to any amount of payment with respect to the services and goods furnished under Module C, RAR or Module F of this Tariff until all of the credit and debit amounts with respect to the Market Participant for the respective billing cycle for all services and goods furnished under Module C, charges pursuant to RAR, or Module F of this Tariff (including prior period adjustments) have been added together, netted against one another and invoiced. The Transmission Provider invoices based on a seven-day billing period. The weekly invoice contains Settlement charges and revenue that are published seven days after the Operating Day during the week prior to invoice issuance. The weekly invoice also includes adjustments for previously invoiced Settlement charges and revenue that are published the week prior to invoice issuance.

The Market Participant shall only be entitled to the net credit amount, if any, invoiced to the Market Participant for the respective billing period (together with prior period adjustments), subject to the Transmission Provider's right to be paid first pursuant to Section 7.8(a), the setoff and recoupment rights of Transmission Provider set forth in Section 7.20 and any security

interests that the Market Participant grants to the Transmission Provider. The Market Participant shall have no right to any gross charges and/or credits listed on such invoice. The Market Participant shall have no right to any amount prior to invoicing.

The second weekly invoice relates to the service charge for recovering costs associated with providing the services under Module C, Module D, RAR and Part II of Module F. These costs are captured within a separate invoice line item, Schedules 16 and 17, including the costs associated with the Transmission Provider administration of Financial Transmission Rights and Energy Market Support Administration.

If needed, a third weekly invoice may be issued relating to ICAP Deferral Non-Compliance Charges pursuant to RAR.

All invoices with net charges to be paid by a Market Participant issued pursuant to this Section 7.6(a) shall be paid by the Market Participant within seven (7) days of receipt. All invoices with net credit amounts to be paid to a Market Participant issued pursuant to this Section 7.6(a) shall be due and payable by the Transmission Provider to the Market Participant twenty-four (24) to forty-eight (48) hours following invoice due dates in accordance with the Market Settlements Business Practices Manual, as amended from time to time, subject to the Transmission Provider's right to be paid first pursuant to Section 7.8(a), the setoff and recoupment rights of the Transmission Provider set forth in Section 7.20 and any security interests that the Market Participant grants to the Transmission Provider.

All billing procedures involving invoices under this Section 7.6 or with respect to Module C, Module D, RAR and Part II of Module F of this Tariff shall be governed by Section 41 of this Tariff and the Market Settlements Business Practices Manual, as amended from time to time.

The Market Settlements Business Practices Manual and the market settlements timeline are available for inspection by the Market Participant(s), regulatory authorities with jurisdiction over the Market Participants, and the public, and are posted on the Transmission Provider website.

Interest on any unpaid amounts (not including amounts placed in a cash collateral account as Financial Security) shall be calculated in accordance with Section 7.3.

The rights and remedies set forth in this Section 7.8 are in addition to, and not in limitation of, any and all other remedies available under this Tariff, any other agreement or under applicable law. Upon the occurrence of a Default, the Transmission Provider shall initiate a filing with the Commission to terminate the Market Participant Agreement and any Service Agreements, unless the Market Participant is in bankruptcy as set forth within Section 7.16.1(e) and such a filing would legally conflict with that bankruptcy petition or proceeding. The Transmission Provider shall not terminate the Market Participant Agreement and Service Agreements until the Commission so approves any such request. In addition, the Transmission Provider shall provide notice to the Market Participant if it intends to initiate a filing with the Commission to terminate the Market Participant Agreement and any Service Agreements, in accordance with Commission policy.

If any amounts invoiced by the Transmission Provider, pursuant to Section 7.6 are not paid when due (the “Past Due Amount”) then the following procedures apply:

- (a) **Transmission Provider Charges Paid First.** The Transmission Provider shall use monies received by it from Market Participants to pay all amounts due to the Transmission Provider under this Tariff and the ISO Agreement before making any payments to any other Market Participants.
- (b) **Reduction of Payments and Increases in Charges.** If the procedures described in subsection (d) below do not yield sufficient funds to pay all invoiced amounts in full (after payment of amounts due to the Transmission Provider in accordance with subsection (a) above) on the date such payments are due, the Transmission Provider shall reduce payments to Market Participants owed monies for that billing period (the “Past Due Period”), *pro rata* based on the

net credit invoiced amounts owed to such Market Participants, to the extent necessary to clear its accounts by the close of banking business on the date such payments are due. If the non-payment is a failure of a party to a Financial Schedule to pay the Financial Schedule related charge owed by it, the Transmission Provider shall reduce the payment to the other party to the Financial Schedule rather than following the procedure in the preceding sentence and any amounts received by the Transmission Provider attributable to that the Financial Schedule shall be paid to the proper party rather than following the procedure in the following sentence. If the non-payment is a failure of a Market Participant to pay ICAP Deferral Non-Compliance Charges, then the rights and remedies set forth in Section 7.13 below shall apply. As funds attributable to a Past Due Amount are received by the Transmission Provider (including amounts received through actions or proceedings commenced against the defaulting Market Participant) prior to the next billing period's statements being distributed, and prior to such Past Due Amount being declared an Uncollectible Obligation pursuant to, Section 7.10, such funds, together with any interest and late charges collected on the applicable Past Due Amount, shall be distributed *pro rata* to the Market Participants that did not receive the full amount of their net credit invoiced amount as a result of such Past Due Amount not being paid, subject to the Transmission Provider's right to be paid first pursuant to (a) above, the set off and recoupment rights of the Transmission Provider set forth in Section 7.20 and any security interests that the Market Participant grants to the Transmission Provider.

(c) Order of Settlement. As payments are received by the Transmission Provider to satisfy outstanding Past Due Amounts the oldest outstanding Past Due Amount will be settled first in the order of the creation of such obligations.

(d) Enforcing Setoff and Security. The Transmission Provider may exercise its rights of recoupment and setoff pursuant to Section 7.17 and Section 7.20, to offset the Past Due Amount against any amounts owed to the Market Participant. The Transmission Provider shall use funds attained under the Credit Support Documents provided by the Market Participant to the extent necessary to pay the Past Due Amount and any applicable interest and late charges. Any use of Credit Support Documents shall be undertaken in compliance with Section 7.17 of this Tariff, the Credit Policy and the Credit Support Documents.

A Market Participant shall make full and timely payment of all bills rendered pursuant to Section 7.6 and 7.11 or otherwise rendered for Market Activities including services provided under RAR and Part II of Module F regardless of any dispute, but such payment shall not be deemed a waiver with respect to any disputed amount. All disputes of invoiced amounts shall be subject to the dispute resolution procedures of Section 12 of this Tariff.

At such time as the Transmission Provider concludes that the Transmission Provider does not reasonably expect payment in full of an unpaid Past Due Amount (excluding charges relating to Financial Schedules) within an acceptable time period, then the Transmission Provider shall declare such unpaid Past Due Amount to be an Uncollectible Obligation. This Section does not apply to invoices associated with a Capacity Deficiency Charge or ICAP Deferral Non-Compliance Charges under RAR or charges relating to Financial Schedules. The Transmission Provider will notify Market Participants of the declaration of an Uncollectible Obligation by posting a notice to the OASIS. Such notification will identify the defaulting Market Participant, the amount of the Uncollectible Obligation, the applicable week(s) of service for which the defaulting Market Participant was initially invoiced the Uncollectible Obligation and the future billing week(s) in which the Transmission Provider will uplift the Uncollectible Obligation. The Transmission Provider will take the following steps prior to declaring an unpaid Past Due Amount to be an Uncollectible Obligation: (i) set aside all funds held by the Transmission Provider relative to the defaulting Market Participant, pending determination by Transmission Provider's counsel and/or the appropriate bankruptcy courts as to the appropriate disposition of such funds; (ii) seek to recover the unpaid Past Due Amount by drawing upon the entire amount of collateral provided by the defaulting Market Participant; (iii) seek to recover the amount of the unpaid Past Due Amount from any guarantor of the defaulting Market Participant's obligations; (iv) seek to exercise other remedies under the Credit Support Documents provided by the defaulting Market Participant; and (v) pursue available remedies for defaults under this Section 7, including, without limitation, initiating a filing with the Commission to terminate the Market Participant Agreement and any Service Agreements of the defaulting Market Participant.

The Transmission Provider may deviate from the above, or pursue alternative cost recovery measures if it determines, in its discretion, that doing so would be more likely to minimize the size of, or avoid, the Uncollectible Obligation and/or uncollectible costs of enforcement or collection. The Transmission Provider may take any alternate actions it deems necessary to avoid the uncollectible costs of enforcement or collection in order to reduce the uplift of the Uncollectible Obligation assessed to Market Participants.

Upon declaration of the existence of an Uncollectible Obligation, the Transmission Provider shall proceed to recover the Uncollectible Obligation from other Market Participants in accordance with the provisions of this Section 7.10. This Section 7.10 applies to amounts invoiced to Market Participants pursuant to Section 7.6 and any other amounts invoiced for Market Activities. This Section does not apply to invoices associated with a Capacity Deficiency Charge or ICAP Deferral Non-Compliance Charges under RAR.

(a) Eligibility for Share of Uncollectible Obligation.

The Uncollectible Obligation shall be allocated by the Transmission Provider to each Market Participant that had been invoiced by the Transmission Provider during the same period of time as the unpaid invoice(s) of the Market Participant whose unpaid Past Due Amount has been declared an Uncollectible Obligation.

(b) Uncollectible Obligation Allocation Methodology.

The formula below will be the basis for allocating the Uncollectible Obligation to other Market Participants. The calculations in this section exclude charges associated with Financial Schedules.

% Loss for MPA =  $\frac{\text{MPA Market Charges} + \text{Market Credits in weekly invoicing cycle, plus the prior 11 weekly invoicing cycles of Market Charges and Market Credits}}{\text{MPALL (Market Charges} + \text{Market Credits) in weekly invoicing cycle, plus the prior 11 weekly invoicing cycles of Market Charges and Market Credits}}$

Loss Obligation of MPA = (% Loss for MPA) x \$ Amt of Uncollectible Obligation,

where: MP = Market Participant

Market Charges = The absolute value of all charge amounts associated with invoices for Market Activities.

Market Credits = The absolute value of all credit amounts associated with invoices for Market Activities.

MP<sub>ALL</sub> = All Market Participants other than Market Participants with Uncollectible Obligations.

All individual charge amounts and all individual credit amounts invoiced for Market Activities including amounts related to service provided under Part II of Module F, charges applicable to Resource Adequacy Requirements (excluding the Capacity Deficiency Charge or ICAP Deferral Non-Compliance Charges) shall be included in the calculation of Market Charges and Market Credits. The Market Charges and Market Credits of Market Participants with Uncollectible Obligations will not be included in the calculation of the percentage of the loss to be allocated to other Market Participants.

(c) Application of Recovered Uncollectible Obligation. Any funds that are attributable to an Uncollectible Obligation that are recovered by the Transmission Provider (other than amounts

recovered by the uplift of the Uncollectible Obligations) after the Uncollectible Obligation has been uplifted pursuant to this Section 7.10 shall first be applied to satisfy costs of enforcement and collection owed by the defaulting Market Participant. Any remaining funds attributable to an uplifted Uncollectible Obligation, together with any remaining interest and late charges collected with respect to the uplifted Uncollectible Obligation, shall be distributed *pro rata* to the Market Participants, using the same formula specified under Section 7.10.b to whom the Uncollectible Obligation was uplifted pursuant to this Section 7.10 and who satisfied their obligation to pay the uplifted Uncollectible Obligation.

(d) Cure by Market Participant. Neither the declaration of a Past Due Amount as an Uncollectible Obligation nor the uplift of the Uncollectible Obligation to the other Market Participants under this section shall operate as a release of the Past Due Amount or prevent the Transmission Provider from continuing to attempt collection of the Past Due Amount from the defaulting Market Participant. Once a Market Participant's Uncollectible Obligation has been uplifted to other Market Participants, the defaulting Market Participant must take the following steps to cure its default: (i) pay all unpaid obligations to the Transmission Provider, including, without limitation, the amount of the Uncollectible Obligation, interest as required by Section 7.3 and Section 7.7 and enforcement and collection costs as required by Section 7.17(d); and (ii) meet the creditworthiness requirements of the Transmission Provider, including, without limitation, any additional financial assurances that may be required by the Transmission Provider given the Market Participant's prior Default.

**Billing Procedure for Capacity Deficiency Charges, Reliability Based Demand Curve Opt Out Deficiency Charge and Capacity Replacement Non-Compliance Charge**

Five (5) business days after the assessment of the Capacity Deficiency Charge, RBDC Opt Out Deficiency Charge or Capacity Replacement Non-Compliance Charge; or as soon as practical thereafter the Transmission Provider shall submit an invoice to Market Participants for charges owed that are associated with capacity deficiencies or Capacity Replacement Non-Compliance Charge pursuant to the Tariff.

All invoices with charges to be paid by a Market Participant issued pursuant to this Section 7.11 shall be paid by the Market Participant within seven (7) business days of receipt. The Market Participant shall have no right to any amount of payment with respect to the services and goods furnished under Resource Adequacy Requirements of this Tariff until all of the credit and debit amounts with respect to the Market Participant for the respective billing cycle for all services and goods furnished under RAR of this Tariff (including prior period adjustments) have been added together, netted against one another and invoiced. The Market Participant shall only be entitled to the net credit amount, if any, invoiced to the Market Participant for the respective billing period (together with prior period adjustments), subject to the Transmission Provider's right to be paid first pursuant to Section 7.13(a), the setoff and recoupment rights of Transmission Provider set forth in Section 7.20 and any security interests that the Market Participant grants to the Transmission Provider. The Market Participant shall have no right to any gross charges and/or credits listed on such invoice. The Market Participant shall have no right to any amount prior to invoicing.

All invoices with net charges to be paid by a Market Participant issued pursuant to this Section

7.11 shall be paid by the Market Participant within two (2) business days of receipt. All invoices with net credit amounts to be paid to a Market Participant issued pursuant to this Section 7.11 shall be due and payable by the Transmission Provider to the Market Participant twenty-four (24) to forty-eight (48) hours following invoice due dates subject to the Transmission Provider's right to be paid first pursuant to Section 7.13(a), the setoff and recoupment rights of the Transmission Provider set forth in Section 7.20 and any security interests that the Market Participant grants to the Transmission Provider. All payments by Market Participants shall be made in immediately available funds payable to the Transmission Provider.

Interest on any unpaid amounts (not including amounts placed in a cash collateral account as Financial Security) shall be calculated in accordance with Section 7.3.

**Default and Past Due Capacity Deficiency Charge, Reliability Based Demand Curve Opt Out Deficiency Charge, Capacity Replacement Non-Compliance Charge and ICAP Deferral Non-Compliance Charges**

The rights and remedies set forth in this Section 7.13 are in addition to, and not in limitation of, any and all other remedies available under this Tariff, any other agreement or under applicable law. Upon the occurrence of a Default, the Transmission Provider shall initiate a filing with the Commission to terminate the Market Participant Agreement but shall not terminate the Market Participant Agreement until the Commission so approves any such request. In addition, the Transmission Provider shall provide notice to the Market Participant of its intention to initiate a filing with the Commission to terminate the Market Participant Agreement, in accordance with Commission policy.

If any Capacity Deficiency Charge, RBDC Opt Out Deficiency Charge, Capacity Replacement Non-Compliance Charge, or ICAP Deferral Non-Compliance Charge amounts invoiced by the Transmission Provider are not paid when due (the “Past Due Amount”) then the following procedures apply:

- (a) Transmission Provider Charges Paid First. The Transmission Provider shall use monies received by it from Market Participants to pay all amounts due to the Transmission Provider under this Tariff and the ISO Agreement before making any payments to any other Market Participants.
- (b) Reduction of Payment for Capacity Deficiency Charge, RBDC Opt Out Deficiency Charge, Capacity Replacement Non-Compliance Charge, or ICAP Deferral Non-Compliance Charges: If the procedures described in subsection (d) below do not yield sufficient funds to pay

all invoiced amounts in full (after payment of amounts due to the Transmission Provider in accordance with subsection (a) above) on the date such payments are due, then the Transmission Provider shall reduce payment to Load Serving Entities due Capacity Deficiency Charge, RBDC Opt Out Deficiency Charge, Capacity Replacement Non-Compliance Charge, or ICAP Deferral Non-Compliance Charges revenue per RAR, for that billing period, *pro rata*, based upon MW of annual peak load of LSEs that have met or exceeded their RAR in the applicable Local Resource Zone(s) during the applicable Planning Year, to the extent necessary to clear its accounts by the close of banking business on the date such payments are due.

As funds attributable to a Past Due Amount are received by the Transmission Provider (including amounts received through actions or proceedings commenced against the defaulting Market Participant) prior to the next billing period's statements being distributed, together with any interest and late charges collected on the applicable Past Due Amount, shall be distributed pro rata to the Market Participants that did not receive the full amount of their net credit invoiced amount as a result of such Past Due Amount not being paid, subject to the Transmission Provider's right to be paid first pursuant to (a) above, the set off and recoupment rights of the Transmission Provider set forth in Section 7.20 and any security interests that the Market Participant grants to the Transmission Provider.

(c) Order of Settlement. As payments are received by the Transmission Provider to satisfy outstanding Past Due Amounts the oldest outstanding Past Due Amount will be settled first in the order of the creation of such obligations.

(d) Enforcing Setoff and Security. The Transmission Provider may exercise its rights of recoupment and setoff pursuant to Section 7.17 and Section 7.20, to offset the Past Due Amount

against any amounts owed to the Market Participant. The Transmission Provider shall use funds attained under the Credit Support Documents provided by the Market Participant to the extent necessary to pay the Past Due Amount and any applicable interest and late charges. Any use of Credit Support Documents shall be undertaken in compliance with Section 7.17 of this Tariff, the Credit Policy and the Credit Support Documents.

In the event the Transmission Provider reduces payments owed to Market Participants due to non-payment of Capacity Deficiency Charges, RBDC Opt Out Deficiency Charge, Capacity Replacement Non-Compliance Charge, or ICAP Deferral Non-Compliance Charges under RAR there will be no declaration of an Uncollectible Obligation associated with such non-payment and no uplift of the unpaid amount.

Notwithstanding the provisions of the Credit Policy of the Transmission Provider (Attachment L), there are two circumstances under which Financial Security, or adequate assurance if the Tariff Customer is in bankruptcy as set forth within Section 7.16.1(e) and such Financial Security would conflict with the bankruptcy petition or proceeding, shall be required from a Tariff Customer for failure to pay invoices when due:

- 1) Failure to pay a Transmission Service invoice within the required payment and cure period, and
- 2) History of late payment.

The Financial Security requirements associated with each of these two sets of circumstances are provided in Section 7.14.1 and Section 7.14.2, respectively.

In the event a Tariff Customer fails to pay a Transmission Service invoice issued in accordance with the provisions of Section 7.1 within the required payment period defined in Section 7.1 (e.g., seven (7) Days) and the cure period for non-payment defined in Section 7.8(a) (e.g., two (2) Business Days), the Transmission Provider, or ITC where applicable, will require Financial Security from the Tariff Customer in a form acceptable to the Transmission Provider and in an amount equal to the total invoiced charges for the month with the highest total invoiced charges over the most recent twelve months (not including Past Due Amounts carried forward from a prior invoice) times the ratio of sixty (60) days to thirty (30) days, or 2.00.

This requirement to provide Financial Security due to failure to pay a Transmission Service invoice within the required payment period and cure period is applicable to a Tariff Customer regardless of whether the Tariff Customer was previously extended unsecured credit by the Transmission Provider, or ITC where applicable, and/or previously provided any Financial Security as part of its Total Credit Limit. Further, the Financial Security required pursuant to this Section 7.14 is in addition to any previously provided Financial Security.

The Financial Security so provided shall be reserved to satisfy obligations for any future Transmission Service payment that is not paid by the payment due date specified in Section 7.1. If, subsequent to the date of the requirement to provide Financial Security due to a failure to pay a Transmission Service invoice within the required payment due date and cure period, all Tariff Customer payments during the following six months are paid on time, the Financial Security provided due to failure to pay a Transmission Service invoice within the required payment due date and cure period will be returned to the Tariff Customer.

Should the Tariff Customer again fail to pay a Transmission Service invoice within the required payment due date and cure period subsequent to the return of the initial Financial Security requirement due to failure to pay a Transmission Service invoice within the required payment due date and cure period, the Tariff Customer will be required to immediately provide Financial Security in a form acceptable to the Transmission Provider and in an amount equal to the total invoiced charges for the month with the highest total invoiced charges over the most recent twelve months (not including Past Due Amounts carried over from prior invoices) times the ratio of sixty (60) days to thirty (30) days, or 2.00, or adequate assurance if the Tariff Customer is in bankruptcy as set forth within Section 7.16.1(e), and demanding such Financial Security would present a legal conflict with that bankruptcy petition or proceeding. Such Financial Security provided due to failure to pay a Transmission Service invoice within the required payment due date and cure period will be returned to the Tariff Customer if all subsequent Tariff Customer payments over the next twelve months are made on time. This process will be repeated for each subsequent event of failure to pay a Transmission Service invoice within the required payment due date and cure period.

In the event that a Tariff Customer has a history of paying its invoice late, defined as two invoice payments made past the invoice due date within the most recent twelve month period, the Transmission Provider, or ITC where applicable, will require Financial Security from the Tariff Customer in a form acceptable to the Transmission Provider and in an amount equal to the total invoiced charges for the month with the highest total invoiced charges over the most recent twelve months, not including Past Due Amounts carried forward from a prior invoice, or adequate assurance if the Tariff Customer is in bankruptcy as set forth in Section 7.16.1(e) and such Financial Security would conflict with that bankruptcy proceeding or petition. This requirement to provide Financial Security due to a history of late payment is applicable to a Tariff Customer regardless of whether the Tariff Customer was previously extended unsecured credit by the Transmission Provider, or ITC where applicable and/or previously provided any Financial Security as part of its Total Credit Limit. The Financial Security so provided shall be used to satisfy obligations for payments that are past due. If, subsequent to the date of the requirement to provide Financial Security due to a history of late payments, all Tariff Customer payments during the following six months are paid on time, the Financial Security provided due to a history of late payment will be returned to the Tariff Customer.

Should the Tariff Customer again fail to pay on time subsequent to the return of the initial Financial Security requirement due to a history of late payments, the Tariff Customer will be required to immediately provide Financial Security in a form acceptable to the Transmission Provider and in an amount equal to the total invoiced charges for the month with the highest total invoiced charges over the most recent twelve months, not including Past Due Amounts carried over from prior invoices, or adequate assurance if the Tariff Customer is in bankruptcy as set

forth in Section 7.16.1(e) and such Financial Security would conflict with that bankruptcy petition or proceeding. Such Financial Security provided due to a history of late payment will be returned to the Tariff Customer if all subsequent Tariff Customer payments over the next twelve months are made on time. This process will be repeated for each subsequent event of failure to pay on time.

During any period of time the Transmission Provider, or ITC if applicable, holds a Financial Security due to a history of late payment and the Tariff Customer or Market Participant does not pay on time, the Transmission Provider, or ITC if applicable, will draw upon that Financial Security to cover any invoice not paid by the payment due date. Such draw shall occur on the first Business Day after the payment due date. Interest and late fees will be assessed until the Tariff Customer: (1) pays all outstanding amounts owed, and (2) replenishes the Financial Security to the original amount. The interest rate shall be calculated in accordance with Section 7.3.

All monies deposited by a Tariff Customer as financial assurance will be held by the Transmission Provider in a separate, interest-bearing money market account and 100% of the interest earned will accrue to the benefit of that Tariff Customer. Interest shall be calculated from the date of the receipt of the deposit until the date that the deposit is returned, converted into another form of financial assurance or applied to satisfy past due amounts owed by the Tariff Customer. When deposits are made by mail, they shall be considered as having been paid on the date of receipt by the Transmission Provider. Interest accrued shall be held in the account as financial assurance until released from the account to the Tariff Customer in accordance with this Section 7.7 or applied to satisfy Past Due Amounts owed by the Tariff Customer.

Unless a Default exists and is continuing, interest accrued and not applied to satisfy Past Due Amounts owed by the Tariff Customer shall be released from the account and paid to the Tariff Customer on a semiannual basis or on such other basis as determined by the Transmission Provider in its discretion; provided that interest shall be released from the account at least annually (unless a Default exists and is continuing). The Transmission Provider shall have no obligation to release any interest held by the Transmission Provider if a Default exists and is continuing.



The occurrence at any time with respect to a Tariff Customer of any of the following events constitutes a default (“Default”) with respect to such Tariff Customer:

- (a) Failure by the Tariff Customer to make, when due, any payment under Section 7.1, Section 7.2, Section 7.22 or Section 7.23, failure to provide Financial Security under Section 7.14.1, or Section 7.14.2 if such failure is not remedied on or before the second (2nd) Business Day after receipt by the Tariff Customer of a written notice to cure such failure sent by the Transmission Provider, or an ITC where applicable;
- (b) Failure to Pay Section 7.6 Amounts. Failure by the Tariff Customer to make, when due, any payment under Section 7.6 of this Tariff for any reason if such failure if not remedied on or before the second (2nd) Business Day after the Tariff Customer’s receipt of notification to cure such failure sent by the Transmission Provider;
- (c) Failure to Pay Section 7.11 Amounts. Failure by the Tariff Customer to make, when due, any payment under Section 7.11 of this Tariff for any reason if such failure if not remedied on or before the second (2nd) Business Day after the Tariff Customer’s receipt of notification to cure such failure sent by the Transmission Provider.
- (d) Failure to Perform Other Obligations. Failure by the Tariff Customer to make, when due, any payment or comply with or perform any agreement, obligation or requirement under this Tariff (including, without limitation, the Transmission Provider’s Credit Policy), any of the agreements entered into by such Tariff Customer under, pursuant to, or in connection with this Tariff or any other agreement to which the Tariff Customer and the Transmission Provider are parties (including, without limitation, any Commission-approved settlement agreement to which the Transmission Provider and the Tariff Customer are parties, regardless of when executed and

without exclusion of any agreement entered into by such Tariff Customer under, pursuant to, or in connection with this Tariff or any other agreement to which the Tariff Customer and the Transmission Provider are parties regardless of when executed; provided, however, that defaults of any payment under Section 7.1, Section 7.2, Section 17.19.1, Section 7.17.1 or Section 7.24 of this Tariff shall be addressed under Section 7.16(a) of this Tariff and any defaults of any payment under Section 7.6 of this Tariff shall be addressed under Section 7.16(b) of this Tariff); if such failure is not remedied on or before the later of (i) the expiration of the applicable cure period set forth in this Tariff or the applicable agreement, or (ii) the second (2nd) Business Day after the Tariff Customer receives written notice to cure such failure sent by the Transmission Provider;

(e) Bankruptcy. The Tariff Customer (A) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (B) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (C) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (D) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (1) results in the judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within thirty (30) days of the institution or presentation thereof; (E) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a

consolidation, amalgamation or merger); (F) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a significant portion of its assets; (G) has a secured party take possession of all or a significant portion of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or a significant portion of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (H) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (A) through (G); or (I) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Any Default with respect to a Tariff Customer shall constitute a Default under this Tariff (including, without limitation, the Transmission Provider's Credit Policy), any and all agreements entered into by such Tariff Customer under, pursuant to, or in connection with, this Tariff and any and all other agreements to which such Tariff Customer and the Transmission Provider are parties (including, without limitation, any Commission-approved settlement agreement to which the Transmission Provider and the Tariff Customer are parties), regardless of when executed and without exclusion of any agreement entered into by such Tariff Customer under, pursuant to, or in connection with this Tariff or any other agreement to which the Tariff Customer and the Transmission Provider are parties regardless of when executed; provided, however, that defaults of any payment under Section 7.1 or Section 7.2 of this Tariff shall be addressed under Section 7.13(a) of this Tariff and any defaults of any payment under Section 7.6

of this Tariff shall be addressed under Section 7.13(b) of this Tariff. Any Tariff Customer found to be in Default shall take all possible measures to mitigate the continued impact of the Default, including, but not limited to, loading its own Generation Resources to supply its own Load to the maximum extent possible.

The occurrence at any time with respect to a Tariff Customer of the following event constitutes a potential event of default (“Potential Event of Default”) with respect to such Tariff Customer:

- (a) A continuing event which, with notice or passage of time, or both, would constitute a Default under Section 7.16.1(a), 7.16.1(b) or under Attachment L of this Tariff.

(a) Available Remedies.

(1) If at any time a Default occurs and is continuing, the Transmission Provider may (i) exercise the remedies set forth in Section 7.4 or Section 7.8; (ii) except as provided in Section 7.17(a)(2), suspend any and all services a Tariff Customer in Default receives under its Service Agreement(s), Market Participant Agreement, other agreements and/or this Tariff (including such Tariff Customer's access to the Energy Markets and FTR Auction) subject to the receipt of approval from the Commission; (iii) terminate any and all other services and/or agreements, subject to the receipt of approval to terminate and settle any and all FTRs held by such Tariff Customer from the Commission and any other approvals from the Commission that may be necessary; (iv) initiate requests for any necessary Commission approvals or consents to terminate any and all services to and agreements with the Tariff Customer; (v) terminate and settle any and all FTRs held by such Tariff Customer in accordance with Section 7.19 below, subject to the receipt of approval to terminate and settle such FTRs from the Commission; (vi) liquidate all or a portion of the Tariff Customer's Financial Security and otherwise exercise the Transmission Provider's rights under any or all of the Credit Support Documents, at the Transmission Provider's discretion to satisfy total amounts due and payable by the Tariff Customer; and (vii) proceed to exercise any and all remedies available to the Transmission Provider under this Tariff and/or any applicable agreements or otherwise under applicable law.

(2) In addition to any remedies described in Section 7.17(a)(1), if at any time a Default under Section 7.16.1(a), 7.16.2(b) or Attachment L of this Tariff, or a Potential Event of Default under Section 7.16.2(a), occurs and is continuing, the Transmission Provider shall have the right to suspend, without having to obtain approval from the Commission, any and all services the

defaulting Tariff Customer receives under its Service Agreement(s), Market Participant Agreement, other agreements and/or this Tariff (including such Tariff Customer's access to the Energy Markets and FTR Auction); provided that any such suspension is effectuated upon one (1) Business Day notice to the affected Tariff Customer and the Commission. Notwithstanding the foregoing, any suspension of service to Load Serving Entities in non-retail choice states and to retail suppliers/providers of last resort in retail choice states shall be effectuated only upon the receipt of approval from the Commission.

In the event of such failure to cure under this Section 7.17, the Transmission Provider shall have the right to notify all Market Participants, including a separate and specific notice to the Provider of Last Resort, of a pending suspension of an individual Market Participant, including identification of the defaulting Market Participant, the amount and type of the Default, and any additional available information that is deemed relevant in the Transmission Provider's reasonable discretion. Notification of failure to cure shall be made to all Market Participants at the same time the Transmission Provider notifies FERC and the individual Market Participant. At such time as the Market Participant cures said Default, the Transmission Provider will immediately notify FERC and all other Market Participants of such cure.

(b) Non-Exclusive Remedies. No right or remedy conferred upon or reserved to the Transmission Provider under this Tariff (including, without limitation, the Transmission Provider's Credit Policy), any agreement executed under, pursuant to or in connection with this Tariff and/or any other agreements between the Transmission Provider and the Tariff Customer is intended to be or is exclusive of any other available remedy or right, but each and every remedy shall be cumulative and concurrent and shall be in addition to every other remedy now or

hereafter existing at law or in equity. No single or partial exercise of any power or right shall preclude any further or other exercise of any power or right.

(c) No Waiver. No delay or omission of the Transmission Provider to exercise any power or right under this Tariff (including, without limitation, the Transmission Provider's Credit Policy), any agreement executed under, pursuant to, or in connection with this Tariff and/or any other agreements between the Transmission Provider and the Tariff Customer shall impair such power or right or be construed as a waiver of any Default or an acquiescence therein and any single or partial exercise of any power or right shall not preclude other or further exercise thereof or the exercise of any other power or right. Course of dealing shall not be binding upon the Transmission Provider.

(d) Cost of Collection and Attorneys' Fees. The Tariff Customer shall reimburse the Transmission Provider for any and all costs incurred by the Transmission Provider, including, reasonable attorneys' fees, in connection with enforcing any obligations of, or collecting any amounts owed from, the Tariff Customer under this Tariff, any agreement entered into under, pursuant to, or in connection with this Tariff and/or any other agreement to which the Transmission Provider and the Tariff Customer are parties.

(e) Amounts Payable in the Event of Default. Any amount payable to a Tariff Customer in the event of Default will, at the option of the Transmission Provider, be reduced by its set-off against any amount(s) payable (whether at such time or in the future or upon the occurrence of a contingency) by the Tariff Customer to the Transmission Provider under this Tariff, any agreement entered into under, pursuant to, or in connection with this Tariff and/or any other agreement between the Transmission Provider and the Tariff Customer. If an obligation is not

then ascertainable, the Transmission Provider may in good faith estimate that obligation and set-off in respect of an estimate, subject to the Transmission Provider accounting to the Tariff Customer when the obligation is ascertained.

All notices to be delivered under or in connection with Section 7 (other than invoices) shall be in writing and shall be deemed to have been given and received (A) on the date of service if personally served on the Tariff Customer, (B) on the date transmission is sent via facsimile transmission or electronic mail, provided that telephonic, facsimile or electronic mail confirmation of receipt is obtained promptly after completion of transmission, (C) on the date after delivery to a nationally recognized overnight courier service or the Express Mail service maintained by the United States Postal Service, or (D) on the fifth (5th) day after mailing, if mailed to the Tariff Customer by registered or certified mail, postage prepaid.

In the event of a Default as described in Section 7.16(d)(A),(C),(D),(E),(F) or, to the extent analogous thereto, (H), the termination of all FTRs held by the defaulting Tariff Customer shall occur immediately upon the occurrence of such a Default, and, with respect to a Default under Section 7.16.1(e), as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition. In all cases of Default other than those enumerated in the preceding sentence, the Transmission Provider may terminate all FTRs held by the defaulting Tariff Customer by providing not less than ten (10) days written notice designating a day not earlier than the 10th day after the date of such notice as the termination date for such FTRs. However, for any Default, the Transmission Provider is not required to terminate any FTR if the Tariff Customer is in bankruptcy as set forth in Section 7.16.1(e) and such action would legally conflict with such bankruptcy petition or proceeding, or if such termination would, in the Transmission Provider's reasonable discretion, reduce the Transmission Provider's ability to mitigate losses or reduce its ability to recover and/or collect monies owed.

On or as reasonably practicable following the last date that an FTR held by the Tariff Customer would have lapsed had the FTR not been terminated due to a Default, the Transmission Provider will make the calculations necessary to determine the Settlement Amount, as defined below, and will provide the Tariff Customer with a statement (i) showing, in reasonable detail, such calculations and (ii) giving details of the relevant FTR to which any amount payable is to be paid. The Settlement Amount will be payable on the second Business Day after the notice of the amount payable.

The "Settlement Amount" will be equal to the total of (i) the amount that the

Transmission Provider reasonably determines in good faith to be its total losses and costs (or gain, in which case it shall be expressed as a negative number) in connection with termination of the FTRs held by the Market Participant upon a Default plus (ii) all unpaid amounts that the Tariff Customer owes (or is obligated to pay to) the Transmission Provider, minus (iii) all unpaid amounts that the Transmission Provider owes (or is obligated to pay) to the Tariff Customer. The total losses and costs in (i) above will be calculated for each FTR on the basis of, at the discretion of the Transmission Provider, either or a combination of (A) the amounts that would have been owed to and by the Tariff Customer with respect to the FTRs had such FTRs not terminated or (B) the amounts paid by or to purchasers of substantially similar FTRs at auctions administered by the Transmission Provider or in arm's length transactions. If the Settlement Amount is a positive number, the Tariff Customer will pay it to the Transmission Provider; if it is a negative number, the Transmission Provider will pay the absolute value of that amount to the Tariff Customer. In circumstances where a Default occurs in connection with a bankruptcy, the amount determined under this Section will be subject to such adjustments as are appropriate and permitted by law. As losses and costs become determinable, the Transmission Provider will calculate the net amount of the determinable losses and costs on a weekly basis. If the net amount is a gain, the amount of the gain will be placed in an interest-bearing account (the "Settlement Account").

The Settlement Account will be adjusted weekly as additional losses and costs become determinable. Any interest that accumulates with respect to the Settlement Account will be included in the calculation of total net losses and costs as a negative cost or gain amount.

This Tariff (including, without limitation, the Transmission Provider's Credit Policy) and all agreements entered into under, pursuant to, or in connection with this Tariff and any other agreements to which the Transmission Provider and the Tariff Customer are parties shall be viewed as a single agreement and the Transmission Provider shall have the right of setoff and recoupment with respect to all amounts that arise under this Tariff and/or any such agreements.

The Transmission Provider shall have the right to recoup and/or setoff any amounts to be paid to the Transmission Provider by a Tariff Customer (including, without limitation, amounts to be settled, billed, collected and distributed by the Transmission Provider) against any amounts to be paid to the Tariff Customer by the Transmission Provider (including, without limitation, amounts to be settled, billed, collected and distributed by the Transmission Provider), whether such amounts arise under this Tariff, any agreement entered into under, pursuant to, or in connection with this Tariff and/or any other agreement to which the Transmission Provider and the Tariff Customer are parties.

If on any date amounts, including, without limitation, payment allocations, debts, or other damages, prior period adjustments, interest or credits, are due and payable by the Tariff Customer, on the one hand, and the Transmission Provider, on the other, the Transmission Provider may automatically satisfy and discharge the obligation of the Transmission Provider to make payment of any such amount to Tariff Customer to the extent of the amount of the obligation of the Tariff Customer to make payment to the Transmission Provider by netting the aggregate amount payable by the Tariff Customer against the aggregate amount payable by the Transmission Provider to the Tariff Customer and replacing those payment obligations with a single payment obligation by the Transmission Provider or the Tariff Customer (whichever owes

the larger such aggregate amount) to pay the net difference between such aggregate amounts on the applicable payment date. The rights of the Transmission Provider under this Section shall be in addition to its rights of setoff and other rights and remedies under this Tariff, any other agreement or applicable law.

Any Tariff Customer with respect to whom a Default has occurred under this Tariff shall take all possible measures to mitigate the continued impact of the Default on the other Tariff Customers not in Default, including, but not limited to, loading its own generation to supply its own Load to the maximum extent possible.



Within a reasonable time after the first day of each month, the Transmission Provider shall submit an invoice to each Reliability Coordination Customer with the charges for recovering costs associated with providing services under Part I of Module F. The charges on the monthly invoice shall be as specified in Schedule 31.

The invoice issued pursuant to this Section 7.22.1 shall be paid by the Reliability Coordination Customer within seven (7) days of receipt. All payments shall be made in immediately available funds payable to the Transmission Provider.

All billing procedures involving invoices under this Section 7.16.1 or with respect to Part I of Module F of this Tariff shall be governed by the Accounting and Billing Business Practices Manual. This manual is available for inspection by Tariff Customers, Transmission Owners, regulatory authorities with jurisdiction over Tariff Customers and Transmission Owners, and the public; and is posted on the Transmission Provider's website.

Reliability Coordination Service under Part I of Module F shall be governed by the terms of Section 7.3 and Sections 7.14 through 7.21 of this Tariff. For this purpose, all references to Transmission Customer or Tariff Customer in such provisions shall be deemed applicable to Reliability Coordination Customers under Part I of Module F.

If any amounts invoiced by the Transmission Provider pursuant to Section 7.22.1 are not paid when due (the “Past Due Amount”), then the following procedures apply, unless the Tariff Customer is in bankruptcy as set forth within Section 7.16.1(e) and invoicing such amounts would legally conflict with such bankruptcy proceeding or petition:

- (a) Unpaid Schedule 31 Charges Recovered under Schedule 10. The Transmission Provider shall include any unpaid amounts associated with invoices issued under Section 7.22.1 of the Tariff as a cost to be recovered under Schedule 10 of the Tariff during the subsequent month. The unpaid amounts under this section shall be included in the variable TRMA as defined in Part II.A of Schedule 10.
- (b) Order of Settlement. As payments are received by the Transmission Provider to satisfy outstanding Past Due Amounts, the oldest outstanding Past Due Amount will be settled first in the order of the creation of such debts. The Past Due Amounts received, and any interest or late charges collected under Section 7.22.2, shall be used to offset the costs to be recovered under Schedule 10 in the month following receipt of the Past Due Amounts.
- (c) Enforcing Security. The Transmission Provider shall use funds obtained under the Credit Support Documents provided by the Reliability Coordination Customer to the extent necessary to pay the Past Due Amount and any applicable interest and late charges. Any use of Credit Support Documents shall be undertaken in compliance with Module A of this Tariff, the Credit Policy and/or the Credit Support Documents.

If a Reliability Coordination Customer disputes the amount invoiced by the Transmission Provider pursuant to Section 7.22.1, the Reliability Coordination Customer must pay all invoiced amounts regardless of any dispute, but such payment shall not be deemed a waiver with respect to any disputed amount. If the Reliability Coordination Customer notifies the Transmission Provider of the portion of the invoice in dispute at or prior to the time of payment, the Transmission Provider will cause the disputed amount to be deposited in an account separate from its general operating account, pending resolution of the dispute. All such disputes shall be governed by the dispute resolution procedures set forth in Section 12 of this Tariff.



On a weekly basis, the Transmission Provider shall include all applicable charges associated with Interconnected Operations and Congestion Management Services under Part II of Module F on the invoices issued pursuant to Section 7.6.

Interconnected Operations and Congestion Management Service under Part II of Module F shall be governed by the terms of Sections 7.6 through 7.10 and Sections 7.14 through 7.21 of this Tariff. For this purpose, all references to Market Participant(s) in such provisions shall be deemed applicable to Congestion Management Customers under Part II of Module F. The term Market Activities as used in Section 7 of this Tariff includes all charges associated with service provided under Part II of Module F.

Once a final order from FERC regarding the Transmission Provider's ability to recover penalty amounts is issued, the Transmission Provider shall invoice such amounts in accordance with the terms of Schedule 34 and the applicable FERC order, unless the penalized entity is in bankruptcy as set forth in Section 7.16.1(e) and invoicing such amounts would conflict with the penalized entity's bankruptcy petition or proceeding.

In the event that a Tariff Customer or Member fails to make the required payment(s) pursuant to this Section 7.24, then the provisions in Section 7.16 Default and any other applicable subsections of Section 7, shall apply to such Tariff Customer or Member for such non-payment.

The Transmission Provider, ITC, ITC Participants, and Transmission Owner(s) shall record the following amounts, as outlined below, where applicable.



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

Other than Appendix K of the ISO Agreement and the Settlement Agreement Between Transmission Owners and the Transmission Provider on Section 205 filing rights filed with the Commission on November 30, 2004 in Docket Nos. RT01-87, ER02 106, and ER02-108, nothing contained in this Tariff, any Service Agreement or any Market Participant Agreement shall be construed as affecting in any way the right of the Transmission Provider, ITC, ITC Participant(s) or Transmission Owner(s) to unilaterally make application to the Commission for a change in rates, terms and conditions, charges, classification of service, Service Agreement, Market Participant Agreement, rule or regulation under § 205 of the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder; provided, however, the Transmission Provider and the Transmission Owners are restricted in their ability to make certain changes as detailed in the ISO Agreement. The ITC, and not the Transmission Provider, shall be authorized to make unilateral applications for changes in ITC Rate Schedules, and any rate, term, condition, charge, classification of service, rule or regulation of such ITC Rate Schedules.

Nothing contained in the Tariff, any Service Agreement, or any Market Participant Agreement shall be construed as affecting in any way the ability of any Party receiving service under the Tariff to exercise its rights under the Federal Power Act and pursuant to the Commission's rules and regulations promulgated thereunder.



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, ITC, ITC Participant(s), Transmission Owner(s), Transmission Customer, Interconnection Customer, Interconnecting Transmission Owner, Coordination Customer, Market Participant nor any other Tariff 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.

The Transmission Customer, Coordination Customer and the Market Participant shall at all times indemnify, defend and save the Transmission Provider, ITC, ITC Participant(s), Interconnection Customer, Interconnecting Transmission Owner and Transmission Owner(s) 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, ITC's, ITC Participant's, Interconnection Customer, Interconnecting Transmission Owner or Transmission Owner's performance of its obligations under this Tariff on behalf of the

Transmission Customer, Coordination Customer, and Market Participant, except in cases of negligence or intentional wrongdoing by the Transmission Provider, ITC, ITC Participant, Interconnection Customer, Interconnecting Transmission Owner or a Transmission Owner. If the Transmission Provider or ITC engages in negligence or intentional wrongdoing, but the Transmission Owner(s) or ITC Participant(s) does (do) not, that will not affect the indemnification of the Transmission Owner(s) under this Module A, Section 10.2 and vice-versa.

(a) The Transmission Owner shall not be liable, whether based on contract, indemnification, warranty, equity, tort, strict liability or otherwise, to any Transmission Customer, Coordination Customer, Market Participant, User, Interconnection Customer, Interconnecting Transmission Owner or any third party or other person for any damages whatsoever, including, without limitation, direct, incidental, consequential (including, without limitation, attorneys' fees and litigation costs), punitive, special, multiple, exemplary or indirect damages arising or resulting from any act or omission in any way associated with service provided under this Tariff, including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of service, except to the extent that the Transmission Owner is found liable for gross negligence or intentional misconduct, in which case the Transmission Owner will only be liable for direct damages. Nothing in this section, however, is intended to affect obligations otherwise provided in agreements between the Transmission Provider and Transmission Owner.

(b) The Transmission Provider shall not be liable, whether based on contract, indemnification, warranty, equity, tort, strict liability or otherwise, to any Transmission Customer, Coordination Customer, Market Participant, User, Interconnection Customer, Interconnecting Transmission Owner or any third party or other person for any damages whatsoever, including, without limitation, direct, incidental, consequential (including, without limitation, attorneys' fees and litigation costs), punitive, special, multiple, exemplary or indirect damages arising or resulting from any act or omission in any way associated with service provided under this Tariff, including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of service, except to the extent that the Transmission Provider is found liable for gross negligence or intentional misconduct, in which case the

Transmission Provider will only be liable for direct damages. Nothing in this section, however, is intended to affect obligations otherwise provided in agreements between the Transmission Provider and Transmission Owner.

(c) Neither the Transmission Owner nor the Transmission Provider shall be liable for damages arising out of services provided under this Tariff, including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of service, occurring as a result of conditions or circumstances beyond the control of the Transmission Owner or Transmission Provider, as applicable, or resulting from electric system design common to the domestic electric utility industry or electric system operation practices or conditions common to the domestic electric utility industry. Transmission Owner shall not be liable for acts or omissions done in compliance or good faith attempts to comply with directives of Transmission Provider.

(d) The provisions of this Section 10.3 shall not affect responsibilities among parties otherwise provided for in agreements executed prior to October 30, 2004.



For purposes of, Module A Section 10.3 above, independent transmission companies under Appendix I of the ISO Agreement shall be included in the definition of “Transmission Owner” as used therein and such limitations of liability and damages shall be applicable to those entities.



a. For the purposes of this Section 10.6, the term “Representatives” shall mean, with respect to any entity, such entity’s officers, shareholders, directors, agents, contractors, employees, and members (i.e., cooperative members and municipal joint action agency members).

b. Balancing Authorities that are not signatories to the Balancing Authority Agreement are not eligible for the waiver of liability described in this Section

c. The Local Balancing Authority, its Representatives, and the Transmission Provider shall not be liable, whether based on contract, indemnification, warranty, equity, tort, strict liability or otherwise, to any Transmission Customer or Market Participant or any of their Representatives including, without limitation, direct, incidental, consequential (including, without limitation, attorneys’ fees and litigation costs), punitive, special, multiple, exemplary or indirect damages arising or resulting from any act or omission in any way associated with this Tariff including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of service, except to the extent that the Local Balancing Authority or its Representatives or the Transmission Provider is found liable for gross negligence or intentional misconduct, in which case the Local Balancing Authority or its Representatives or the Transmission Provider shall only be liable for direct damages.

Nothing in this section, however, is intended to affect obligations otherwise provided in agreements between the Transmission Provider and Local Balancing Authority.

d. The Local Balancing Authority and its Representatives and the Transmission Provider shall not be liable for damages arising out of actions under this Tariff, including, but not limited to, any act or omission that results in an interruption, deficiency or imperfection of service, occurring as a result of conditions or circumstances beyond the control of the Local Balancing

Authority or its Representatives or the Transmission Provider, as applicable, or resulting from electric system design common to the domestic electric utility industry or electric system operation practices or conditions common to the domestic electric utility industry.

e. The Local Balancing Authority and its Representatives shall not be liable for acts or omissions done in compliance or good faith attempts to comply with directives of the Transmission Provider.

f. The limitations of liability and damages set forth in this Section shall also apply to entities that take responsive action to implement or comply with the directives or needs of the Transmission Provider or Local Balancing Authority relating to the performance of the Balancing Authority Agreement.

The provisions on limitation of liability and damages, and on indemnification, set forth in Sections 10.2, 10.3 and 10.6 shall be applicable to Market Participants and Generation Owners acting in good faith to implement or comply with the directives of the Transmission Provider.



For the purpose of determining the ability of the Transmission Customer, the Market Participant and the Coordination Customer to meet their respective obligations related to service under this Tariff, the Transmission Provider may require reasonable credit review procedures. The official credit policy for this Tariff is found in Attachment L. This review shall be made in accordance with standard commercial practices. In addition, the Transmission Provider may require each Transmission Customer, Market Participant, and Coordination Customer to provide and maintain in effect during the term of the Service Agreement or Market Participant Agreement, credit support, including but not limited to the Transmission Provider credit agreement, unconditional corporate guaranty (if applicable), letter of credit, or cash deposit as security to meet its responsibilities and obligations under the Tariff, or an alternative form of security agreeable to the Transmission Customer, Market Participant or Coordination Customer and the Transmission Provider and consistent with commercial practices established by the Uniform Commercial Code that protects the Transmission Provider and ITC(s) against the risk of non-payment. The Transmission Provider shall develop creditworthiness standards and publish them on the OASIS and on the Transmission Provider's Internet webpage.

Any dispute between a Tariff Customer or User and the Transmission Provider and/or an ITC, except those expressly set out in this section, shall be resolved in accordance with the provisions of Attachment HH (Dispute Resolution Procedures) of this Tariff. Those disputes that are not subject to Attachment HH of this Tariff are, as follows:

- a. Applications for rate changes or other changes to the Tariff or any Service Agreement or to any Market Participant Agreement entered into under this Tariff shall be presented directly to the Commission for resolution;
- b. Billing disputes on Transmission Service, or other service under the Tariff, brought within the one hundred twenty (120) Calendar Day period specified in section 12A, which are governed initially by the Transmission Service Billing Dispute Resolution Manual and then, if necessary, by Attachment HH of this Tariff;
- c. Disputes related to Market Activities brought within the one hundred twenty (120) Calendar Day period specified in section 12A, which are governed initially by the Business Practices Manual for Market Settlements and then, if necessary, by Attachment HH of this Tariff;
- d. Disputes under this Tariff, brought within fifteen (15) Calendar Days of any resettlement of an Operating Day for any changes from the previous Settlement Statement, which are governed initially by the Business Practices Manual for Market Settlements and then, if necessary, by Attachment HH of this Tariff. Such disputes on any resettlement of an Operating Day shall be limited to incremental changes between the previous settlement statement and the resettlement

statement.

The Business Practices Manuals referenced herein are available for inspection by the Tariff Customers, regulatory authorities with jurisdiction over the Transmission Provider, ITC, Tariff Customers, and the public and are posted on the Transmission Provider's website.

- a. No claim or dispute seeking an adjustment in the billing, invoice or settlement statement for any Transmission Service, or other service, under the Tariff may be asserted with respect to the billing, invoice or settlement statement if more than one hundred twenty (120) Calendar Days have elapsed since the date on which the official invoice was issued for the Transmission Service, or regarding other service, under the Tariff.
- b. No claim or dispute seeking an adjustment in the settlement statement for any Market Activities may be asserted with respect to the settlement statement if more than one hundred twenty (120) Calendar Days have elapsed since the Operating Day of the relevant Market Activities.
- c. The Transmission Provider may not adjust any billing, invoice or settlement statement with respect to any Transmission Service or other service under the Tariff if more than one (1) year has elapsed since the date on which the official invoice for the Transmission Service was first issued after the effective date of section 12A, provided that an adjustment may be performed after such one-year period based on a final determination in a timely settlement dispute, including any ensuing informal or formal dispute resolution and/or any Commission or court; provided, further, that the Transmission Provider shall make the appropriate adjustments in cases involving a Continuing Error of the Transmission Provider in accordance with section 12A(e).
- d. The Transmission Provider may not adjust any settlement statement with respect to any Market Activities, if more than one (1) year has elapsed since the Operating Day that service occurred after the effective date of section 12A, provided that an adjustment may be performed after such one-year period based on a final determination in a timely

settlement dispute, including any ensuing informal or formal dispute resolution and/or any Commission or court; provided, further, that the Transmission Provider shall make the appropriate adjustments in cases involving a Continuing Error of the Transmission Provider in accordance with section 12A(e).

- e. In the absence of a timely claim or dispute under section 12A, a billing, invoice or settlement statement, and the associated data, shall be deemed final, and shall not be subject to further correction. If a timely claim or dispute under section 12A, or under Attachment HH, results in the discovery of a Continuing Error of the Transmission Provider that goes back earlier than the issuance of the billing, invoice or settlement that was the basis for a timely transmission settlement dispute under section 12A(a), or than the Operating Day that was the basis of a timely market settlement dispute under section 12A(b), the Transmission Provider shall post a notification on its website describing the existence of the Continuing Error and make the appropriate adjustments up to the applicable one year period set forth in section 12A. Notwithstanding the above, if the Transmission Provider discovers and verifies a Continuing Error, even if there is no timely market settlement or transmission settlement dispute, the Transmission Provider shall post a notification on its website describing the existence of the Continuing Error and make the appropriate adjustments up to one year going backward from the date of that notification. Such one year resettlement period shall not be shortened by the time it takes for a timely settlement dispute to be finally determined, including any ensuing informal or formal dispute resolution, Commission or court proceedings.

- f. If a timely claim or dispute under section 12A involving a service, Market Activities, charge or credit that occurred before the effective date of section 12A, results in the discovery of a Continuing Error of the Transmission Provider that goes back earlier than the issuance of the billing, invoice or settlement that was the basis for a timely transmission settlement dispute under section 12A(a), or than the Operating Day that was the basis of a timely market settlement dispute under section 12A(b), the Transmission Provider may make the appropriate adjustments up to one (1) year before the effective date of section 12A of the Tariff.
- g. Whether or not a timely transmission or market settlement dispute has been submitted under section 12A(a) or section 12A(b), respectively, even if the Transmission Provider discovers a Continuing Error occurring within one (1) year from the date the Transmission Provider posts a notification on its website describing the existence of the Continuing Error, no corrective resettlement shall be performed where the total financial impact of a Continuing Error involving Market Activities does not exceed 0.5% of daily gross Market Activities per day. The financial impact(s) of the Continuing Error shall be determined during a period of twelve (12) consecutive Months going backward from the date of the notification describing the existence of the Continuing Error.



The participation by the United States through the Western Area Power Administration, or other Federal entity, in this Tariff is subject in all respects to acts of Congress and to regulations of the Secretary of Energy established thereunder, and to rate schedules promulgated by the Secretary of Energy. This reservation includes, but is not limited to, the statutory limitations upon the authority of the Secretary of Energy to submit disputes arising under this Tariff to arbitration. In the event of a conflict between these federal participation provisions and any other provision of this Tariff, these federal participation provisions shall have precedence with respect to the application of this Tariff to the United States.

Where activities provided for in this Tariff extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the obligations of the United States under this Tariff. In case such appropriation is not made, the Parties/Customers hereby release the United States from its contractual obligations under this Tariff and from all liability due to the failure of Congress to make such appropriation.

For the purpose of this federal participation provision, the term “Contract” shall mean this Tariff and the term “Contractor” shall mean a Party/Customer having transactions with the Western Area Power Administration, or other Federal entity. During the performance of this Contract, the Contractor agrees to the provisions set forth in Section 12C. In addition, the Contractor will include the provisions set forth in Section 12C in every subcontract or purchase order involving the Western Area Power Administration or other Federal entity, unless exempted by rules, regulations or order of the Secretary of Labor.



Section 202 of Executive Order No. 11246, 30 Fed. Reg. 12319 (1965), as amended by Executive Order No. 12086, 43 Fed. Reg. 46501 (1978), which provides, among other things, that the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin, is incorporated by reference in the Contract by reference to same as if the specific language had been written into the Contract, except that Indian Tribes and tribal organizations may apply Indian Preference to the extent permitted by Federal law.

The Contract, to the extent that it is of a character specified in Section 103 of the Contract Work Hours and Safety Standards Act (“Act”), 40 U.S.C. §3701, as amended or supplemented, is subject to the provisions of the Act, 40 U.S.C. §3701-3708, as amended or supplemented, and to regulations promulgated by the Secretary of Labor pursuant to the Act.

The Contractor agrees not to employ any person undergoing sentence of imprisonment in performing the Contract except as provided by 18 U.S.C. §3622(c), as amended or supplemented, and Executive Order No.11755, 39 Fed. Reg. 779 (1973), as amended or supplemented.



The participation in this Tariff by an ITC Participant that is not a public utility under the Federal Power Act, but rather is a public power entity, is subject in all respects to the laws and regulations of the state of its creation and to rate schedules adopted by its governing board under state law. The Commission has exclusive jurisdiction to interpret the provisions of this Tariff and how the provisions apply to such public power entity(ies). In the event of a conflict between such state law, regulations or rate schedules with any provisions of this Tariff, such state law, regulations or rate schedules shall govern with respect to the application of this Tariff to said ITC Participant.

However, in the event that the governing board of such public-power entity(ies), subject to state court review, determines that a conflict exists between the applicable state law, regulations or rate schedules and provisions of this Tariff as interpreted by the Commission, such state law, regulations or rate schedules shall govern with respect to the application of this Tariff to such public-power entity(ies).

Should the governing board of such public-power entity(ies) determine that such a conflict exists, the public-power entity(ies) must file with the Commission, such necessary documents notifying the Commission of the governing board determination of such a conflict and explaining both the conflict (including what state law, regulations or rate schedules and what Tariff provisions are at issue) and what actions the governing board is taking in response to that determination.

The participation under Module F of this Tariff by a Coordination Customer that is not a public utility under the Federal Power Act, but rather is a public-power entity, is subject in all respects to the laws and regulations of the state of its creation and to rate schedules adopted by its governing board under state law. The Commission has exclusive jurisdiction to interpret the provisions of Module F and how the provisions apply to such public-power entity.

However, in the event that the governing board of such public-power entity, subject to state court review, determines that a conflict exists between the applicable state law, regulations, or rate schedules, and the provisions of Module F as interpreted by the Commission, such state law, regulations, or rate schedules shall govern with respect to the application of Module F to such public-power entity. Should the governing board of such public-power entity determine that such a conflict exists, the public-power entity must file with the Commission, necessary documents notifying the Commission of the governing board's determination of such a conflict and explaining both the conflict (including what state laws, regulations or rate schedules, and what Module F provisions, are at issue) and what actions the governing board is taking in response to that determination.